

# HSBC Bank Armenia CJSC

## Interim Financial Statements

As of and for the period ended 30 June 2024



**Interim Financial Statements**  
**Statement of Profit or Loss and Other Comprehensive Income**  
«30» June 2024

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

<i>In thousands of Armenian Drams</i>	Note	01.04.24- 30.06.24	01.01.24- 30.06.24	01.04.23- 30.06.23	01.01.23- 30.06.23
Interest income calculated using the effective interest method		5,340,309	10,986,610	5,494,297	10,718,573
Other similar income		5,576	11,153	6,864	13,657
Interest expense		-1,045,670	-2,042,428	-1,040,992	-1,929,425
Other similar expense		-40,760	-80,972	-44,498	-88,744
<b>Net margin on interest and similar income</b>		<b>4,259,455</b>	<b>8,874,363</b>	<b>4,415,671</b>	<b>8,714,061</b>
Credit loss allowance		964,795	892,290	772,827	1,355,960
<b>Net margin on interest and similar income after credit loss allowance</b>		<b>5,224,250</b>	<b>9,766,653</b>	<b>5,188,498</b>	<b>10,070,021</b>
Fee and commission income		623,378	1,235,698	729,899	1,512,427
Fee and commission expense		-184,289	-383,786	-165,537	-294,714
Gains less losses from investments		-90	6,923	6,357	7,756
Gains less losses from trading in foreign currencies		535,647	1,040,196	597,579	1,130,099
Other operating income (loss)		75,248	116,580	36,510	35,698
Personnel expenses		-975,172	-1,967,056	-967,792	-1,927,883
Other general administrative expenses		-1,388,266	-2,849,863	-1,179,573	-2,419,454
<b>Profit before tax</b>		<b>3,910,705</b>	<b>6,965,345</b>	<b>4,245,941</b>	<b>8,113,950</b>
Income tax expense		-919,381	-1,474,217	-681,329	-1,377,571
<b>Profit for the year</b>		<b>2,991,324</b>	<b>5,491,128</b>	<b>3,564,611</b>	<b>6,736,379</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		-5,424	125,415	62,864	88,480
<i>Items that will not be reclassified to profit or loss:</i>					
Revaluation of fixed assets		-	-	-	-
<b>Other comprehensive loss for the year</b>		<b>-5,424</b>	<b>125,415</b>	<b>62,864</b>	<b>88,480</b>
<b>Total comprehensive income for the year</b>		<b>2,985,900</b>	<b>5,616,543</b>	<b>3,627,475</b>	<b>6,824,859</b>

Chief Executive Officer




I. Seylanyan

Chief Accountant/Deputy CFO



S. Sargsyan

«15» July 2024

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

«30» June 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
<b>Balance at 1 January 2023</b>	18,434,350	130,975	-47,192	256,412	36,381,584	55,156,129
Profit for the year	-	-	-	-	6,736,379	6,736,379
Other comprehensive income	-	-	88,480	-	-	88,480
Total comprehensive income for 2023	-	-	88,480	-	6,736,379	6,824,859
Share base payments	-	9,947	-	-	-	9,947
Dividends paid	-	-	-	-	-5,799,607	-5,799,607
<b>Balance at 30 June 2023</b>	18,434,350	140,922	41,288	256,412	37,318,356	56,191,328
<b>Balance at 1 January 2024</b>	18,434,350	140,921	22,278	406,099	41,635,864	60,639,512
Profit for the year	-	-	-	-	5,491,128	5,491,128
Other comprehensive income	-	-	125,415	-	-	125,415
Total comprehensive income for 2024	-	-	125,415	-	5,491,128	5,616,543
Share base payments	-	5,346	-	-	-	5,346
Reclassification of Share base payments reserve to Retained earnings	-	-110,860	-	-	110,860	-
<b>Balance at 30 June 2024</b>	18,434,350	35,407	147,693	406,099	47,237,852	66,261,401

Chief Executive Officer



I. Scylanyan

Chief Accountant/Deputy CFO

S. Sargsyan

«15» July 2024

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

«30» June 2024

**HSBC Bank Armenia CJSC**

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

*In thousands of Armenian Drams*

**01.01.24-30.06.24**

**01.01.23-30.06.23**

**Cash flows from operating activities**

Interest income calculated using the effective interest method received	11,570,883	10,748,857
Interest paid	-1,943,929	-1,753,644
Fees and commissions received	1,295,237	1,640,931
Fees and commissions paid	-383,786	-350,346
Income/(loss) from financial derivatives	-31,665	7,762
Income received from trading in foreign currencies	1,164,668	1,144,251
Net other operating income received	120,303	101,863
Staff costs paid	-2,278,618	-2,159,277
Administrative expenses paid	-2,468,353	-2,928,660
Income tax paid	-2,951,068	-3,016,239

<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>4,093,672</b>	<b>3,435,498</b>
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*Net (increase)/decrease in:*

- investments in debt securities at fair value through profit or loss	-792	-16,910
- loans and advances to banks	-191,681	14,577,755
- loans and advances to customers	3,432,682	-22,248,518
- other assets	-33,496	71,178

*Net increase/(decrease) in:*

- due to other banks	9,298,388	25,382,878
- current accounts and deposits from customers	-20,679,303	-2,514,139
- repurchase agreements	-	2,111,136
- other liabilities	-78,503	554,201

<b>Net cash used in operating activities</b>	<b>-4,159,033</b>	<b>21,353,079</b>
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**Cash flows from investing activities**

Acquisition of property, equipment and intangible assets	-95,001	-1,001,904
Acquisition of debt securities at fair value through other comprehensive income	-12,666,120	-25,385,093
Proceeds from redemption of debt securities at fair value through other comprehensive income	23,839,987	16,429,723
Acquisition of debt securities carried at amortised cost	-	-986,979
Proceeds from redemption of debt securities carried at amortised cost	952,293	5,800,475

<b>Net cash (used in)/from investing activities</b>	<b>12,031,159</b>	<b>-5,143,778</b>
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**Cash flows from financing activities**

Dividends paid	-	-5,509,620
Repayment of principal of lease liabilities	-144,537	-189,432
<b>Net cash (used in)/from financing activities</b>	<b>-144,537</b>	<b>-5,699,052</b>

<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>-1,525,306</b>	<b>-481,208</b>
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<b>Net decrease in cash and cash equivalents</b>	<b>6,202,283</b>	<b>10,029,040</b>
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Cash and cash equivalents at the beginning of the year	34,431,368	53,294,450
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<b>Cash and cash equivalents at the end of the reporting period</b>	<b>40,633,651</b>	<b>63,323,491</b>
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Chief Executive Officer




I. Seylanyan

Chief Accountant/Deputy CFO



S. Sargsyan

«15» July 2024