

HSBC Bank Armenia CJSC
Interim Financial Statements
For Quarter 4 2020



Interim Financial Statements
Statement of Financial Position

«31» December 2020

HSBC Bank Armenia CJSC


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

<i>In thousands of Armenian Drams</i>	31.12.2020	31.12.2019 Audited
Assets		
Cash and cash equivalents	38,918,509	39,454,938
Loans and advances to banks	9,666,154	17,278,393
Investments in debt securities	31,417,813	24,456,299
Investments in equity securities	32,221	32,069
Loans and advances to customers	143,745,937	118,921,797
Other assets	10,985,673	7,996,334
Right of Use assets	474,269	874,025
Deferred income tax asset	0	498,067
Property, equipment and intangible assets	3,709,047	4,064,431
Total assets (See Note1)	238,949,623	213,576,353
Liabilities		
Due to other banks	13,591,168	26,457
Current accounts and deposits from customers	170,863,821	162,843,540
Deferred tax liability	447,107	0
Other liabilities	10,279,830	9,164,153
Total liabilities	195,181,926	172,034,150
EQUITY		
Share capital	18,434,350	18,434,350
Retained earnings	24,904,661	22,627,633
Share-based payments reserve	117,315	111,003
Revaluation reserve for financial assets at fair value through other comprehensive income	-10,921	54,786
Revaluation reserve for land and buildings	322,292	314,431
Total equity	43,767,697	41,542,203
Total liabilities and equity	238,949,623	213,576,353

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

	31.12.2020	31.12.2019
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	63,708,734	55,589,654
Total loans including loans to customers provided by HSBC Bank plc, London as referred by the Bank	207,454,671	174,511,451
Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank	302,658,357	269,166,007

Chief Executive Officer



I. Seylanyan

Acting Chief Financial Officer




S. Sargsyan

«15» January 2021

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

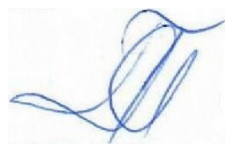
«31» December 2020

HSBC Bank Armenia CJSC

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<i>In thousands of Armenian Drams</i>	01.10.20- 31.12.20	01.01.20- 31.12.20	01.10.19- 31.12.19	01.01.19- 31.12.19
Interest income calculated using the effective interest method	3,491,335	12,700,764	3,045,181	11,356,660
Other similar income	9,470	71,003	23,142	80,440
Interest expense	-671,291	-2,721,548	-749,526	-2,917,522
Other similar expense	-12,245	-65,850	-21,061	-95,820
Net margin on interest and similar income	2,817,269	9,984,369	2,297,736	8,423,758
Credit loss allowance	-1,067,139	-1,750,402	-367,604	-493,775
Net margin on interest and similar income after credit loss allowance	1,750,130	8,233,967	1,930,132	7,929,983
Fee and commission income	638,533	2,479,004	650,541	2,460,906
Fee and commission expense	-157,179	-636,959	-171,621	-572,686
Gains less losses from financial derivatives	1,003,705	1,247,582	97,117	-48,436
Gains less losses from investments	-18,693	-13,610	11,269	13,718
Gains less losses from trading in foreign currencies	-545,589	420,932	176,028	830,322
Other operating income	-51,701	28,252	180,344	544,157
Personnel expenses	-936,534	-3,894,026	-1,352,801	-4,565,678
Other general administrative expenses	-1,135,257	-4,617,945	-878,902	-4,175,331
Profit before tax	547,415	3,247,197	642,107	2,416,955
Income tax expense	-538,479	-970,169	-174,039	-541,483
Profit for the year	8,936	2,277,028	468,068	1,875,472
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	-106,371	-65,707	2,827	2,733
<i>Items that will not be reclassified to profit or loss:</i>				
Revaluation of land and buildings:	7,861	7,861	80,659	80,659
Other comprehensive loss for the year	-98,510	-57,846	83,486	83,392
Total comprehensive income for the year	-89,574	2,219,182	551,554	1,958,864

Chief Executive Officer



I. Seylanyan

Acting Chief Financial Officer




S. Sargsyan

«15» January 2021

Interim Financial Statements
Statement of Changes in Equity

«31» December 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	-	-	-	-	1,875,472	1,875,472
Other comprehensive income	-	-	2,733	80,659	-	83,392
Total comprehensive income for 2019	-	-	2,733	80,659	1,875,472	1,958,864
Share-based payments	-	27,632	-	-	-	27,632
Balance at 31 December 2019	18,434,350	111,003	54,786	314,431	22,627,633	41,542,203
Balance at 1 January 2020	18,434,350	111,003	54,786	314,431	22,627,633	41,542,203
Profit for the year	-	-	-	-	2,277,028	2,277,028
Other comprehensive income	-	-	-65,707	7861	-	-57,846
Total comprehensive income for 2020	-	-	-65,707	7861	2,277,028	2,219,182
Share-based payments	-	6312	-	-	-	6,312
Balance at 31 December 2020	18,434,350	117,315	-10,921	322,292	24,904,661	43,767,697

Chief Executive Officer



I. Seylanyan

Acting Chief Financial Officer

S. Sargsyan

«15» January 2021

Interim Financial Statements

Statement of Cash Flows

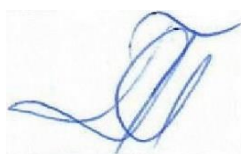
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<i>In thousands of Armenian Drams</i>	01.01.20- 31.12.20	01.01.19- 31.12.19
Cash flows from operating activities		
Interest income calculated using the effective interest method received	11,876,543	10,595,257
Interest paid	-2,784,069	-3,066,674
Fees and commissions received	2,248,132	2,556,329
Fees and commissions paid	-662,141	-552,251
Income paid from financial derivatives	438,805	-83,713
Income received from trading in foreign currencies	1,707,083	777,177
Net other operating income received	92,416	586,388
Staff costs paid	-4,130,358	-4,200,043
Administrative expenses paid	-3,326,179	-3,226,284
Cash flows from operating activities before changes in operating assets and liabilities	5,460,232	3,386,186
<i>Net (increase)/decrease in:</i>		
- investments in debt securities at fair value through profit or loss	132,174	276,286
- loans and advances to banks	8,203,492	-8,887
- loans and advances to customers	-16,982,957	-15,420,514
- other assets	32,973	1,540,097
<i>Net increase/(decrease) in:</i>		
- due to other banks	12,012,383	-400,525
- current accounts and deposits from customers	-3,537,958	10,918,375
- other liabilities	-641,621	-712,618
Net cash used in operating activities	4,678,718	-421,600
Cash flows from investing activities		
Acquisition of property, equipment and intangible assets	-507,831	-2,128,468
Proceeds from disposal of property, equipment and intangible assets	1,268	26,786
Acquisition of debt securities at fair value through other comprehensive income	-27,671,382	-22,142,364
Proceeds from redemption of debt securities at fair value through other comprehensive income	21,974,264	20,254,031
Acquisition of debt securities carried at amortised cost	-10,373,381	-7,062,745
Proceeds from redemption of debt securities carried at amortised cost	9,184,315	8,036,410
Net cash (used in)/from investing activities	-7,392,747	-3,016,350
Effect of exchange rate changes on cash and cash equivalents	2,183,715	-187,559
Net decrease in cash and cash equivalents	-530,314	-3,625,509
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	38,461,272	38,991,586

Chief Executive Officer




I. Scylanyan

Acting Chief Financial Officer



S. Sargsyan