

**Statement of Cash Flows for the Year Ended December 31, 2016**  
*(In US Dollars, unless otherwise stated)*

	Note	2016	2015
<b>Cash flows from operating activities:</b>			
Profit before tax		1,558,153	164,903
<b>Adjustments for:</b>			
Impairment losses on interest bearing assets		2,705,291	1,587,091
Loss on disposal of property and equipment and intangible assets		7,678	5,449
Net change in accrued interest		(1,516,412)	109,161
Depreciation and amortization		400,712	413,160
Net foreign exchange loss		(3,535)	65,338
<b>Cash inflow from operating activities before changes in operating assets and liabilities</b>		<b>3,151,887</b>	<b>2,345,102</b>
<b>Changes in operating assets and liabilities</b>			
Net (decrease)/increase in financial assets and liabilities at fair value		(61,420)	405,829
Decrease/(Increase) in loans to customers		3,222,849	(5,633,727)
(Increase)/Decrease in other assets		(26,329)	123,876
Increase in liabilities under repurchase agreements		577,910	1,913,693
(Increase)/Decrease in other liabilities		(32,471)	169,496
<b>Cash inflow from/(used in) operating activities before income tax paid</b>		<b>6,832,426</b>	<b>(675,731)</b>
Income tax paid		(41,145)	(165,505)
<b>Net cash from/(used in) operating activities</b>		<b>6,791,281</b>	<b>(841,236)</b>
<b>Cash flows from investing activities:</b>			
Purchase of available-for-sale financial assets		(496,768)	(2,005,764)
Purchase of property and equipment		(133,180)	(173,397)
Purchase of intangible assets		(179,915)	(209,471)
<b>Net cash used in investing activities</b>		<b>(809,863)</b>	<b>(2,388,632)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowed funds		69,703,988	29,495,819
Repayment of borrowed funds		(73,017,584)	(29,301,395)
Repayment of subordinated debt		(2,481,163)	-
<b>Net cash (used in)/from financing activities</b>		<b>(5,794,759)</b>	<b>194,424</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>186,659</b>	<b>(3,035,444)</b>
<b>Cash and cash equivalents, beginning of the year</b>	5	<b>2,460,564</b>	<b>5,596,539</b>
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		(27,677)	(100,531)
<b>Cash and cash equivalents, end of the year</b>	5	<b>2,619,546</b>	<b>2,460,564</b>

The financial statements were authorized for issue on March 23, 2017 by the Board of Directors.

  
**Hrachya Tokhmakhyan**  
 General Director

  
**Artak Miqayelyan**  
 Chief Accountant

The notes on pages 9 - 50 form an integral part of these financial statements.