

HSBC Bank Armenia CJSC
Interim Financial Statements
For Quarter 3 2020



Interim Financial Statements
Statement of Financial Position

«30» September 2020

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	30.09.2020	31.12.2019 Audited
Assets		
Cash and cash equivalents	26,553,197	39,454,938
Loans and advances to banks	18,170,795	17,278,393
Investments in debt securities	29,136,103	24,456,299
Investments in equity securities	32,119	32,069
Loans and advances to customers	139,020,738	118,921,797
Other assets	11,497,445	7,996,334
Right of Use assets	574,149	874,025
Deferred income tax asset	468,002	498,067
Property, equipment and intangible assets	3,739,281	4,064,431
Total assets (See Note1)	229,191,829	213,576,353
Liabilities		
Due to other banks	11,115,161	26,457
Current accounts and deposits from customers	163,197,245	162,843,540
Current tax liability	400,961	0
Other liabilities	10,621,191	9,164,153
Total liabilities	185,334,558	172,034,150
EQUITY		
Share capital	18,434,350	18,434,350
Retained earnings	24,895,725	22,627,633
Share-based payments reserve	117,315	111,003
Revaluation reserve for financial assets at fair value through other comprehensive income	95,450	54,786
Revaluation reserve for land and buildings	314,431	314,431
Total equity	43,857,271	41,542,203
Total liabilities and equity	229,191,829	213,576,353

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

	30.09.2020	31.12.2019
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	58,469,840	55,589,654
Total loans including loans to customers provided by HSBC Bank plc, London as referred by the Bank	197,490,578	174,511,451
Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank	287,661,669	269,166,007

Chief Executive Officer

I. Seylanyan

Chief Financial Officer

R. Melkonyan

«15» October 2020

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

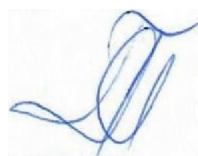
«30» September 2020

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	01.07.20- 30.09.20	01.01.20- 30.09.20	01.07.19- 30.09.19	01.01.19- 30.09.19
Interest income calculated using the effective interest method	3,185,124	9,209,429	2,853,234	8,311,479
Other similar income	12,260	61,533	13,162	57,298
Interest expense	-686,545	-2,050,257	-709,851	-2,167,996
Other similar expense	-14,524	-53,605	-23,143	-74,759
Net margin on interest and similar income	2,496,315	7,167,100	2,133,402	6,126,022
Credit loss allowance	-694,570	-683,263	-589,322	-126,171
Net margin on interest and similar income after credit loss allowance	1,801,745	6,483,837	1,544,080	5,999,851
Fee and commission income	640,655	1,840,471	578,498	1,810,365
Fee and commission expense	-165,000	-479,780	-160,769	-401,065
Gains less losses from financial derivatives	343,007	243,877	83,906	-145,553
Gains less losses from investments	-498	5,083	5,564	2,449
Gains less losses from trading in foreign currencies	392,134	966,521	199,589	654,294
Other operating income	19,137	79,953	44,903	363,813
Personnel expenses	-958,430	-2,957,492	-1,087,851	-3,212,877
Other general administrative expenses	-1,050,653	-3,482,688	-1,094,378	-3,296,429
Profit before tax	1,022,097	2,699,782	113,542	1,774,848
Income tax expense	-150,719	-431,690	-22,990	-367,444
Profit for the year	871,378	2,268,092	90,552	1,407,404
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	-4,613	40,664	9,192	-94
Other comprehensive loss for the year	-4,613	40,664	9,192	-94
Total comprehensive income for the year	866,765	2,308,756	99,744	1,407,310

Chief Executive Officer



I. Seylanyan

Chief Financial Officer

R. Melkonyan

«15» October 2020

Interim Financial Statements
Statement of Changes in Equity

«30» September 2020

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 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	-	-	-	-	1,407,404	1,407,404
Other comprehensive income	-	-	-94	-	-	-94
Total comprehensive income for 2019	-	-	-94	-	1,407,404	1,407,310
Share-based payments	-	4,524	-	-	-	4,524
Balance at 30 September 2019	18,434,350	87,895	51,959	233,772	22,159,565	40,967,541
Balance at 1 January 2020	18,434,350	111,003	54,786	314,431	22,627,633	41,542,203
Profit for the year	-	-	-	-	2,268,092	2,268,092
Other comprehensive income	-	-	40,664	-	-	40,664
Total comprehensive income for 2020	-	-	40,664	0	2,268,092	2,308,756
Share-based payments	-	6312	-	-	-	6,312
Balance at 30 September 2020	18,434,350	117,315	95,450	314,431	24,895,725	43,857,271

Chief Executive Officer

I. Seylanyan

Chief Financial Officer

R. Melkonyan

«15» October 2020

Interim Financial Statements

Statement of Cash Flows

«30» September 2020

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

<i>In thousands of Armenian Drams</i>	01.01.20- 30.09.20	01.01.19- 30.09.19
Cash flows from operating activities		
Interest income calculated using the effective interest method received	8,737,969	7,637,598
Interest paid	-2,052,777	-2,321,744
Fees and commissions received	1,683,124	1,785,472
Fees and commissions paid	-449,640	-367,243
Income paid from financial derivatives	64,203	-171,112
Income received from trading in foreign currencies	1,050,239	552,107
Net other operating income received	79,992	314,841
Staff costs paid	-3,331,495	-3,290,944
Administrative expenses paid	-2,437,787	-2,204,060
Cash flows from operating activities before changes in operating assets and liabilities	3,343,828	1,934,915
<i>Net (increase)/decrease in:</i>		
- investments in debt securities at fair value through profit or loss	132,896	275,893
- loans and advances to banks	-342,652	83,860
- loans and advances to customers	-18,163,080	-18,333,999
- other assets	-1,068,541	942,444
<i>Net increase/(decrease) in:</i>		
- due to other banks	11,141,134	-376,738
- current accounts and deposits from customers	-2,909,456	7,400,465
- other liabilities	-441,392	-184,589
Net cash used in operating activities	-8,307,263	-8,257,749
Cash flows from investing activities		
Acquisition of property, equipment and intangible assets	-272,067	-1,531,158
Proceeds from disposal of property, equipment and intangible assets	250	25,326
Acquisition of debt securities at fair value through other comprehensive income	-22,729,141	-18,538,810
Proceeds from redemption of debt securities at fair value through other comprehensive income	18,709,989	18,027,597
Acquisition of debt securities carried at amortised cost	-7,380,364	-4,809,406
Proceeds from redemption of debt securities carried at amortised cost	6,837,848	6,176,235
Net cash (used in)/from investing activities	-4,833,485	-650,216
Effect of exchange rate changes on cash and cash equivalents	667,988	-587,440
Net decrease in cash and cash equivalents	-12,472,760	-9,495,405
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	26,518,826	33,121,690

Chief Executive Officer

I. Seylanyan

Chief Financial Officer

R. Melkonyan



«15» October 2020