

HSBC Bank Armenia CJSC

Interim Financial Statements

For Quarter 2 2022

Interim Financial Statements
Statement of Financial Position

«30» June 2022

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	30.06.2022	31.12.2021 Audited
Assets		
Cash and cash equivalents	50,299,920	59,755,872
Loans and advances to banks	10,963,177	2,638,161
Investments in debt securities	38,315,803	35,103,522
Investments in equity securities	31,903	32,077
Loans and advances to customers	150,108,165	153,634,134
Other assets	10,049,847	7,405,647
Right of Use assets	275,028	42,944
Property, equipment and intangible assets	2,459,553	3,404,677
Total assets (See Note 1)	262,503,396	262,017,034
Liabilities		
Due to other banks	8,010,819	6,315,952
Current accounts and deposits from customers	190,200,824	199,077,576
Current tax liability	835,305	129,698
Deferred tax liability	820,775	896,028
Other liabilities	11,497,292	8,622,610
Total liabilities	211,365,015	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	-84,558	-28,498
Revaluation reserve for land and buildings	88,335	322,292
Retained earnings	32,582,939	28,129,711
Total equity	51,138,381	46,975,170
Total liabilities and equity	262,503,396	262,017,034

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

	30.06.2022	31.12.2021
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	46,926,880	54,068,305
Total loans including loans to customers provided by HSBC Bank plc, London as referred by the Bank	197,035,045	207,702,439
Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank	309,430,276	316,085,339

Chief Executive Officer



I. Seylanyan

Chief Accountant/Deputy CFO



S. Sargsyan



«15» July 2022

Interim Financial Statements
Statement of Profit or Loss and Other Comprehensive Income
«30» June 2022

HSBC Bank Armenia CJSC
Address: 66 Teryan Street, Yerevan 0009, Republic of Armenia

<i>In thousands of Armenian Drams</i>	Note	01.04.22-30.06.22	01.01.22-30.06.22	01.04.21-30.06.21	01.01.21-30.06.21
Interest income calculated using the effective interest method		4,262,793	8,453,242	3,778,571	7,239,612
Other similar income		18,254	31,136	9,403	23,023
Interest expense		-831,349	-1,636,021	-725,975	-1,428,688
Other similar expense		-18,228	-47,748	-18,701	-28,613
Net margin on interest and similar income		3,431,470	6,800,609	3,043,298	5,805,334
Credit loss allowance		39,294	68,081	-230,810	-83,205
Net margin on interest and similar income after credit loss allowance		3,470,764	6,868,690	2,812,488	5,722,129
Fee and commission income		663,857	1,256,320	481,966	1,001,484
Fee and commission expense		-156,749	-317,212	-94,052	-258,751
Gains less losses from financial derivatives		-128,999	-91,620	-643,276	-412,917
Gains less losses from investments		-3,722	-13,532	-5,681	-7,285
Gains less losses from trading in foreign currencies		867,515	1,599,367	738,264	962,030
Other operating income		16,325	174,152	10,066	117,705
Personnel expenses		-900,225	-1,824,323	-898,674	-1,709,898
Other general administrative expenses		-1,215,962	-2,442,667	-1,459,114	-2,882,646
Profit before tax		2,612,804	5,209,175	941,987	2,531,851
Income tax expense		-521,220	-989,904	-151,220	-437,890
Profit for the year		2,091,584	4,219,271	790,767	2,093,961
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		32,543	-56,060	-59,448	-48,006
<i>Items that will not be reclassified to profit or loss:</i>					
Revaluation of land and buildings		-	-	-	-
Other comprehensive loss for the year		32,543	-56,060	-59,448	-48,006
Total comprehensive income for the year		2,124,127	4,163,211	731,319	2,045,955

Chief Executive Officer




I. Seylanyan

Chief Accountant/Deputy CFO



S. Sargsyan

«15» July 2022

Interim Financial Statements
Statement of Changes in Equity

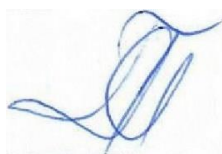
«30» June 2022

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	-	-	-	-	2,093,961	2,093,961
Other comprehensive income	-	-	-48,006	-	-	-48,006
Total comprehensive income for 2021	-	-	-48,006	-	2,093,961	2,045,955
Share-based payments	-	-	-	-	-	-
Balance at 30 June 2021	18,434,350	117,315	-58,927	322,292	26,998,622	45,813,652
Balance at 1 January 2022	18,434,350	117,315	-28,498	322,292	28,129,711	46,975,170
Profit for the year	-	-	-	-	4,219,271	4,219,271
Other comprehensive income	-	-	-56,060	-	-	-56,060
Total comprehensive income for 2022	-	-	-56,060	-	4,219,271	4,163,211
Transfer of revaluation reserve for land and buildings to retained earnings	-	-	-	-233,957	233,957	-
Share-based payments	-	-	-	-	-	-
Balance at 30 June 2022	18,434,350	117,315	-84,558	88,335	32,582,939	51,138,381

Chief Executive Officer




I. Seylanyan

Chief Accountant/Deputy CFO



S. Sargsyan

«15» July 2022

Interim Financial Statements
Statement of Cash Flows

«30» June 2022

HSBC Bank Armenia CJSC

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

<i>In thousands of Armenian Drams</i>	01.01.22- 30.06.22	01.01.21- 30.06.21
Cash flows from operating activities		
Interest income calculated using the effective interest method received	8,168,670	6,758,293
Interest paid	-1,540,550	-1,347,119
Fees and commissions received	1,334,629	1,008,927
Fees and commissions paid	-341,432	-350,160
Income paid from financial derivatives	125,859	579,869
Income received from trading in foreign currencies	1,720,970	612,880
Net other operating income received	217,735	192,961
Staff costs paid	-2,039,931	-2,026,074
Administrative expenses paid	-1,597,911	-2,189,337
Cash flows from operating activities before changes in operating assets and liabilities	6,048,039	3,240,240
<i>Net (increase)/decrease in:</i>		
- investments in debt securities at fair value through profit or loss	64,858	-1,001
- loans and advances to banks	-8,956,869	9,901,616
- loans and advances to customers	-10,450,827	-15,738,124
- other assets	-1,918,093	471,781
<i>Net increase/(decrease) in:</i>		
- due to other banks	2,060,976	-3,334,605
- current accounts and deposits from customers	13,856,819	7,529,731
- other liabilities	2,308,042	78,490
Net cash used in operating activities before profit tax	3,012,945	2,148,128
Profit tax paid	-358,214	-
Net cash used in operating activities	2,654,731	2,148,128
Cash flows from investing activities		
Acquisition of property, equipment and intangible assets	-162,520	-528,005
Proceeds from disposal of property, equipment and intangible assets	5,575	11,112
Acquisition of debt securities at fair value through other comprehensive income	-13,334,075	-14,091,731
Proceeds from redemption of debt securities at fair value through other comprehensive income	16,018,193	12,707,438
Acquisition of debt securities carried at amortised cost	-7,082,324	-865,424
Proceeds from redemption of debt securities carried at amortised cost	1,235,730	1,746,303
Net cash (used in)/from investing activities	-3,319,421	-1,020,307
Cash flows from financing activities		
Repayment of principal of lease liabilities	-112,155	-181,280
Net cash (used in)/from financing activities	-112,155	-181,280
Effect of exchange rate changes on cash and cash equivalents	-8,070,766	-1,978,625
Net decrease in cash and cash equivalents	-8,847,612	-1,032,084
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	50,165,866	37,429,188

Chief Executive Officer



I. Sevlanyan

Chief Accountant/Deputy CFO

S. Sargsyan

«15» July 2022