

HSBC Bank Armenia CJSC

Interim Financial Statements

For Quarter 1 2023

Interim Financial Statements
Statement of Financial Position
«31» March 2023

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

<i>In thousands of Armenian Drams</i>	31.03.2023	31.12.2022 Audited
Assets		
Cash and cash equivalents	48,883,898	54,023,193
Loans and advances to banks	20,834,370	21,590,738
Investments in debt securities	31,346,833	30,593,713
Investments in equity securities	31,901	31,897
Loans and advances to customers	167,536,690	153,291,072
Other assets	11,144,427	11,561,344
Right of Use assets	1,370,326	1,422,023
Property, equipment and intangible assets	2,732,563	2,549,182
Total assets (See Note 1)	283,881,008	275,063,162
Liabilities		
Due to other banks	5,734,733	16,230
Current accounts and deposits from customers	200,583,190	202,336,299
Current tax liability	3,506,899	2,914,752
Deferred tax liability	8,416	8,416
Lease Liabilities	1,424,463	1,447,848
Other liabilities	14,269,795	13,183,488
Total liabilities	225,527,496	219,907,033
EQUITY		
Share capital	18,434,350	18,434,350
Retained earnings	39,553,351	36,381,584
Share-based payments reserve	130,975	130,975
Revaluation reserve for financial assets at fair value through other comprehensive income	-21,576	-47,192
Revaluation reserve for land and buildings	256,412	256,412
Total equity	58,353,512	55,156,129
Total liabilities and equity	283,881,008	275,063,162

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

	31.03.2023	31.12.2022
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	44,722,669	46,385,848
Total loans including loans to customers provided by HSBC Bank plc, London as referred by the Bank	212,259,359	199,676,920
Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank	328,603,677	321,449,010

Chief Executive Officer



I. Seylanyan

Chief Financial Officer



M. Amirbekyan



«14» April 2023

Interim Financial Statements
Statement of Profit or Loss and Other Comprehensive Income
«31» March 2023

HSBC Bank Armenia CJSC
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<i>In thousands of Armenian Drams</i>	Note	01.01.23-31.03.23	01.01.22-31.03.22
Interest income calculated using the effective interest method		5,224,276	4,195,552
Other similar income		6,793	7,779
Interest expense		-888,433	-804,672
Other similar expense		-44,246	-29,520
Net margin on interest and similar income		4,298,390	3,369,139
Credit loss allowance		583,133	28,787
Net margin on interest and similar income after credit loss allowance		4,881,523	3,397,926
Fee and commission income		782,528	592,463
Fee and commission expense		-129,177	-160,463
Gains less losses from investments		1,399	-9,810
Gains less losses from trading in foreign currencies		532,520	769,231
Other operating income (loss)		-812	157,827
Personnel expenses		-960,091	-924,098
Other general administrative expenses		-1,239,881	-1,226,705
Profit before tax		3,868,009	2,596,371
Income tax expense		-696,242	-468,684
Profit for the year		3,171,767	2,127,687
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		25,616	-88,603
<i>Items that will not be reclassified to profit or loss:</i>			
Other comprehensive loss for the year		25,616	-88,603
Total comprehensive income for the year		3,197,383	2,039,084

Chief Executive Officer



I. Seylanyan

Chief Financial Officer



M. Amirbekyan



«14» April 2023

Interim Financial Statements
Statement of Changes in Equity
 «31» March 2023

HSBC Bank Armenia CJSC
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<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 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
Reclassification of revaluation reserve to retained earnings	-	-	-	(233,957)	233,957	-
Balance at 31 March 2022	18,434,350	117,315	-117,101	88,335	30,491,355	49,014,254
Balance at 1 January 2023	18,434,350	130,975	-47,192	256,412	36,381,584	55,156,129
Profit for the year	-	-	-	-	3,171,767	3,171,767
Other comprehensive income	-	-	25,616	-	-	25,616
Total comprehensive income for 2023	-	-	25,616	-	3,171,767	3,197,383
Balance at 31 March 2023	18,434,350	130,975	-21,576	256,412	39,553,351	58,353,512

Chief Executive Officer



I. Seylanyan

Chief Financial Officer

M. Amirbekyan

«14» April 2023

Interim Financial Statements
Statement of Cash Flows
«31» March 2023

HSBC Bank Armenia CJSC
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<i>In thousands of Armenian Drams</i>	01.01.23- 31.03.23	01.01.22- 31.03.22
Cash flows from operating activities		
Interest income calculated using the effective interest method received	5,428,453	3,744,248
Interest paid	-861,575	-768,311
Fees and commissions received	906,794	626,893
Fees and commissions paid	-129,621	-162,965
Income paid from financial derivatives	-37,506	17,854
Income received from trading in foreign currencies	557,529	667,910
Net other operating income received	5,309	167,994
Staff costs paid	-1,362,202	-1,291,668
Administrative expenses paid	-481,583	-687,819
Income tax paid	-104,095	-
Cash flows from operating activities before changes in operating assets and liabilities	3,921,503	2,314,136
<i>Net (increase)/decrease in:</i>		
- investments in debt securities at fair value through profit or loss	-3,171	-212
- loans and advances to banks	807,876	-1,307,358
- loans and advances to customers	-14,295,143	-1,961,216
- other assets	536,546	394,911
<i>Net increase/(decrease) in:</i>		
- due to other banks	5,584,926	-2,844,638
- current accounts and deposits from customers	-729,219	17,637,970
- other liabilities	669,351	198,894
Net cash used in operating activities	-3,507,331	14,432,487
Cash flows from investing activities		
Acquisition of property, equipment and intangible assets	-407,224	-112,314
Proceeds from disposal of property, equipment and intangible assets	-	5,575
Acquisition of debt securities at fair value through other comprehensive income	-14,466,222	-14,703,352
Proceeds from redemption of debt securities at fair value through other comprehensive income	13,144,484	8,888,532
Acquisition of debt securities carried at amortised cost	-986,979	-
Proceeds from redemption of debt securities carried at amortised cost	1,414,879	1,216,375
Net cash (used in)/from investing activities	-1,301,062	-4,705,184
Cash flows from financing activities		
Repayment of principal of lease liabilities	-87,004	-56,003
Net cash (used in)/from financing activities	-87,004	-56,003
Effect of exchange rate changes on cash and cash equivalents	-175,816	227,815
Net decrease in cash and cash equivalents	-5,071,212	9,899,115
Cash and cash equivalents at the beginning of the year	53,294,450	59,013,478
Cash and cash equivalents at the end of the reporting period	48,223,238	68,912,592

Chief Executive Officer



I. Seylanyan

Chief Financial Officer



M. Amirbekyan

