

HSBC Bank Armenia CJSC

Interim Financial Statements

For Quarter 1 2022

Interim Financial Statements
Statement of Financial Position

«31» March 2022

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	31.03.2022	31.12.2021 Audited
Assets		
Cash and cash equivalents	69,027,171	59,755,872
Loans and advances to banks	4,537,655	2,638,161
Investments in debt securities	39,881,608	35,103,522
Investments in equity securities	32,072	32,077
Loans and advances to customers	156,583,627	153,634,134
Other assets	10,494,523	7,405,647
Right of Use assets	325,159	42,944
Property, equipment and intangible assets	2,623,708	3,404,677
Total assets (See Note1)	283,505,523	262,017,034
Liabilities		
Due to other banks	3,480,385	6,315,952
Current accounts and deposits from customers	217,575,593	199,077,576
Current tax liability	597,045	129,698
Deferred tax liability	896,028	896,028
Other liabilities	11,942,218	8,622,610
Total liabilities	234,491,269	215,041,864
EQUITY		
Share capital	18,434,350	18,434,350
Share-based payments reserve	117,315	117,315
Revaluation reserve for financial assets at fair value through other comprehensive income	-117,101	-28,498
Revaluation reserve for land and buildings	88,335	322,292
Retained earnings	30,491,355	28,129,711
Total equity	49,014,254	46,975,170
Total liabilities and equity	283,505,523	262,017,034

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

	31.03.2022	31.12.2021
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	60,033,695	54,068,305
Total loans including loans to customers provided by HSBC Bank plc, London as referred by the Bank	216,617,322	207,702,439
Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank	343,539,218	316,085,339

Chief Executive Officer



I. Seylanyan

Chief Accountant/Deputy CFO



S. Sargsyan



«15» April 2022

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

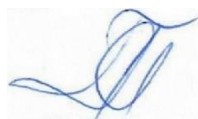
«31» March 2022

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<i>In thousands of Armenian Drams</i>	Note	01.01.22-31.03.22	01.01.21-31.03.21
Interest income calculated using the effective interest method		4,190,449	3,461,041
Other similar income		12,882	13,620
Interest expense		-804,672	-702,713
Other similar expense		-29,520	-9,912
Net margin on interest and similar income		3,369,139	2,762,036
Credit loss allowance		28,787	147,605
Net margin on interest and similar income after credit loss allowance		3,397,926	2,909,641
Fee and commission income		592,463	519,518
Fee and commission expense		-160,463	-164,699
Gains less losses from financial derivatives		37,379	230,359
Gains less losses from investments		-9,810	-1,604
Gains less losses from trading in foreign currencies		731,852	223,766
Other operating income		157,827	107,639
Personnel expenses		-924,098	-811,224
Other general administrative expenses		-1,226,705	-1,423,532
Profit before tax		2,596,371	1,589,864
Income tax expense		-468,684	-286,670
Profit for the year		2,127,687	1,303,194
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		-88,603	11,442
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of land and buildings		-	-
Other comprehensive loss for the year		-88,603	11,442
Total comprehensive income for the year		2,039,084	1,314,636

Chief Executive Officer




I. Seylanyan

Chief Accountant/Deputy CFO



S. Sargsyan

«15» April 2022

Interim Financial Statements
Statement of Changes in Equity

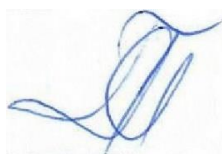
«31» March 2022

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 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 2021	-	-	11,442	-	1,303,194	1,314,636
Share-based payments	-	-	-	-	-	-
Balance at 31 March 2021	18,434,350	117,315	521	322,292	26,207,855	45,082,333
Balance at 1 January 2022	18,434,350	117,315	-28,498	322,292	28,129,711	46,975,170
Profit for the year	-	-	-	-	2,127,687	2,127,687
Other comprehensive income	-	-	-88,603	-	-	-88,603
Total comprehensive income for 2022	-	-	-88,603	-	2,127,687	2,039,084
Transfer of revaluation reserve for land and buildings to retained earnings	-	-	-	-233,957	233,957	-
Share-based payments	-	-	-	-	-	-
Balance at 31 March 2022	18,434,350	117,315	-117,101	88,335	30,491,355	49,014,254

Chief Executive Officer




I. Seylanyan

Chief Accountant/Deputy CFO



S. Sargsyan

«15» April 2022

Interim Financial Statements
Statement of Cash Flows

«31» March 2022

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	01.01.22- 31.03.22	01.01.21- 31.03.21
Cash flows from operating activities		
Interest income calculated using the effective interest method received	3,744,248	3,314,450
Interest paid	-768,311	-640,865
Fees and commissions received	626,893	480,002
Fees and commissions paid	-162,965	-166,679
Income paid from financial derivatives	17,854	350,122
Income received from trading in foreign currencies	667,910	281,894
Net other operating income received	167,994	96,521
Staff costs paid	-1,291,668	-1,267,816
Administrative expenses paid	-687,819	-964,622
Cash flows from operating activities before changes in operating assets and liabilities	2,314,136	1,483,007
<i>Net (increase)/decrease in:</i>		
- investments in debt securities at fair value through profit or loss	-212	-257
- loans and advances to banks	-1,307,358	-8,293,131
- loans and advances to customers	-1,961,216	-326,156
- other assets	394,911	449,665
<i>Net increase/(decrease) in:</i>		
- due to other banks	-2,844,638	-702,662
- current accounts and deposits from customers	17,637,970	3,555,170
- other liabilities	198,894	1,303
Net cash used in operating activities	14,432,487	-3,833,061
Cash flows from investing activities		
Acquisition of property, equipment and intangible assets	-112,314	-449,738
Proceeds from disposal of property, equipment and intangible assets	5,575	11,112
Acquisition of debt securities at fair value through other comprehensive income	-14,703,352	-4,793,710
Proceeds from redemption of debt securities at fair value through other comprehensive income	8,888,532	6,545,732
Acquisition of debt securities carried at amortised cost	-	-
Proceeds from redemption of debt securities carried at amortised cost	1,216,375	908,466
Net cash (used in)/from investing activities	-4,705,184	2,221,862
Cash flows from financing activities		
Repayment of principal of lease liabilities	-56,003	-114,204
Net cash (used in)/from financing activities	-56,003	-114,204
Effect of exchange rate changes on cash and cash equivalents	227,815	-106,344
Net decrease in cash and cash equivalents	9,899,115	-1,831,747
Cash and cash equivalents at the beginning of the year	59,013,478	38,461,272
Cash and cash equivalents at the end of the reporting period	68,912,592	36,629,525

Chief Executive Officer



I. Seylanyan

Chief Accountant/Deputy CFO

S. Sargsyan

«15» April 2022