

HSBC Bank Armenia CJSC

Interim Financial Statements

For Quarter 4 2021

Interim Financial Statements
Statement of Financial Position

«31» December 2021

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	31.12.2021	31.12.2020 Audited
Assets		
Cash and cash equivalents	59,095,112	38,918,509
Loans and advances to banks	2,638,161	9,666,154
Investments in debt securities	35,103,522	31,417,813
Investments in equity securities	32,077	32,221
Loans and advances to customers	153,634,134	143,745,937
Other assets	7,405,647	10,985,673
Right of Use assets	42,944	474,269
Property, equipment and intangible assets	3,404,677	3,709,047
Total assets (See Note 1)	261,356,274	238,949,623
Liabilities		
Due to other banks	6,315,952	13,591,168
Current accounts and deposits from customers	198,416,816	170,863,821
Current tax liability	129,698	0
Deferred tax liability	896,028	447,107
Other liabilities	8,622,610	10,279,830
Total liabilities	214,381,104	195,181,926
EQUITY		
Share capital	18,434,350	18,434,350
Retained earnings	28,129,711	24,904,661
Share-based payments reserve	117,315	117,315
Revaluation reserve for financial assets at fair value through other comprehensive income	-28,498	-10,921
Revaluation reserve for land and buildings	322,292	322,292
Total equity	46,975,170	43,767,697
Total liabilities and equity	261,356,274	238,949,623

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

	31.12.2021	31.12.2020
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	54,068,305	63,708,734
Total loans including loans to customers provided by HSBC Bank plc, London as referred by the Bank	207,702,439	207,454,671
Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank	315,424,579	302,658,357

Chief Executive Officer



I. Seylanyan

Chief Accountant/Deputy CFO



S. Sargsyan



«14» January 2021

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

«31» December 2021

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	01.10.21- 31.12.21	01.01.21- 31.12.21	01.10.20- 31.12.20	01.01.20- 31.12.20
Interest income calculated using the effective interest method	4,035,731	15,095,761	3,491,335	12,700,764
Other similar income	16,084	56,985	9,470	71,003
Interest expense	-759,717	-2,915,614	-671,291	-2,721,548
Other similar expense	-51,911	-103,950	-12,245	-65,850
Net margin on interest and similar income	3,240,187	12,133,182	2,817,269	9,984,369
Credit loss allowance	-1,878,413	-2,557,307	-1,067,139	-1,750,402
Net margin on interest and similar income after credit loss allowance	1,361,774	9,575,875	1,750,130	8,233,967
Fee and commission income	703,142	2,281,318	638,533	2,479,004
Fee and commission expense	-161,999	-554,525	-157,179	-636,959
Gains less losses from financial derivatives	-100,886	-771,278	1,003,705	1,247,582
Gains less losses from investments	-2,371	-20,475	-18,693	-13,610
Gains less losses from trading in foreign currencies	573,423	2,145,339	-545,589	420,932
Other operating income	91,907	230,384	-51,701	28,252
Personnel expenses	-965,233	-3,553,176	-936,534	-3,894,026
Other general administrative expenses	-1,230,725	-5,524,447	-1,135,257	-4,617,945
Profit before tax	269,032	3,809,015	547,415	3,247,197
Income tax expense	35,796	-583,965	-538,479	-970,169
Profit for the year	304,828	3,225,050	8,936	2,277,028
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	54,801	-17,577	-106,371	-65,707
<i>Items that will not be reclassified to profit or loss:</i>				
Revaluation of land and buildings	0	0	7,861	7,861
Other comprehensive loss for the year	54,801	-17,577	-98,510	-57,846
Total comprehensive income for the year	359,629	3,207,473	-89,574	2,219,182

Chief Executive Officer




I. Scylanyan

Chief Accountant/Deputy CFO



S. Sargsyan

«14» January 2021

Interim Financial Statements
Statement of Changes in Equity

«31» December 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	-	-	-	-	2,277,028	2,277,028
Other comprehensive income	-	-	-65,707	7861	-	-57,846
Total comprehensive income for 2019	-	-	-65,707	7,861	2,277,028	2,219,182
Share-based payments	-	6,312	-	-	-	6,312
Balance at 31 December 2020	18,434,350	117,315	-10,921	322,292	24,904,661	43,767,697
Balance at 1 January 2021	18,434,350	117,315	-10,921	322,292	24,904,661	43,767,697
Profit for the year	-	-	-	-	3,225,050	3,225,050
Other comprehensive income	-	-	-17,577	-	-	-17,577
Total comprehensive income for 2021	-	-	-17,577	0	3,225,050	3,207,473
Share-based payments	-	-	-	-	-	0
Balance at 31 December 2021	18,434,350	117,315	-28,498	322,292	28,129,711	46,975,170

Chief Executive Officer



I. Seylanyan

Chief Accountant/Deputy CFO

S. Sargsyan

«14» January 2021

Interim Financial Statements

Statement of Cash Flows

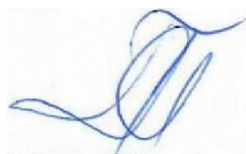
«31» December 2021

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	01.01.21- 31.12.21	01.01.20- 31.12.20
Cash flows from operating activities		
Interest income calculated using the effective interest method received	13,998,231	11,876,543
Interest paid	-2,945,079	-2,784,069
Fees and commissions received	2,425,354	2,248,132
Fees and commissions paid	-683,219	-662,141
Income paid from financial derivatives	364,423	438,805
Income received from trading in foreign currencies	1,833,811	1,707,083
Net other operating income received	382,162	92,416
Staff costs paid	-3,521,811	-4,130,358
Administrative expenses paid	-3,907,338	-3,326,179
Cash flows from operating activities before changes in operating assets and liabilities	7,946,534	5,460,232
<i>Net (increase)/decrease in:</i>		
- investments in debt securities at fair value through profit or loss	-1,991	132,174
- loans and advances to banks	6,624,273	8,203,492
- loans and advances to customers	-20,756,223	-16,982,957
- other assets	775,964	32,973
<i>Net increase/(decrease) in:</i>		
- due to other banks	-5,700,276	12,012,383
- current accounts and deposits from customers	38,951,043	-3,537,958
- other liabilities	-270,661	-641,621
Net cash used in operating activities	27,568,663	4,678,718
Cash flows from investing activities		
Acquisition of property, equipment and intangible assets	-461,117	-507,831
Proceeds from disposal of property, equipment and intangible assets	17,837	1,268
Acquisition of debt securities at fair value through other comprehensive income	-43,648,266	-27,671,382
Proceeds from redemption of debt securities at fair value through other comprehensive income	36,180,779	21,974,264
Acquisition of debt securities carried at amortised cost	-865,424	-10,373,381
Proceeds from redemption of debt securities carried at amortised cost	4,875,811	9,184,315
Net cash (used in)/from investing activities	-3,900,380	-7,392,747
Effect of exchange rate changes on cash and cash equivalents	-3,776,837	2,183,715
Net decrease in cash and cash equivalents	19,891,446	-530,314
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	58,352,718	38,461,272

Chief Executive Officer




I. Scylanyan

Chief Accountant/Deputy CFO



S. Sargsyan

«14» January 2021