HSBC Bank Armenia CJSCInterim Financial Statements

For Quarter 3 2021



Interim Financial Statements Statement of Financial Position

«30» September 2021

HSBC Bank Armenia CJSC

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

In thousands of Armenian Drams	30.09.2021	31.12.2020 Audited
Assets		
Cash and cash equivalents	53,177,100	38,918,509
Loans and advances to banks	2,861,549	9,666,154
Investments in debt securities	32,397,178	31,417,813
Investments in equity securities	32,104	32,221
Loans and advances to customers	152,952,231	143,745,937
Other assets	7,270,730	10,985,673
Right of Use assets	143,620	474,269
Property, equipment and intangible assets	3,406,722	3,709,047
Total assets (See Note1)	252,241,234	238,949,623
Liabilities		
Due to other banks	18,366,053	13,591,168
Current accounts and deposits from customers	178,210,940	170,863,821
Deferred tax liability	1,065,705	447,107
Other liabilities	7,982,995	10,279,830
Total liabilities	205,625,693	195,181,926
EQUITY		
Share capital	18,434,350	18,434,350
Retained earnings	27,824,883	24,904,661
Share-based payments reserve	117,315	117,315
Revaluation reserve for financial assets at fair value through other comprehensive income	-83,299	-10,921
Revaluation reserve for land and buildings	322,292	322,292
Total equity	46,615,541	43,767,697
Total liabilities and equity	252,241,234	238,949,623
Note1: Additional information on loan portfolio volumes provided by HSBC Group		
	30.09.2021	31.12.2020
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	58,895,279	63,708,734
Total loans including loans to customers provided by HSBC Bank plc, London as		
referred by the Bank	211,847,510	207,454,671
Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank	311,136,513	302,658,357

Chief Executive Officer

Chief Accountant/Deputy CFO



I. Seylanyan

S. Sargsyan

«15» October 2021

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

«30» September 2021

HSBC Bank Armenia CJSC

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

In thousands of Armenian Drams	01.07.21- 30.09.21	01.01.21- 30.09.21	01.07.20- 30.09.20	01.01.20- 30.09.20
Interest income calculated using the effective interest method	3,820,418	11,060,030	3,185,124	9,209,429
Other similar income	17,878	40,901	12,260	61,533
Interest expense	-727,209	-2,155,897	-686,545	-2,050,257
Other similar expense	-23,426	-52,039	-14,524	-53,605
Net margin on interest and similar income	3,087,661	8,892,995	2,496,315	7,167,100
Credit loss allowance	-595,689	-678,894	-694,570	-683,263
Net margin on interest and similar income after credit loss allowance	2,491,972	8,214,101	1,801,745	6,483,837
Fee and commission income	576,692	1,578,176	640,655	1,840,471
Fee and commission expense	-133,775	-392,526	-165,000	-479,780
Gains less losses from financial derivatives	-257,475	-670,392	343,007	243,877
Gains less losses from investments	-10,819	-18,104	-498	5,083
Gains less losses from trading in foreign currencies	609,886	1,571,916	392,134	966,521
Other operating income	20,772	138,477	19,137	79,953
Personnel expenses	-878,045	-2,587,943	-958,430	-2,957,492
Other general administrative expenses	-1,411,076	-4,293,722	-1,050,653	-3,482,688
Profit before tax	1,008,132	3,539,983	1,022,097	2,699,782
Income tax expense	-181,871	-619,761	-150,719	-431,690
Profit for the year	826,261	2,920,222	871,378	2,268,092
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	-24,372	-72,378	-4,613	40,664
Other comprehensive loss for the year	-24,372	-72,378	-4,613	40,664
Total comprehensive income for the year	801,889	2,847,844	866,765	2,308,756

Chief Executive Officer



I. Seylanyan

Chief Accountant/Deputy CFO

S. Sargsyan

«15» October 2021

Interim Financial Statements Statement of Changes in Equity

«30» September 2021

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 2020	18,434,350	111,003	54,786	314,431	22,627,633	41,542,203
Profit for the year Other comprehensive income	-	- -	40,664		2,268,092	2,268,092 40,664
Total comprehensive income for 2019 Share-based payments	-	6,312	40,664	- -	2,268,092	2,308,756 6,312
Balance at 30 September 2020	18,434,350	117,315	95,450	314,431	24,895,725	43,857,271
Balance at 1 January 2021	18,434,350	117,315	-10,921	322,292	24,904,661	43,767,697
Profit for the year Other comprehensive income	- -	- -	-72,378		2,920,222	2,920,222 -72,378
Total comprehensive income for 2021 Share-based payments	-	-	-72,378	0	2,920,222	2,847,844
Balance at 30 September 2021	18,434,350	117,315	-83,299	322,292	27,824,883	46,615,541

Chief Executive Officer



I. Seylanyan

Chief Accountant/Deputy CFO

South

S. Sargsyan

«15» October 2021

Interim Financial Statements Statement of Cash Flows

«30» September 2021

HSBC Bank Armenia CJSC

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

In thousands of Armenian Drams	01.01.21- 30.09.21	01.01.20- 30.09.20
Cash flows from operating activities		
Interest income calculated using the effective interest method received	10,679,439	8,737,969
Interest paid	-2,122,678	-2,052,777
Fees and commissions received	1,696,647	1,683,124
Fees and commissions paid	-513,646	-449,640
Income paid from financial derivatives	575,255	64,203
Income received from trading in foreign currencies	1,117,460	1,050,239
Net other operating income received	254,520	79,992
Staff costs paid	-2,774,135	-3,331,495
Administrative expenses paid	-3,303,332	-2,437,787
Cash flows from operating activities before changes in operating assets and liabilities	5,609,530	3,343,828
Net (increase)/decrease in:		
- investments in debt securities at fair value through profit or loss	-1,155	132,896
- loans and advances to banks	7,040,932	-342,652
- loans and advances to customers	-17,274,800	-18,163,080
- other assets	428,565	-1,068,541
Net increase/(decrease) in:		
- due to other banks	6,210,462	11,141,134
- current accounts and deposits from customers	17,278,856	-2,909,456
- other liabilities	-144,230	-441,392
Net cash used in operating activities	19,148,160	-8,307,263
Cash flows from investing activities		
Acquisition of property, equipment and intangible assets	-230,758	-272,067
Proceeds from disposal of property, equipment and intangible assets	17,004	250
Acquisition of debt securities at fair value through other comprehensive income	-20,586,921	-22,729,141
Proceeds from redemption of debt securities at fair value through other comprehensive income	18,544,536	18,709,989
Acquisition of debt securities carried at amortised cost	-865,424	-7,380,364
Proceeds from redemption of debt securities carried at amortised cost	1,670,492	6,837,848
Net cash (used in)/from investing activities	-1,451,071	-4,833,485
Effect of exchange rate changes on cash and cash equivalents	-3,135,817	667,988
Net decrease in cash and cash equivalents	14,561,272	-12,472,760
Cash and cash equivalents at the beginning of the year	38,461,272	38,991,586
Cash and cash equivalents at the end of the reporting period	53,022,544	26,518,826

Chief Executive Officer

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I. Seylanyan

Chief Accountant/Deputy CFO

S. Sargsyan