

# HSBC Bank Armenia CJSC

## Interim Financial Statements

For Quarter 3 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

<i>In thousands of Armenian Drams</i>	<b>01.07.21- 30.09.21</b>	<b>01.01.21- 30.09.21</b>	<b>01.07.20- 30.09.20</b>	<b>01.01.20- 30.09.20</b>
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
<b>Net margin on interest and similar income</b>	<b>3,087,661</b>	<b>8,892,995</b>	<b>2,496,315</b>	<b>7,167,100</b>
Credit loss allowance	-595,689	-678,894	-694,570	-683,263
<b>Net margin on interest and similar income after credit loss allowance</b>	<b>2,491,972</b>	<b>8,214,101</b>	<b>1,801,745</b>	<b>6,483,837</b>
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
<b>Profit before tax</b>	<b>1,008,132</b>	<b>3,539,983</b>	<b>1,022,097</b>	<b>2,699,782</b>
Income tax expense	-181,871	-619,761	-150,719	-431,690
<b>Profit for the year</b>	<b>826,261</b>	<b>2,920,222</b>	<b>871,378</b>	<b>2,268,092</b>
<b>Other comprehensive loss:</b>				
<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	-24,372	-72,378	-4,613	40,664
<b>Other comprehensive loss for the year</b>	<b>-24,372</b>	<b>-72,378</b>	<b>-4,613</b>	<b>40,664</b>
<b>Total comprehensive income for the year</b>	<b>801,889</b>	<b>2,847,844</b>	<b>866,765</b>	<b>2,308,756</b>

Chief Executive Officer




I. Seylanyan

Chief Accountant/Deputy CFO



S. Sargsyan

«15» October 2021

**Interim Financial Statements**  
**Statement of Changes in Equity**

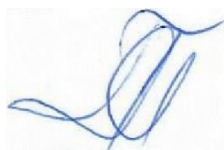
«30» September 2021

**HSBC Bank Armenia CJSC**

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

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

Chief Executive Officer




I. Seylanyan

Chief Accountant/Deputy CFO



S. Sargsyan

«15» October 2021

## Interim Financial Statements

### Statement of Cash Flows

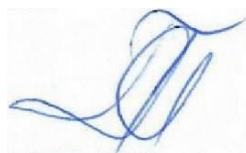
«30» September 2021

#### HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	<b>01.01.21- 30.09.21</b>	<b>01.01.20- 30.09.20</b>
<b>Cash flows from operating activities</b>		
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
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>5,609,530</b>	<b>3,343,828</b>
<i>Net (increase)/decrease in:</i>		
- 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
<i>Net increase/(decrease) in:</i>		
- 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
<b>Net cash used in operating activities</b>	<b>19,148,160</b>	<b>-8,307,263</b>
<b>Cash flows from investing activities</b>		
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
<b>Net cash (used in)/from investing activities</b>	<b>-1,451,071</b>	<b>-4,833,485</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>-3,135,817</b>	<b>667,988</b>
<b>Net decrease in cash and cash equivalents</b>	<b>14,561,272</b>	<b>-12,472,760</b>
Cash and cash equivalents at the beginning of the year	<b>38,461,272</b>	<b>38,991,586</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>53,022,544</b>	<b>26,518,826</b>

Chief Executive Officer




I. Scylanyan

Chief Accountant/Deputy CFO



S. Sargsyan