

# Open Joint Stock Company "International Bank of Azerbaijan"

## Interim Condensed Consolidated Statement of Cash Flows for the 1st half of 2016 (in thousands of Azerbaijan Manats)

	Note	1st half 2016	1st half 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Interest received		71,248	61,170
Interest paid		(263,446)	(234,484)
Fees and commissions received		63,957	62,603
Fees and commissions paid		(10,065)	(8,381)
Receipts from trading in foreign currencies		46,827	16,718
Other operating income received		5,049	9,147
Staff costs paid		(27,651)	(31,017)
Other operating expenses paid		(51,330)	(27,637)
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Cash flows used in operating activities before changes in operating assets and liabilities		(165,411)	(151,881)
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Changes in operating assets and liabilities:			
Net decrease/(increase) in mandatory cash balances with the Central Banks			
Net (increase)/decrease in due from banks and other financial institutions		3,425	(2,648)
Net increase in loans to customers		(3,166,124)	43,207
Net (increase)/decrease in financial assets at fair value through profit or loss		(1,198,820)	(120,194)
Cash received from CJSC Agrarkredit	14	(6,413)	7,906
Net decrease/(increase) in other assets		4,580,000	-
Net decrease in due to banks and other financial institutions		178,687	(60,407)
Net increase/(decrease) in customer accounts		(503,920)	(447,990)
Net increase/(decrease) in other liabilities		1,522,661	(139,420)
		21,040	(34)
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Cash generated/(used) in operating activities before taxation		1,265,125	(871,461)
Income tax paid		(7,213)	(4,862)
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Net cash generated/(used) in operating activities		1,257,912	(876,323)
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<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments for property, equipment and intangible assets		(56,117)	(28,363)
Proceeds on sale of investments available-for-sale		-	5,287
Payments for investments available-for-sale		(35,436)	(690)
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Net cash used in investing activities		(91,553)	(23,766)
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# Open Joint Stock Company "International Bank of Azerbaijan"

## Interim Condensed Consolidated Statement of Cash Flows (continued) for the 1st half of 2016 (in thousands of Azerbaijan Manats)

	Note	1st half 2016	1st half 2015
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issue of ordinary shares		-	51,095
Proceeds from issue of debt securities		-	79,531
Repayment of debt securities		(111,722)	-
Proceeds from other borrowed funds		202,655	621,742
Repayment of other borrowed funds		(497,003)	(415,615)
Proceeds from issue of subordinated debt		-	262,510
Net cash (used)/generated from financing activities		(406,070)	599,263
Effect of exchange rate changes on the balance of cash held in foreign currencies		(68,643)	124,615
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		691,646	(176,211)
CASH AND CASH EQUIVALENTS, beginning of period	5	1,597,696	593,195
CASH AND CASH EQUIVALENTS, end of period	5	2,289,342	416,984

### On behalf of the Board of Directors:

**Mr. Elmar Mammadov**  
Chairman of the Board of Directors

Baku, the Republic of Azerbaijan  
October 28, 2016

**Mr. Ulvi Mansurov**  
Chief Financial Officer

Baku, the Republic of Azerbaijan  
October 28, 2016

The notes on pages 9-26 form an integral part of this consolidated condensed interim financial information.