

HSBC Bank Armenia CJSC

Interim Financial Statements

For Quarter 1 2021

Interim Financial Statements
Statement of Financial Position

«31» March 2021

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	31.03.2021	31.12.2020 Audited
Assets		
Cash and cash equivalents	36,756,082	38,918,509
Loans and advances to banks	18,412,705	9,666,154
Investments in debt securities	28,806,057	31,417,813
Investments in equity securities	32,194	32,221
Loans and advances to customers	144,801,184	143,745,937
Other assets	8,751,676	10,985,673
Right of Use assets	374,304	474,269
Deferred income tax asset	0	0
Property, equipment and intangible assets	3,873,010	3,709,047
Total assets (See Note 1)	241,807,212	238,949,623
Liabilities		
Due to other banks	12,549,296	13,591,168
Current accounts and deposits from customers	175,325,862	170,863,821
Current tax liability	286,176	447,107
Deferred tax liability	447,107	0
Other liabilities	8,116,438	10,279,830
Total liabilities	196,724,879	195,181,926
EQUITY		
Share capital	18,434,350	18,434,350
Retained earnings	26,207,855	24,904,661
Share-based payments reserve	117,315	117,315
Revaluation reserve for financial assets at fair value through other comprehensive income	521	-10,921
Revaluation reserve for land and buildings	322,292	322,292
Total equity	45,082,333	43,767,697
Total liabilities and equity	241,807,212	238,949,623

Note 1: Additional information on loan portfolio volumes provided by HSBC Group

	31.03.2021	31.12.2020
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	63,952,473	63,708,734
Total loans including loans to customers provided by HSBC Bank plc, London as referred by the Bank	208,753,657	207,454,671
Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank	305,759,685	302,658,357

Chief Executive Officer



I. Seylanyan

Acting Chief Financial Officer



S. Sargsyan



«15» April 2021

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

«31» March 2021

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	01.01.21-31.03.21	01.01.20-31.03.20
Interest income calculated using the effective interest method	3,461,041	3,042,878
Other similar income	13,620	36,942
Interest expense	-702,713	-688,296
Other similar expense	-9,912	-18,931
Net margin on interest and similar income	2,762,036	2,372,593
Credit loss allowance	147,605	572,382
Net margin on interest and similar income after credit loss allowance	2,909,641	2,944,975
Fee and commission income	519,518	601,408
Fee and commission expense	-164,699	-175,407
Gains less losses from financial derivatives	230,359	85,601
Gains less losses from investments	-1,604	-19
Gains less losses from trading in foreign currencies	223,766	159,471
Other operating income	107,639	36,682
Personnel expenses	-811,224	-1,040,852
Other general administrative expenses	-1,423,532	-1,154,796
Profit before tax	1,589,864	1,457,063
Income tax expense	-286,670	-291,610
Profit for the year	1,303,194	1,165,453
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	11,442	-23,858
Other comprehensive loss for the year	11,442	-23,858
Total comprehensive income for the year	1,314,636	1,141,595

Chief Executive Officer




I. Seylanyan

Acting Chief Financial Officer



S. Sargsyan

«15» April 2021

Interim Financial Statements
Statement of Changes in Equity

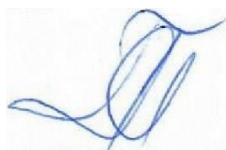
«31» March 2021

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 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 2019	-	-	-23,858	0	1,165,453	1,141,595
Share-based payments	-	-	-	-	-	0
Balance at 31 March 2020	18,434,350	111,003	30,928	314,431	23,793,086	42,683,798
Balance at 1 January 2021	18,434,350	117,315	-10,921	322,292	24,904,661	43,767,697
Profit for the year	-	-	-	-	1,303,194	1,303,194
Other comprehensive income	-	-	11,442	-	-	11,442
Total comprehensive income for 2020	-	-	11,442	0	1,303,194	1,314,636
Share-based payments	-	-	-	-	-	0
Balance at 31 March 2021	18,434,350	117,315	521	322,292	26,207,855	45,082,333

Chief Executive Officer




I. Seylanyan

Acting Chief Financial Officer



S. Sargsyan

«15» April 2021

Interim Financial Statements
Statement of Cash Flows

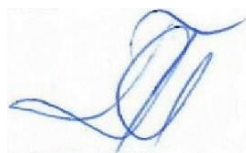
«31» March 2021

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	01.01.21- 31.03.21	01.01.20- 31.03.20
Cash flows from operating activities		
Interest income calculated using the effective interest method received	3,314,450	2,702,649
Interest paid	-640,865	-655,070
Fees and commissions received	480,002	452,331
Fees and commissions paid	-166,679	-100,491
Income paid from financial derivatives	350,122	38,700
Income received from trading in foreign currencies	281,894	314,870
Net other operating income received	96,521	36,799
Staff costs paid	-1,267,816	-1,730,337
Administrative expenses paid	-1,304,850	-502,261
Income tax (paid)/received		0
Cash flows from operating activities before changes in operating assets and liabilities	1,142,779	557,190
<i>Net (increase)/decrease in:</i>		
- investments in debt securities at fair value through profit or loss	-257	-162
- loans and advances to banks	-8,293,131	-270,939
- loans and advances to customers	-326,156	-5,741,480
- other assets	449,665	291,674
<i>Net increase/(decrease) in:</i>		
- due to other banks	-702,662	-4,004
- current accounts and deposits from customers	3,555,170	2,817,379
- other liabilities	-112,901	-95,134
Net cash used in operating activities	-4,287,493	-2,445,476
Cash flows from investing activities		
Acquisition of property, equipment and intangible assets	-109,510	-15,350
Proceeds from disposal of property, equipment and intangible assets	11,112	0
Acquisition of debt securities at fair value through other comprehensive income	-4,793,710	-8,934,240
Proceeds from redemption of debt securities at fair value through other comprehensive income	6,545,732	4,041,131
Acquisition of debt securities carried at amortised cost	0	-959,014
Proceeds from redemption of debt securities carried at amortised cost	908,466	2,775,488
Net cash (used in)/from investing activities	2,562,090	-3,091,985
Effect of exchange rate changes on cash and cash equivalents	-106,344	936,698
Net decrease in cash and cash equivalents	-1,831,747	-4,600,763
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	36,629,525	34,390,823

Chief Executive Officer




I. Scylanyan

Acting Chief Financial Officer



S. Sargsyan

«15» April 2021