

**INTERIM STATEMENT**  
**on comprehensive financial results**

«30» June 2012

Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

(name and address of the bank)

(thousand AMD)

Item	Note	01.04.12-30.06.12	01.01.12-30.06.12	01.04.11-30.06.11	01.01.11-30.06.11
Interest and similar income	6	1,985,695	3,816,586	1,796,056	3,527,545
Interest and similar expenses	6	(950,013)	(1,945,174)	(887,624)	(1,758,340)
<b>Net interest income</b>		<b>1,035,682</b>	<b>1,871,412</b>	<b>908,432</b>	<b>1,769,205</b>
Income from commissions and other fees	7	363,166	693,216	352,949	657,411
Expenses regarding commissions and other fees	7	(77,893)	(153,370)	(80,419)	(174,446)
<b>Net commissions received</b>		<b>285,273</b>	<b>539,846</b>	<b>272,530</b>	<b>482,965</b>
Income from dividends	9	1,212	1,547	1,065	1,461
Net trading income	8	497,587	750,381	212,034	590,698
Other operational income	9	51,325	135,473	28,529	96,129
<b>Operational income</b>		<b>1,871,079</b>	<b>3,298,659</b>	<b>1,422,590</b>	<b>2,940,458</b>
Impairment charge for credit losses	10	313,921	247,809	(292,057)	(423,299)
Total administrative expenses	11,20,21	(1,276,503)	(2,530,377)	(1,059,017)	(2,066,433)
Other operational expenses	12	(21,322)	(38,733)	(23,787)	(51,260)
Net loss/gain from investments in units under control		-	-	-	-
<b>Profit/ (loss) before tax</b>		<b>887,175</b>	<b>977,358</b>	<b>47,729</b>	<b>399,466</b>
Profit tax	13	(186,187)	(202,472)	(8,122)	(75,903)
<b>Net profit/ (loss)</b>		<b>700,988</b>	<b>774,886</b>	<b>39,607</b>	<b>323,563</b>
Including					
Owner's share					
Other share					

Approval date

Chief Executive Officer \_\_\_\_\_ T. Davtyan  
(Executive director)

Chief Accountant \_\_\_\_\_ G. Harutyunyan



INTERIM STATEMENT

*Other comprehensive income*

"31"June, 2012

Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

(name and address of the bank)

(հազար դրամ)

Item	Notes	01.04.12- 30.06.12	01.01.12- 30.06.12	01.04.11- 30.06.11 (audited)	01.01.11- 30.06.11 (audited)
<b>Other comprehensive income</b>		<b>(13,275)</b>	<b>33,701</b>	<b>40,028</b>	<b>33,463</b>
Rate differences from recalculation of foreign transactions		-	-	-	-
Net loss realized to net profit on disposal of available-for-sale instruments		(13,275)	33,701	40,028	33,463
Hedging of cash flows		-	-	-	-
Gain/loss from revaluation of fixed assets		-	-	-	-
Profit tax in other comprehensive income		-	-	-	-
<b>Other comprehensive income after tax</b>		<b>(13,275)</b>	<b>33,701</b>	<b>40,028</b>	<b>33,463</b>
<b>Comprehensive profit/ loss</b>		<b>(13,275)</b>	<b>33,701</b>	<b>40,028</b>	<b>33,463</b>
<b>Including</b>					
Owner's share					
Other share					

Approval date

Chief Executive Officer \_\_\_\_\_ T. Davtyan  
(Executive director)

Chief Accountant \_\_\_\_\_ G. Harutyunyan

## INTERIM FINANCIAL STATEMENT

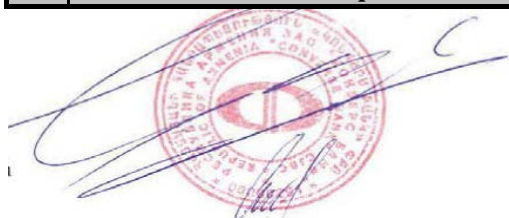
"30" June, 2012

Converse Bank CSJC, V. Sargsyan 26/1 st., Yerevan

(name and address of the bank)

(thous. drams)

	Item	Notes	Current period	Previous year
<b>1</b>	<b>Assets</b>			
1.1	Cash and balances with CBA	14	18,686,610	69,136,771
1.2	Precious metals	15	250,295	146,308
1.3	Trading securities	16	19,171	120,617
1.4	Amounts due from other financial institutions	17	9,537,992	11,607,502
1.5	Loans and advances to customers	18	52,990,513	46,190,254
1.6	Investments available for sale	19	2,102,512	3,610,849
1.7	Securities pledged under repurchase agreements	29	3,204,643	1,032,481
1.8	Property, plant and equipment	20	4,768,170	4,801,785
1.9	Intangible assets	21	202,285	218,780
1.10	Assets held for sale	22	2,292,134	59,228
1.11	Deferred tax assets	13	-	-
1.12	Prepaid income taxes		-	215,300
1.13	Other assets	23	1,331,733	454,022
	<b>Total assets</b>		<b>95,386,058</b>	<b>137,593,897</b>
<b>2</b>	<b>LIABILITIES AND EQUITY</b>			
	<b>Liabilities</b>			
2.1	Amounts due to financial institutions	24	18,021,122	18,002,890
2.2	Amounts due to customers	25	59,250,813	102,374,094
2.3	Debt securities issued	26	-	-
2.4	Deferred tax liabilities	13	430,342	361,094
2.5	Other liabilities	27	482,490	337,568
2.6	Other provisions	28	42,119	40,699
	<b>Total liabilities</b>		<b>78,226,886</b>	<b>121,116,345</b>
<b>3</b>	<b>Equity</b>			
3.1	Share capital	30	4,860,033	4,860,033
3.2	Share premium		63,233	63,233
3.3	Statutory general reserve		715,505	715,505
3.3.1	Other reserves		(1,767)	(35,468)
3.3.2	Buildings		3,135,127	3,295,797
3.4	Retained earnings		8,387,041	7,578,452
	<b>Total capital</b>		<b>17,159,172</b>	<b>16,477,552</b>
	<b>Total liabilities and capital</b>		<b>95,386,058</b>	<b>137,593,897</b>



Chief Executive Officer  
(Executive director)

\_\_\_\_\_ T. Davtyan

Chief Accountant

\_\_\_\_\_ G. Harutyunyan

INTERIM STATEMENT

on changes in capital

"30" June, 2012

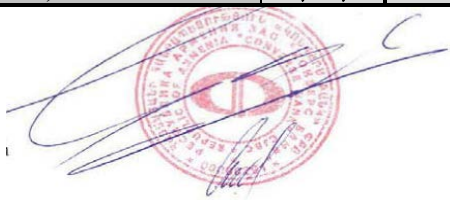
Converse Bank CSJC .V. Sargsyan 26/1 st., Yerevan

(name and address of the bank)

From the beginning of previous year till reporting date

(thous. drams)

Names of the equity's items Item	Share capital	Share premium/loss	General reserve	Revaluation reserve of financial assets held for sale	Revaluation reserve of fixed assets	Accrual profit (loss)	Total
<b>Balance as of 01 January, 2011</b>	<b>4,860,033</b>	<b>63,233</b>	<b>648,183</b>	<b>(37,427)</b>	<b>3,617,136</b>	<b>7,413,682</b>	<b>16,564,840</b>
Adjustments to previous period error					33,959	(222,266)	(188,307)
Current profit				-	-	323,563	323,563
Investments in share capital							0
Internal flows of capital items							0
<b>Other comprehensive income</b>							
Increase/decrease in fair value of fixed and intangible assets from revaluation							0
Profit tax referred to other comprehensive income					(160,670)	160,670	0
Profit / loss from revaluation of financial assets available for sale							0
Net flow of the securities available for sale that are recognized in capital				33,463			33,463
<b>Total other comprehensive income</b>							0
	0	0	0	33,463	(160,670)	160,670	33,463
<b>Balance as of 30 June, 2011</b>	<b>4,860,033</b>	<b>63,233</b>	<b>648,183</b>	<b>(3,964)</b>	<b>3,490,425</b>	<b>7,675,649</b>	<b>16,733,559</b>
<b>Balance as of 01 January, 2012</b>	<b>4,860,033</b>	<b>63,233</b>	<b>715,505</b>	<b>(35,468)</b>	<b>3,295,797</b>	<b>7,578,452</b>	<b>16,477,552</b>
Adjustments to previous period error						(126,968)	(126,968)
<b>Profit/ Loss for the reporting period</b>						774,887	774,887
Other elements of the internal movements of capital							0
Dividends to shareholders							0
<b>Other comprehensive income</b>							0
Adjustment to revaluation reserve on depreciation of Revaluation of PPE					(160,670)	160,670	0
Net unrealized gains from changes in fair value				2,750			2,750
Net losses realized to comprehensive income				30,951			30,951
Income tax relating to components of other							0
Total comprehensive income for the year	0	0	0	33,701	(160,670)	160,670	33,701
<b>Balance as of 30 June, 2012</b>	<b>4,860,033</b>	<b>63,233</b>	<b>715,505</b>	<b>(1,767)</b>	<b>3,135,127</b>	<b>8,387,041</b>	<b>17,159,172</b>



Chief Executive Officer  
(Executive director)

T. Davtyan

Chief Accountant

G. Harutyunyan

INTERIM STATEMENT

on cash flow of bank

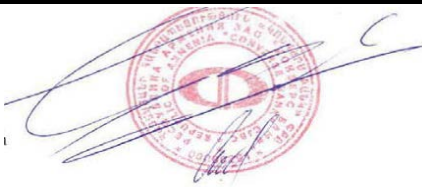
"30" June, 2012

Converse Bank CSJC .V. Sargsyan 26/1 st., Yerevan

(name and address of the bank)

(thous. drams)

Item	From beginning of current year till reporting date	From beginning of previous year till reporting date
<b>I. Net cash flow from operational activities</b>	<b>x</b>	<b>x</b>
Interests received	4,211,040	2,941,891
Interests paid	(1,927,231)	(1,615,314)
Commissions received	656,571	632,995
Commissions paid	(153,370)	(174,446)
Decrease (Increase) of investments through profit and loss and held for sale	936	90,409
Profit/loss from sale of currency	422,142	429,914
Recovery from previously written off assets	771,570	229,243
Other income from operational activities	2,517,927	457,540
Salary paid and other equal payments	(1,238,777)	(802,287)
Other operational and administrative expenses	(1,708,273)	(1,242,019)
<b>(Increase) / decrease of operational assets</b>	<b>(11,347,042)</b>	<b>1,313,896</b>
Deposited funds with the CBA	200,191	397,366
Precious metals	(103,987)	(2,802)
Funds allocated in Banks and other financial institutions	135,440	1,391,890
Loans provided to customers	(11,786,339)	(478,453)
Other assets	207,653	5,895
<b>(Decrease) /increase of operational assets</b>	<b>(43,510,887)</b>	<b>(12,707,758)</b>
Deposits and accounts of banks and other financial institutions	8,121,997	(2,383,508)
Deposits and accounts of clients	(54,293,512)	(10,232,167)
Trading liabilities	2,173,205	-
Other liabilities	487,423	(92,083)
<b>Net cash flow from operational activities before profit tax</b>	<b>(51,305,394)</b>	<b>(10,445,936)</b>
Paid profit tax	(45,000)	(48,266)
<b>Net cash flow from operational activities after profit tax</b>	<b>(51,350,394)</b>	<b>(10,494,202)</b>
<b>2. Net cash flow from investing activities</b>	<b>x</b>	<b>x</b>
Buy/ sell of investments	0	43,600
Dividends received	30	1,461
Acquisition of fixed assets and intangible assets	(535,420)	(287,407)
Disposal of fixed assets and intangible assets	177,123	-
<b>Net cash flow from investing activities</b>	<b>(358,267)</b>	<b>(242,346)</b>
<b>Net cash flow from financing activities</b>		
Issue of share capital	-	-
Credits from financial institutions	54,385	2,761,994
Debt securities issued	-	-
<b>Net cash flow from financing activities</b>	<b>54,385</b>	<b>2,761,994</b>
<b>Net cash flow</b>	<b>(51,654,276)</b>	<b>(7,974,554)</b>
Effect of exchange rate changes on cash and cash equivalents	72,401,755	30,190,270
Cash and cash equivalents at the beginning of the year	1,621,922	1,306,250
<b>Cash and net resources equaled to cash at the end of the period</b>	<b>22,369,401</b>	<b>23,521,966</b>



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(Executive director)

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