

Interim Financial Statements
Statement of Financial Position
«31» March 2019

HSBC Bank Armenia CJSC
Address: 66 Teryan Street, Yerevan 0009, Republic of Armenia

<i>In thousands of Armenian Drams</i>	31.03.2019	31.12.2018 Audited
Assets		
Cash and cash equivalents	39,245,862	43,085,915
Loans and advances to banks	14,048,830	17,359,992
Investments in debt securities	22,954,114	23,783,772
Investments in equity securities	32,081	32,093
Loans and advances to customers <i>(See Note1)</i>	111,266,547	103,780,022
Other assets	6,711,571	4,849,894
Deferred income tax asset	1,059,593	1,059,593
Property, equipment and intangible assets	3,052,574	2,718,200
Total assets <i>(See Note1)</i>	198,371,172	196,669,481
Liabilities		
Due to other banks	83,551	421,388
Current accounts and deposits from customers	152,099,101	152,952,355
Current tax liability	10,449	-
Other liabilities	6,597,594	3,740,031
Total liabilities	158,790,695	157,113,774
EQUITY		
Share capital	18,434,350	18,434,350
Retained earnings	20,793,955	20,752,161
Share-based payments reserve	83,371	83,371
Revaluation reserve for financial assets at fair value through other comprehensive income	35,029	-123,036
Revaluation reserve for AFS securities	-	175,089
Revaluation reserve for land and buildings	233,772	233,772
Total equity	39,580,477	39,555,707
Total liabilities and equity	198,371,172	196,669,481

Note1: Additional information on loan portfolio volumes provided by HSBC Group

	31.03.2019	31.12.2018
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	68,280,281	72,124,647
Total loans including loans to customers provided by HSBC Bank plc, London as referred by the Bank	179,546,828	175,904,669
Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank	266,651,453	268,794,128

Acting Chief Executive Officer

Chief Financial Officer




A. Pinajian

A. Drambyan

«15» April 2019p.

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

«31» March 2019

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<i>In thousands of Armenian Drams</i>	01.01.19-31.03.19	01.01.18-31.03.18
Interest income calculated using the effective interest method	2,739,560	2,646,736
Other similar income	21,675	97,880
Interest and similar expense	-765,291	-1,020,663
Net margin on interest and similar income	1,995,944	1,723,953
Credit loss allowance	-407,934	489,651
Net margin on interest and similar income after credit loss allowance	1,588,010	2,213,604
Fee and commission income	587,171	686,785
Fee and commission expense	-112,329	-110,410
Gains less losses from financial derivatives	-87,393	-32,039
Gains less losses from investments	-5,776	16,738
Gains less losses from trading in foreign currencies	180,653	215,268
Other operating income	37,594	32,264
Personnel expenses	-1,046,293	-941,594
Other general administrative expenses	-1,089,394	-1,169,760
Profit before tax (see Note2)	52,243	910,856
Income tax expense	-10,449	-182,171
Profit for the year	41,794	728,685
Other comprehensive loss:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Debt securities at fair value through other comprehensive income:		
- Gains less losses arising during the year	-17,024	-63,909
Other comprehensive loss for the year	-17,024	-63,909
Total comprehensive income for the year	24,770	664,776

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

	01.01.19-31.03.19	01.01.18-31.03.18
Net profit from loans to customers provided by HSBC Bank plc, London as referred by the Bank	446,335	1,025,559
Profit before taxes including net profit from loans to customers provided by HSBC Bank plc, London as referred by the Bank	498,578	1,936,415

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Interim Financial Statements
Statement of Changes in Equity

«31» March 2019

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	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	-	233,772	20,197,009	39,136,147
Loss for the year	-	-	-	-	-	728,685	728,685
Other comprehensive income	-	-	-63,909	-	-	-	-63,909
Total comprehensive income for 2018	-	-	-63,909	-	-	728,685	664,776
Share-based payments	-	-	-	-	-	-	-
Balance at 31 March 2018	18,434,350	95,927	111,180	-	233,772	20,925,694	39,800,923
Balance at 1 January 2019	18,434,350	83,371	175,089	-123,036	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	-	-	-	-17,024	-	41,794	24,770
Share-based payments	-	-	-	-	-	-	-
Balance at 31 March 2019	18,434,350	83,371	175,089	-140,060	233,772	20,793,955	39,580,477

Acting Chief Executive Officer



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Chief Financial Officer

A. Drambyan

«15» April 2019թ.

Interim Financial Statements
Statement of Cash Flows

«31» March 2019

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	01.01.19- 31.03.19	01.01.18- 31.03.18
Cash flows from operating activities		
Interest income calculated using the effective interest method received	2,488,723	2,478,302
Interest paid	-824,016	-927,678
Fees and commissions received	473,000	879,418
Fees and commissions paid	-146,237	-153,769
Income received from financial derivatives	-83,026	31,084
Income received from trading in foreign currencies	154,015	178,642
Net other operating income received	-4,807	21,889
Staff costs paid	-1,524,680	-1,509,188
Administrative expenses paid	-316,661	-269,792
Cash flows from operating activities before changes in operating assets and liabilities	216,311	728,908
<i>Net (increase)/decrease in:</i>		
- investments in debt securities at fair value through profit or loss	-233	-198
- investments in debt securities at fair value through other comprehensive income	-1,586,185	2,840,005
- debt securities carried at amortised cost	2,603,533	-1,142,111
- loans and advances to banks	3,533,698	-8,936,838
- loans and advances to customers	-7,586,919	3,712,438
- other assets	1,103,845	-573,902
<i>Net increase/(decrease) in:</i>		
- due to other banks	-341,292	-644,724
- current accounts and deposits from customers	-1,070,200	5,309,273
- other liabilities	-13,807	14,188
Net cash (used in)/from operating activities	-3,141,249	1,307,039
Cash flows from investing activities		
Acquisition of property, equipment and intangible assets	-517,210	-129,371
Net cash used in investing activities	-517,210	-129,371
Effect of exchange rate changes on cash and cash equivalents	-18,597	116,431
Net (decrease)/increase in cash and cash equivalents	-3,677,056	1,294,099
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 year	38,940,039	70,229,509

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