

# HSBC Bank Armenia CJSC

## Interim Financial Statements

As of and for the period ended 30 September 2023

**Interim Financial Statements**  
**Statement of Financial Position**

«30» September 2023

**HSBC Bank Armenia CJSC**

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

<i>In thousands of Armenian Drams</i>	<b>30.09.2023</b>	<b>31.12.2022</b> <b>Audited</b>
<b>Assets</b>		
Cash and cash equivalents	54,186,993	54,023,193
Loans and advances to banks	9,162,300	21,590,738
Investments in debt securities	38,258,668	30,593,713
Investments in equity securities	31,894	31,897
Loans and advances to customers	177,909,005	153,291,072
Other assets	10,872,794	11,561,344
Right of Use assets	1,266,932	1,422,023
Property, equipment and intangible assets	3,536,908	2,549,182
<b>Total assets (See Note1)</b>	<b>295,225,494</b>	<b>275,063,162</b>
<b>Liabilities</b>		
Due to banks	15,450,705	16,230
Current accounts and deposits from customers	206,177,259	202,336,299
Current tax liability	1,683,539	2,914,752
Deferred tax liability	8,416	8,416
Lease Liabilities	1,348,555	1,447,848
Other liabilities	11,666,943	13,183,488
<b>Total liabilities</b>	<b>236,335,417</b>	<b>219,907,033</b>
<b>EQUITY</b>		
Share capital	18,434,350	18,434,350
Retained earnings	39,970,383	36,381,584
Share-based payments reserve	140,922	130,975
Revaluation reserve for financial assets at fair value through other comprehensive income	88,010	-47,192
Revaluation reserve for land and buildings	256,412	256,412
<b>Total equity</b>	<b>58,890,077</b>	<b>55,156,129</b>
<b>Total liabilities and equity</b>	<b>295,225,494</b>	<b>275,063,162</b>

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

	<b>30.09.2023</b>	<b>31.12.2022</b>
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	39,173,560	46,385,848
<b>Total loans including loans to customers provided by HSBC Bank plc, London as referred by the Bank</b>	<b>217,082,565</b>	<b>199,676,920</b>
<b>Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank</b>	<b>334,399,054</b>	<b>321,449,010</b>

Chief Executive Officer



I. Seylanyan

Chief Financial Officer



M. Amirbekyan



«15» October 2023

**Interim Financial Statements**  
**Statement of Profit or Loss and Other Comprehensive Income**  
«30» September 2023

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

<i>In thousands of Armenian Drams</i>	Note	01.07.23- 30.09.23	01.01.23- 30.09.23	01.07.22- 30.09.22	01.01.22- 30.09.22
Interest income calculated using the effective interest method		5,682,352	16,400,925	4,469,154	12,938,646
Other similar income		6,993	20,650	6,890	21,776
Interest expense		-1,109,736	-3,039,161	-809,676	-2,445,697
Other similar expense		-43,505	-132,249	-52,373	-100,121
<b>Net margin on interest and similar income</b>		<b>4,536,104</b>	<b>13,250,165</b>	<b>3,613,995</b>	<b>10,414,604</b>
Credit loss allowance		53,965	1,409,925	-54,717	13,364
<b>Net margin on interest and similar income after credit loss allowance</b>		<b>4,590,069</b>	<b>14,660,090</b>	<b>3,559,278</b>	<b>10,427,968</b>
Fee and commission income		707,166	2,219,593	692,159	1,948,479
Fee and commission expense		-203,382	-498,096	-291,942	-609,154
Gains less losses from investments		4,384	12,140	-4,032	-17,564
Gains less losses from trading in foreign currencies		462,757	1,592,856	786,432	2,294,179
Other operating income (loss)		24,335	60,033	18,255	192,407
Personnel expenses		-952,535	-2,880,418	-934,742	-2,759,065
Other general administrative expenses		-1,398,616	-3,818,070	-1,162,308	-3,604,975
<b>Profit before tax</b>		<b>3,234,178</b>	<b>11,348,128</b>	<b>2,663,100</b>	<b>7,872,275</b>
Income tax expense		-582,151	-1,959,722	-483,845	-1,473,749
<b>Profit for the year</b>		<b>2,652,027</b>	<b>9,388,406</b>	<b>2,179,255</b>	<b>6,398,526</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		46,722	135,202	33,404	-22,656
<i>Items that will not be reclassified to profit or loss:</i>					
<b>Other comprehensive loss for the year</b>		<b>46,722</b>	<b>135,202</b>	<b>33,404</b>	<b>-22,656</b>
<b>Total comprehensive income for the year</b>		<b>2,698,749</b>	<b>9,523,608</b>	<b>2,212,659</b>	<b>6,375,870</b>

Chief Executive Officer



I. Seylanyan

Chief Financial Officer



M. Amirbekyan



«15» October 2023

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

«30» September 2023

**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 2022</b>	<b>18,434,350</b>	<b>117,315</b>	<b>-28,498</b>	<b>322,292</b>	<b>28,129,711</b>	<b>46,975,170</b>
Profit for the year	-	-	-	-	6,398,526	6,398,526
Other comprehensive income	-	-	-22,656	-	-	-22,656
Total comprehensive income for 2022	-	-	-22,656	-	6,398,526	6,375,870
Reclassification of revaluation reserve to retained earnings	-	-	-	-233,957	233,957	-
Share base payments	-	13,660	-	-	-	13,660
<b>Balance at 30 September 2022</b>	<b>18,434,350</b>	<b>130,975</b>	<b>-51,154</b>	<b>88,335</b>	<b>34,762,194</b>	<b>53,364,700</b>
<b>Balance at 1 January 2023</b>	<b>18,434,350</b>	<b>130,975</b>	<b>-47,192</b>	<b>256,412</b>	<b>36,381,584</b>	<b>55,156,129</b>
Profit for the year	-	-	-	-	9,388,406	9,388,406
Other comprehensive income	-	-	135,202	-	-	135,202
Total comprehensive income for 2023	-	-	135,202	-	9,388,406	9,523,608
Share base payments	-	9,947	-	-	-	9,947
Dividends paid	-	-	-	-	-5,799,607	-5,799,607
<b>Balance at 30 September 2023</b>	<b>18,434,350</b>	<b>140,922</b>	<b>88,010</b>	<b>256,412</b>	<b>39,970,383</b>	<b>58,890,077</b>

Chief Executive Officer



I. Seylanyan

Chief Financial Officer

M. Amirbekyan

«15» October 2023

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

«30» September 2023

**HSBC Bank Armenia CJSC**

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

<i>In thousands of Armenian Drams</i>	<b>01.01.23- 30.09.23</b>	<b>01.01.22- 30.09.22</b>
<b>Cash flows from operating activities</b>		
Interest income calculated using the effective interest method received	15,699,544	12,374,336
Interest paid	-2,939,571	-2,410,154
Fees and commissions received	2,322,439	2,004,399
Fees and commissions paid	-573,459	-402,779
Income paid from financial derivatives	-168,788	284,592
Income received from trading in foreign currencies	1,790,822	2,540,798
Net other operating income received	146,737	25,281
Staff costs paid	-2,926,820	-2,823,951
Administrative expenses paid	-4,251,741	-2,495,073
Income tax paid	-3,190,935	-358,214
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>5,908,228</b>	<b>8,739,235</b>
<i>Net (increase)/decrease in:</i>		
- investments in debt securities at fair value through profit or loss	-21,554	68,676
- loans and advances to banks	12,445,381	-30,314,624
- loans and advances to customers	-23,202,865	-13,325,060
- other assets	395,734	-2,237,393
<i>Net increase/(decrease) in:</i>		
- due to other banks	15,335,900	-4,359,600
- current accounts and deposits from customers	3,763,202	28,845,302
- repurchase agreements	-	-
- other liabilities	-18,373	2,601,468
<b>Net cash used in operating activities</b>	<b>14,605,653</b>	<b>-9,981,996</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, equipment and intangible assets	-1,658,961	-250,003
Proceeds from disposal of property, equipment and intangible assets	-	5,641
Acquisition of debt securities at fair value through other comprehensive income	-29,631,414	-14,300,479
Proceeds from redemption of debt securities at fair value through other comprehensive income	18,959,010	26,638,315
Acquisition of debt securities carried at amortised cost	-2,796,822	-8,942,777
Proceeds from redemption of debt securities carried at amortised cost	6,721,883	1,121,422
<b>Net cash (used in)/from investing activities</b>	<b>-8,406,304</b>	<b>4,272,119</b>
<b>Cash flows from financing activities</b>		
Dividends paid	-5,509,620	-
Repayment of principal of lease liabilities	-291,861	-181,412
<b>Net cash (used in)/from financing activities</b>	<b>-5,801,481</b>	<b>-181,412</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>-171,113</b>	<b>-9,130,074</b>
<b>Net decrease in cash and cash equivalents</b>	<b>226,755</b>	<b>-15,021,363</b>
Cash and cash equivalents at the beginning of the year	53,294,450	59,013,478
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>53,521,205</b>	<b>43,992,115</b>

Chief Executive Officer



I. Seylanyan

Chief Financial Officer



M. Amirbekyan



«15» October 2023