

HSBC Bank Armenia CJSC

Interim Financial Statements

As of and for the period ended 31 March 2024

Interim Financial Statements
Statement of Financial Position

«31» March 2024

HSBC Bank Armenia CJSC

Address: 90 Area, 42 Paronyan Street, Yerevan 0015, Republic of Armenia

<i>In thousands of Armenian Drams</i>	31.03.24	31.12.2023 Audited
Assets		
Cash and cash equivalents	42,679,977	35,789,095
Loans and advances to banks	1,858,597	12,818,277
Investments in debt securities	35,155,975	40,355,259
Investments in equity securities	31,903	31,938
Loans and advances to customers	176,825,644	184,714,579
Right of Use assets	1,163,538	1,215,235
Deferred tax assets	163,464	163,464.00
Property, equipment and intangible assets	3,974,900	4,257,271
Other assets	11,827,633	11,965,782
Total assets (See Note 1)	273,681,631	291,310,900
Liabilities		
Due to banks	8,911,710	9,415,624
Current accounts and deposits from customers	184,519,730	204,372,326
Current tax liability	2,744,322	2,391,826
Lease Liabilities	1,268,559	1,309,083
Other liabilities	12,961,808	13,182,529
Total liabilities	210,406,129	230,671,388
EQUITY		
Share capital	18,434,350	18,434,350
Retained earnings	44,219,204	41,635,864
Share-based payments reserve	62,732	140,921
Revaluation reserve for financial assets at fair value through other comprehensive income	153,117	22,278
Revaluation reserve for land and buildings	406,099	406,099
Total equity	63,275,502	60,639,512
Total liabilities and equity	273,681,631	291,310,900
<i>Note 1: Additional information on loan portfolio volumes provided by HSBC Group</i>		
	31.03.24	31.12.2022
Loans to customers provided by HSBC Bank plc, London as referred by HSBC Bank Armenia cjsc	16,163,348	24,840,311
Total loans including loans to customers provided by HSBC Bank plc, London as referred by the Bank	192,988,992	209,554,890
Total assets including loans to customers provided by HSBC Bank plc, London as referred by the Bank	289,844,979	316,151,211

Chief Executive Officer



I. Seylanyan

Chief Financial Officer



M. Amirbekyan



«15» April 2024

Interim Financial Statements
Statement of Profit or Loss and Other Comprehensive Income
«31» March 2024

HSBC Bank Armenia CJSC
Address: 90 Area, 42 Paronyan Street, Yerevan 0015, Republic of Armenia

<i>In thousands of Armenian Drams</i>	Note	01.01.24-31.03.24	01.01.23-31.03.23
Interest income calculated using the effective interest method		5,646,301	5,224,276
Other similar income		5,577	6,793
Interest expense		-996,758	-888,433
Other similar expense		-40,212	-44,246
Net margin on interest and similar income		4,614,908	4,298,390
Credit loss allowance		-72,505	583,133
Net margin on interest and similar income after credit loss allowance		4,542,403	4,881,523
Fee and commission income		612,320	782,528
Fee and commission expense		-199,497	-129,177
Gains less losses from investments		7,013	1,399
Gains less losses from trading in foreign currencies		504,550	532,520
Other operating income (loss)		41,332	-812
Personnel expenses		-991,884	-960,091
Other general administrative expenses		-1,461,597	-1,239,881
Profit before tax		3,054,640	3,868,009
Income tax expense		-554,836	-696,242
Profit for the year		2,499,804	3,171,767
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		130,839	25,616
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of fixed assets		-	-
Other comprehensive loss for the year		130,839	25,616
Total comprehensive income for the year		2,630,643	3,197,383

Chief Executive Officer



I. Scylanyan

Chief Financial Officer



M. Amirbekyan



«15» April 2024

Interim Financial Statements
Statement of Changes in Equity

«31» March 2024

HSBC Bank Armenia CJSC

Address: 90 Area, 42 Paronyan Street, Yerevan 0015, 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 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
Balance at 1 January 2024	18,434,350	140,921	22,278	406,099	41,635,864	60,639,512
Profit for the year	-	-	-	-	2,499,804	2,499,804
Other comprehensive income	-	-	130,839	-	-	130,839
Total comprehensive income for 2024	-	-	130,839	-	2,499,804	2,630,643
Share base payments	-	5,347	-	-	-	5,347
Reclassification of Share base payments reserve to Retained earnings	-	-83,536	-	-	83,536	-
Balance at 31 March 2023	18,434,350	62,732	153,117	406,099	44,219,204	63,275,502

Chief Executive Officer



I. Seylanyan

Chief Financial Officer

M. Amirbekyan

«15» April 2024

Interim Financial Statements

Statement of Cash Flows

«31» March 2024

HSBC Bank Armenia CJSC

Address: 90 Area, 42 Paronyan Street, Yerevan 0015, Republic of Armenia

In thousands of Armenian Drams

01.01.24-31.03.24

01.01.23-31.03.23

Cash flows from operating activities

Interest income calculated using the effective interest method received	5,518,903	5,428,453
Interest paid	-1,035,456	-861,575
Fees and commissions received	666,813	906,794
Fees and commissions paid	-199,497	-129,621
Income paid from financial derivatives	60,518	-37,506
Income received from trading in foreign currencies	601,719	557,529
Net other operating income received	45,044	5,309
Staff costs paid	-1,480,713	-1,362,202
Administrative expenses paid	-1,158,248	-481,583
Income tax paid	-202,340	-104,095

Cash flows from operating activities before changes in operating assets and liabilities

2,816,743

3,921,503

Net (increase)/decrease in:

- investments in debt securities at fair value through profit or loss	1,695	-3,171
- loans and advances to banks	11,514,336	807,876
- loans and advances to customers	5,279,559	-14,295,143
- other assets	301,258	536,546

Net increase/(decrease) in:

- due to other banks	10,224	5,584,926
- current accounts and deposits from customers	-16,405,764	-729,219
- other liabilities	-205,107	669,351

Net cash used in operating activities

3,312,944

-3,507,331

Cash flows from investing activities

Acquisition of property, equipment and intangible assets	-62,079	-407,224
Acquisition of debt securities at fair value through other comprehensive income	-5,024,165	-14,466,222
Proceeds from redemption of debt securities at fair value through other comprehensive income	10,582,648	13,144,484
Acquisition of debt securities carried at amortised cost	-	-986,979
Proceeds from redemption of debt securities carried at amortised cost	-78,818	1,414,879

Net cash (used in)/from investing activities

5,417,586

-1,301,062

Cash flows from financing activities

Repayment of principal of lease liabilities	-80,734	-87,004
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Net cash (used in)/from financing activities

-80,734

-87,004

Effect of exchange rate changes on cash and cash equivalents

-1,128,484

-175,816

Net decrease in cash and cash equivalents

7,521,312

-5,071,212

Cash and cash equivalents at the beginning of the year

34,431,368

53,294,450

Cash and cash equivalents at the end of the reporting period

41,952,680

48,223,238

Chief Executive Officer



I. Seylanyan

Chief Financial Officer



M. Amirbekyan



«15» April 2024