Interim Financial Statements Statement of Financial Position

«31» March 2020

HSBC Bank Armenia CJSC

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

In thousands of Armenian Drams	31.03.2020	31.12.2019 Audited	
Assets			
Cash and cash equivalents	34,493,946	39,454,938	
Loans and advances to banks	18,328,708	17,278,393	
Investments in debt securities	27,776,465	24,456,299	
Investments in equity securities	32,093	32,069	
Loans and advances to customers	129,183,858	118,921,797	
Other assets	8,457,686	7,996,334	
Right of Use assets	774,079	874,025	
Deferred income tax asset	498,067	498,067	
Property, equipment and intangible assets	3,933,741	4,064,431	
Total assets (See Note1)	223,478,643	213,576,353	
Liabilities			
Due to other banks	23,751	26,457	
Current accounts and deposits from customers	171,192,005	162,843,540	
Current tax liability	291,413	0	
Other liabilities	9,287,676	9,164,153	
Total liabilities	180,794,845	172,034,150	
POLITY			
EQUITY Share capital	18,434,350	18,434,350	
Retained earnings	23,793,086	22,627,633	
Share-based payments reserve	111,003	111,003	
Revaluation reserve for financial assets at fair value through other comprehensive income	30,928	54,786	
Revaluation reserve for land and buildings	314,431	314,431	
Total equity	42,683,798	41,542,203	
Total liabilities and equity	223,478,643	213,576,353	
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Note1: Additional information on loan portfolio volumes provided by HSBC Group			
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank	31.03.2020	31.12.2019	
Armenia cjsc	74,586,605	55,589,654	
Total loans including loans to customers provided by HSBC Bank plc, London as			
referred by the Bank	203,770,463	174,511,451	
Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank	298,065,248	269,166,007	

Chief Executive Officer

Chief Financial Officer



I. Seylanyan

R. Melkonyan

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

«31» March 2020

HSBC Bank Armenia CJSC

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

In thousands of Armenian Drams	01.01.20-31.03.20	01.01.19-31.03.19
Interest income calculated using the effective interest method	3,042,878	2,739,560
Other similar income	36,942	21,675
Interest expense	-688,296	-738,157
Other similar expense	-18,931	-27,134
Net margin on interest and similar income	2,372,593	1,995,944
Credit loss allowance	572,382	-407,934
Net margin on interest and similar income after credit loss allowance	2,944,975	1,588,010
Fee and commission income	601,408	587,171
Fee and commission expense	-175,407	-112,329
Gains less losses from financial derivatives	85,601	-87,393
Gains less losses from investments	-19	-5,776
Gains less losses from trading in foreign currencies	159,471	180,653
Other operating income	36,682	37,594
Personnel expenses	-1,040,852	-1,046,293
Other general administrative expenses	-1,154,796	-1,089,394
Profit before tax (see Note2)	1,457,063	52,243
Income tax expense	-291,610	-10,449
Profit for the year	1,165,453	41,794
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss:		
Debt securities at fair value through other comprehensive income:		
- Gains less losses arising during the year	-23,858	-17,024
Other comprehensive loss for the year	-23,858	-17,024
Total comprehensive income for the year	1,141,595	24,770

Note2: Additional information on profit, including net profit from loans and advances to customers provided by HSBC Group

	01.01.20-31.03.20	01.01.19-31.03.19
Net profit from loans to customers provided by HSBC Bank plc, London as referred by the Bank Profit before taxes including net profit from loans to customers provided by HSBC Bank plc, London as referred by the Bank	491,458	446,335
by Hisbe Bank pie, London as referred by the Bank	1,948,521	498,578

Chief Executive Officer

Chief Financial Officer



I. Seylanyan

R. Melkonyan

Interim Financial Statements Statement of Changes in Equity

«31» March 2020

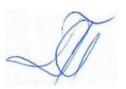
HSBC Bank Armenia CJSC

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

In thousands of Armenian Drams	Share capital	Share-based payments reserve	Revaluation reserve for securities at FVOCI	Revaluation reserve for land and buildings	Retained earnings	Total
Balance at 1 January 2019	18,434,350	83,371	52,053	233,772	20,752,161	39,555,707
Profit for the year	-	-			41,794	41,794
Other comprehensive income	-	-	-17,024	-	-	-17,024
Total comprehensive income for 2019 Share-based payments	-	-	-17,024	-	41,794	24,770 -
Balance at 31 March 2019	18,434,350	83,371	35,029	233,772	20,793,955	39,580,477
Balance at 1 January 2020	18,434,350	111,003	54,786	314,431	22,627,633	41,542,203
Profit for the year	-	-		-	1,165,453	1,165,453
Other comprehensive income	-	-	-23,858	-	-	-23,858
Total comprehensive income for 2020 Share-based payments	-	-	-23,858	0	1,165,453	1,141,595 0
Balance at 31 March 2020	18,434,350	111,003	30,928	314,431	23,793,086	42,683,798

Chief Executive Officer

Chief Financial Officer



I. Seylanyan

R. Melkonyan

Interim Financial Statements Statement of Cash Flows

«31» March 2020

HSBC Bank Armenia CJSC

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

In thousands of Armenian Drams	01.01.20- 31.03.20	01.01.19 31.03.19
Cash flows from operating activities		
Interest income calculated using the effective interest method received	2,702,649	2,488,723
Interest paid	-655,070	-824,016
Fees and commissions received	452,331	473,000
Fees and commissions paid	-100,491	-146,237
Income paid from financial derivatives	38,700	-83,020
Income received from trading in foreign currencies	314,870	154,013
Net other operating income received	36,799	-4,80
Staff costs paid	-1,730,337	-1,524,680
Administrative expenses paid	-502,261	-316,66
Income tax (paid)/received	0	(
Cash flows from operating activities before changes in operating assets and liabilities	557,190	216,311
Net (increase)/decrease in:		
- investments in debt securities at fair value through profit or loss	-162	-233
- loans and advances to banks	-270,939	3,533,698
- loans and advances to customers	-5,741,480	-7,586,91
- other assets	291,674	1,103,84
Net increase/(decrease) in:		
- due to other banks	-4,004	-341,292
- current accounts and deposits from customers	2,817,379	-1,070,200
- other liabilities	-95,134	-13,807
Net cash used in operating activities	-2,445,476	-4,158,597
Cash flows from investing activities		
Acquisition of property, equipment and intangible assets	-15,350	-517,210
Proceeds from disposal of property, equipment and intangible assets	0	, (
Acquisition of debt securities at fair value through other comprehensive income	-8,934,240	-5,009,272
Proceeds from redemption of debt securities at fair value through other comprehensive income	4,041,131	3,423,08
Acquisition of debt securities carried at amortised cost	-959,014	-558,33
Proceeds from redemption of debt securities carried at amortised cost	2,775,488	3,161,870
Net cash (used in)/from investing activities	-3,091,985	500,138
Effect of exchange rate changes on cash and cash equivalents	936,698	-18,597
Net decrease in cash and cash equivalents	-4,600,763	-3,677,056
Cash and cash equivalents at the beginning of the year	38,991,586	42,617,095
Cash and cash equivalents at the end of the reporting period	34,390,823	38,940,039

Chief Executive Officer

I. Seylanyan

Chief Financial Officer

R. Melkonyan