

Statement of cash flows for the year ended December 31, 2013

In USD	Notes	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss)/profit for the year		(97,225)	1,358,758
Adjustments for non-cash items:			
Provision for impairment losses on interest bearing assets		679,487	41,860
Loss from disposal of property and equipment and intangible assets		-	1,864
Translation differences, net and net gain on financial assets and liabilities at fair value through profit or loss		-	63,783
Net change in accrued interest		1,828,558	626,560
Depreciation and amortization		400,571	242,295
Income tax expense recognized in profit and loss		(31,601)	331,924
Cash inflow from operating activities before changes in operating assets and liabilities		2,779,790	2,667,044
Changes in operating assets and liabilities			
(Increase)/decrease in operating assets:			
Loans to customers		(14,930,553)	(9,810,222)
Other assets		251,745	(388,444)
Increase/(decrease) in operating liabilities:			
Other liabilities		307,513	156,731
Cash outflow from operating activities before taxation and interest		(11,591,505)	(7,374,891)
Income tax paid		(222,156)	(533,875)
Net cash outflow from operating activities		(11,813,661)	(7,908,766)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase for property and equipment		(672,061)	(592,033)
Purchase for intangible assets		(116,794)	(98,975)
Net cash outflow from investing activities		(788,855)	(691,008)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		-	5,500,000
Dividends paid on shares		(722,236)	(788,964)
Proceeds from borrowed funds		32,805,843	17,168,248
Repayment of borrowed funds		(21,732,047)	(10,404,179)
Net cash inflow from financing activities		10,351,560	11,475,105
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		(44,367)	4,145
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,295,323)	2,879,476
CASH AND CASH EQUIVALENTS, beginning of period	5	6,077,913	3,198,437
CASH AND CASH EQUIVALENTS, end of period	5	3,782,590	6,077,913

The financial statements were authorised for issue on March 14, 2014 by the Board of Directors.

General Director
Hrachya Tokhmakhyan

Chief Accountant
Artak Miqayelyan

