Interim Financial Statements Statement of Financial Position

«30» September 2019

HSBC Bank Armenia CJSC

Address: 66 Teryan Street, Yerevan 0009, Republic of Armenia

In thousands of Armenian Drams	30.09.2019	31.12.2018 Audited
Assets		
Cash and cash equivalents	33,211,088	43,085,915
Loans and advances to banks	17,496,474	17,359,992
Investments in debt securities	22,804,523	23,783,772
Investments in equity securities	32,043	32,093
Loans and advances to customers (See Note1)	120,844,146	103,780,022
Other assets	7,308,423	4,849,894
Deferred income tax asset	967,399	1,059,593
Property, equipment and intangible assets	3,685,103	2,718,200
Total assets (See Note1)	206,349,199	196,669,481
Liabilities		
Due to other banks	44,804	421,388
Current accounts and deposits from customers	158,078,652	152,952,355
Current tax liability	274,970	-
Other liabilities	6,983,232	3,740,031
Total liabilities	165,381,658	157,113,774
EQUITY		
Share capital	18,434,350	18,434,350
Retained earnings	22,159,565	20,752,161
Share-based payments reserve	87,895	83,371
Revaluation reserve for financial assets at fair value through other comprehensive income	51,959	-123,036
Revaluation reserve for AFS securities	-	175,089
Revaluation reserve for land and buildings	233,772	233,772
Total equity	40,967,541	39,555,707
Total liabilities and equity	206,349,199	196,669,481
Note1: Additional information on loan portfolio volumes provided by HSBC Group		
	30.09.2019	31.12.2018
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	55,281,982	72,124,647
Total loans including loans to customers provided by HSBC Bank plc, London as referred by the Bank	176,126,128	175,904,669
Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank	261,631,181	268,794,128

Chief Executive Officer

Chief Financial Officer

Died -

P. Edgar

R. Melkonyan

Interim Financial Statements Statement of Profit or Loss and Other Comprehensive Income

«30» September 2019

HSBC Bank Armenia CJSC

Address: 66 Teryan Street, Yerevan 0009, Republic of Armenia

01.07.19- 30.09.19	01.01.19-30.09.19	01.07.18- 30.09.18	01.01.18-30.09.18
2,853,234	8,311,479	2,712,406	8,017,907
13,162			234,006
· · · · · · · · · · · · · · · · · · ·	-2,242,755	· · · · · · · · · · · · · · · · · · ·	-2,819,786
	6,126,022		5,432,127
-589,322	-126,171	-276,281	-793,037
1,544,080	5,999,851	1,617,023	4,639,090
578,498	1,810,365	632,821	2,001,493
-160,769	-401,065	-127,852	-348,621
83,906	-145,553	103,442	74,999
5,564	2,449	3,093	13,002
199,589	654,294	154,796	505,494
44,903	363,813	51,040	123,216
-1,087,851	-3,212,877	-1,114,538	-3,130,938
-1,094,378	-3,296,429	-889,793	-3,337,061
113,542	1,774,848	430,032	540,674
-22,990	-367,444	-86,007	-117,968
90,552	1,407,404	344,025	422,706
16,930	-94	-29,740	-144,205
16,930	-94	-29,740	-144,205
	2,853,234 13,162 -732,994 2,133,402 -589,322 1,544,080 578,498 -160,769 83,906 5,564 199,589 44,903 -1,087,851 -1,094,378 113,542 -22,990 90,552	2,853,234 8,311,479 13,162 57,298 -732,994 -2,242,755 2,133,402 6,126,022 -589,322 -126,171 1,544,080 5,999,851 578,498 1,810,365 -160,769 -401,065 83,906 -145,553 5,564 2,449 199,589 654,294 44,903 363,813 -1,087,851 -3,212,877 -1,094,378 -3,296,429 113,542 1,774,848 -22,990 -367,444 90,552 1,407,404	30.09.19 30.09.18 2,853,234 8,311,479 2,712,406 13,162 57,298 30,578 -732,994 -2,242,755 -849,680 2,133,402 6,126,022 1,893,304 -589,322 -126,171 -276,281 1,544,080 5,999,851 1,617,023 578,498 1,810,365 632,821 -160,769 -401,065 -127,852 83,906 -145,553 103,442 5,564 2,449 3,093 199,589 654,294 154,796 44,903 363,813 51,040 -1,087,851 -3,212,877 -1,114,538 -1,094,378 -3,296,429 -889,793 113,542 1,774,848 430,032 -22,990 -367,444 -86,007 90,552 1,407,404 344,025

Chief Executive Officer

Profit before taxes including net profit from loans to customers provided

by HSBC Bank plc, London as referred by the Bank

Chief Financial Officer

greed-

3,563,297

P. Edgar

2,674,960

R. Melkonyan

Interim Financial Statements Statement of Changes in Equity

«30» September 2019

HSBC Bank Armenia CJSC

Address: 66 Teryan Street, Yerevan 0009, Republic of Armenia

In thousands of Armenian Drams	Share capital	Share-based payments reserve	Revaluation reserve for AFS securities	Revaluation reserve for securities at FVOCI	Revaluation reserve for premises	Retained earnings	Total
Balance at 1 January 2018	18,434,350	95,927	175,089	,	- 233,772	20,047,198	38,986,336
Adoption of IFRS 9: remeasurement for expected credit losses, net of tax	-	-				149,811	149,811
Restated balance at 1 January 2018	18,434,350	95,927	175,089	ı	- 233,772	20,197,009	39,136,147
Loss for the year Other comprehensive income	-	- -			 	422,706	422,706 -144,205
Total comprehensive income for 2018 Share-based payments	- -	23,685	111,200		 	422,706	278,501 23,685
Balance at 30 September 2018	18,434,350	119,612	30,884		- 233,772	20,619,715	39,438,333
Balance at 1 January 2019	18,434,350	83,371	175,089	-123,03	36 233,772	20,752,161	39,555,707
Profit for the year Other comprehensive income	-	-	-	9	 04 -	1,407,404	1,407,404 -94
Total comprehensive income for 2019 Share-based payments	-	4,524	· -	9		1,407,404	1,407,310 4,524
Balance at 30 September 2019	18,434,350	87,895	175,089	-123,13	0 233,772	22,159,565	40,967,541

Chief Executive Officer

y (de)

P. Edgar

Chief Financial Officer

R. Melkonyan

Interim Financial Statements Statement of Cash Flows

«30» September 2019

HSBC Bank Armenia CJSC

Address: 66 Teryan Street, Yerevan 0009, Republic of Armenia

In thousands of Armenian Drams	01.01.19- 30.09.19	01.01.18- 30.09.18
Cash flows from operating activities		
Interest income calculated using the effective interest method received	7,637,598	8,260,949
Interest paid	-2,321,744	-2,940,140
Fees and commissions received	1,785,472	2,111,675
Fees and commissions paid	-367,243	-405,979
Income received from financial derivatives	-171,112	141,932
Income received from trading in foreign currencies	552,107	523,978
Net other operating income received	314,841	97,393
Staff costs paid	-3,290,944	-3,359,459
Administrative expenses paid	-2,204,060	-1,689,301
Income tax (paid)/received	1 024 015	3,241
Cash flows from operating activities before changes in operating assets and liabilities	1,934,915	2,744,289
Net (increase)/decrease in:		
- investments in debt securities at fair value through profit or loss	275,893	27,257
- investments in debt securities at fair value through other comprehensive income	-511,213	11,319,443
- debt securities carried at amortised cost	1,366,829	-7,310,252
- loans and advances to banks	83,860	-18,749,528
- loans and advances to customers	-18,333,999	-8,754,810
- other assets	942,444	-1,477,636
Net increase/(decrease) in:		
- due to other banks	-376,738	-5,976,431
- current accounts and deposits from customers	7,400,465	7,337,607
- other liabilities	-184,589	53,139
Net cash (used in)/from operating activities	-7,402,133	-20,786,922
Cash flows from investing activities	1.521.150	500.045
Acquisition of property, equipment and intangible assets	-1,531,158	-590,845
Proceeds from disposal of property, equipment and intangible assets	25,326	2661
Net cash used in investing activities	-1,505,832	-588,184
Effect of exchange rate changes on cash and cash equivalents	-587,440	-794,626
Net (decrease)/increase in cash and cash equivalents	-9,495,405	-22,169,732
Cash and cash equivalents at the beginning of the year	42,617,095	68,935,410
Cash and cash equivalents at the end of the reporting period	33,121,690	46,765,678
Count and count equitations at the one of the reporting period	33,121,030	70,702,070

Chief Executive Officer

P. Edgar

Chief Financial Officer

R. Melkonyan