

# HSBC Bank Armenia CJSC

## Interim Financial Statements

For Quarter 4 2022

**Interim Financial Statements  
Statement of Financial Position**

«31» December 2022

**HSBC Bank Armenia CJSC**

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

<i>In thousands of Armenian Drams</i>	31.12.2022	31.12.2021 <b>Audited</b>
<b>Assets</b>		
Cash and cash equivalents	54,023,193	59,755,872
Loans and advances to banks	21,590,738	2,638,161
Investments in debt securities	30,593,713	35,103,522
Investments in equity securities	31,897	32,077
Loans and advances to customers	153,291,072	153,634,134
Other assets	11,561,344	7,405,647
Right of Use assets	1,422,023	42,944
Property, equipment and intangible assets	2,549,182	3,404,677
<b>Total assets (See Note 1)</b>	<b>275,063,162</b>	<b>262,017,034</b>
<b>Liabilities</b>		
Due to other banks	16,230	6,315,952
Current accounts and deposits from customers	202,336,299	199,077,576
Current tax liability	2,914,752	129,698
Deferred tax liability	8,416	896,028
Other liabilities	14,631,336	8,622,610
<b>Total liabilities</b>	<b>219,907,033</b>	<b>215,041,864</b>
<b>EQUITY</b>		
Share capital	18,434,350	18,434,350
Retained earnings	36,381,584	28,129,711
Share-based payments reserve	130,975	117,315
Revaluation reserve for financial assets at fair value through other comprehensive income	-47,192	-28,498
Revaluation reserve for land and buildings	256,412	322,292
<b>Total equity</b>	<b>55,156,129</b>	<b>46,975,170</b>
<b>Total liabilities and equity</b>	<b>275,063,162</b>	<b>262,017,034</b>

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

	31.12.2022	31.12.2021
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	46,385,848	54,068,305
<b>Total loans including loans to customers provided by HSBC Bank plc, London as referred by the Bank</b>	<b>199,676,920</b>	<b>207,702,439</b>
<b>Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank</b>	<b>321,449,010</b>	<b>316,085,339</b>

Chief Executive Officer

Chief Financial Officer



I. Seylanyan

M. Amirbekyan

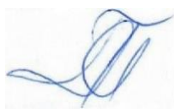
«16» January 2023

**Interim Financial Statements**  
**Statement of Profit or Loss and Other Comprehensive Income**  
«31» December 2022

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

<i>In thousands of Armenian Drams</i>	Note	01.10.22-31.12.22	01.01.22-31.12.22	01.10.21-30.12.21	01.01.21-31.12.21
Interest income calculated using the effective interest method		4,811,486	17,733,005	4,035,731	15,095,761
Other similar income		22,053	60,956	16,084	56,985
Interest expense		-878,636	-3,324,333	-759,717	-2,915,614
Other similar expense		-44,922	-145,043	-51,911	-103,950
<b>Net margin on interest and similar income</b>		<b>3,909,981</b>	<b>14,324,585</b>	<b>3,240,187</b>	<b>12,133,182</b>
Credit loss allowance		-245,129	-231,765	-1,878,413	-2,557,307
<b>Net margin on interest and similar income after credit loss allowance</b>		<b>3,664,852</b>	<b>14,092,820</b>	<b>1,361,774</b>	<b>9,575,875</b>
Fee and commission income		759,337	2,707,816	703,142	2,281,318
Fee and commission expense		-260,817	-869,971	-161,999	-554,525
Gains less losses from investments		-3,717	-21,281	-2,371	-20,475
Gains less losses from trading in foreign currencies		874,890	3,169,069	472,537	1,374,061
Other operating income		136,784	329,191	91,907	230,384
Personnel expenses		-973,078	-3,732,143	-965,233	-3,553,176
Other general administrative expenses		-1,721,389	-5,326,364	-1,230,725	-5,524,447
<b>Profit before tax</b>		<b>2,476,862</b>	<b>10,349,137</b>	<b>269,032</b>	<b>3,809,015</b>
Income tax expense		-857,472	-2,331,221	35,796	-583,965
<b>Profit for the year</b>		<b>1,619,390</b>	<b>8,017,916</b>	<b>304,828</b>	<b>3,225,050</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		3,962	-18,694	54,801	-17,577
<i>Items that will not be reclassified to profit or loss:</i>					
Revaluation of land and buildings		168,077	168,077	-	-
<b>Other comprehensive loss for the year</b>		<b>172,039</b>	<b>149,383</b>	<b>54,801</b>	<b>-17,577</b>
<b>Total comprehensive income for the year</b>		<b>1,791,429</b>	<b>8,167,299</b>	<b>359,629</b>	<b>3,207,473</b>

Chief Executive Officer




I. Scylanyan

Chief Financial Officer



M. Amirbekyan

«16» January 2023

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

«31» December 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
<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	-	-	-	-	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	-	-	-	-	-	-
<b>Balance at 31 December 2021</b>	18,434,350	117,315	-28,498	322,292	28,129,711	46,975,170
<b>Balance at 1 January 2022</b>	18,434,350	117,315	-28,498	322,292	28,129,711	46,975,170
Profit for the year	-	-	-	-	8,017,916	8,017,916
Other comprehensive income	-	-	-18,694	168,077	-	149,383
Total comprehensive income for 2022	-	-	-18,694	168,077	8,017,916	8,167,299
Transfer of revaluation reserve for land and buildings to retained earnings	-	-	-	-233,957	233,957	-
Share-based payments	-	13,660	-	-	-	13,660
<b>Balance at 31 December 2022</b>	18,434,350	130,975	-47,192	256,412	36,381,584	55,156,129

Chief Executive Officer



I. Sevlanyan

Chief Financial Officer

M. Amirbekyan

«16» January 2023

**Interim Financial Statements**  
**Statement of Cash Flows**

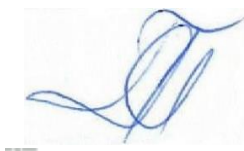
«31» December 2022

**HSBC Bank Armenia CJSC**

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

<i>In thousands of Armenian Drams</i>	<b>01.01.22- 31.12.22</b>	<b>01.01.21- 31.12.21 (Audited)</b>
<b>Cash flows from operating activities</b>		
Interest income calculated using the effective interest method received	17,657,748	13,998,231
Interest paid	-3,315,537	-2,945,079
Fees and commissions received	2,798,906	2,425,354
Fees and commissions paid	-625,218	-540,241
Income paid from financial derivatives	-370,752	364,423
Income received from trading in foreign currencies	3,329,544	1,833,811
Net other operating income received	199,336	239,184
Staff costs paid	-3,582,569	-3,521,811
Administrative expenses paid	-3,461,416	-3,907,338
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>12,630,042</b>	<b>7,946,534</b>
<i>Net (increase)/decrease in:</i>		
- investments in debt securities at fair value through profit or loss	68,952	-1,991
- loans and advances to banks	-20,085,523	6,624,273
- loans and advances to customers	-15,842,460	-20,756,223
- other assets	-1,842,320	775,964
<i>Net increase/(decrease) in:</i>		
- due to other banks	-5,953,049	-5,700,276
- current accounts and deposits from customers	29,219,743	39,611,803
- other liabilities	2,473,100	180,286
<b>Net cash used in operating activities before profit tax</b>	<b>668,485</b>	<b>28,680,370</b>
<b>Income tax paid</b>	<b>-415,602</b>	<b>-</b>
<b>Net cash used in operating activities</b>	<b>252,883</b>	<b>28,680,370</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, equipment and intangible assets	-531,877	-461,117
Proceeds from disposal of property, equipment and intangible assets	5,641	17,837
Acquisition of debt securities at fair value through other comprehensive income	-23,672,307	-31,708,266
Proceeds from redemption of debt securities at fair value through other comprehensive income	39,270,441	24,240,779
Acquisition of debt securities carried at amortised cost	-12,192,362	-4,775,414
Proceeds from redemption of debt securities carried at amortised cost	914,261	8,785,801
<b>Net cash (used in)/from investing activities</b>	<b>3,793,797</b>	<b>-3,900,380</b>
<b>Cash flows from financing activities</b>		
Repayment of principal of lease liabilities	-466,653	-450,947
<b>Net cash (used in)/from financing activities</b>	<b>-466,653</b>	<b>-450,947</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>-9,299,055</b>	<b>-3,776,838</b>
<b>Net decrease in cash and cash equivalents</b>	<b>-5,719,028</b>	<b>20,552,205</b>
Cash and cash equivalents at the beginning of the year	59,013,478	38,461,273
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>53,294,450</b>	<b>59,013,478</b>

Chief Executive Officer



I. Seylanyan



Chief Financial Officer



M. Amirbekyan