

**HSBC BANK (VIETNAM) LTD.**

**SUMMARISED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**





**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE SUMMARISED INTERIM FINANCIAL INFORMATION TO THE OWNER, THE MEMBERS' COUNCIL AND THE CHIEF EXECUTIVE OFFICER OF HSBC BANK (VIETNAM) LTD.**

The accompanying Summarised Interim Financial Statements have been prepared on 30 June 2022 and approved by the Bank's Chief Executive Officer on 22 August 2022, from page 3 to page 10 which comprise the Summarised Interim Statement of Financial Position as at 30 June 2022, the Summarised Interim Income Statement, the Summarised Interim Cash Flow Statement for the six-month period then ended, Movements in Owner's Equity and Key Financial Ratios, which were derived from the Interim Financial Statements of HSBC Bank (Vietnam) Ltd. ("the Bank") for the six-month period then ended, on which we have reviewed and issued an unqualified auditor's review conclusion dated 22 August 2022. The reviewed Interim Financial Statements and the Summarised Interim Financial Statements do not include the impact of subsequent events that occurred after the date of our above mentioned auditor's review report.

The Summarised Interim Financial Statements did not include all disclosures of the Interim Financial Statements which are required by Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations on preparation and presentation of financial statements for credit institutions operating in Socialist Republic of Vietnam. Therefore, the reading of the Summarised Interim Financial Statements cannot substitute for the reading of the reviewed Interim Financial Statements of the Bank.

**The Chief Executive Officer's Responsibility to the Summarised Interim Financial Statements**

The Chief Executive Officer is responsible for the preparation and the true and fair presentation of the Summarised Interim Financial Statements in accordance with the criteria as required by regulations.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the Summarised Interim Financial Information based on our procedures which were performed in accordance with Vietnamese Standard on Review Engagements 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* and the relevant requirements of Vietnamese Auditing Standard No. 810 - *Services on the summarised financial statements*.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Summarised Interim Financial Statements which were derived from the reviewed Interim Financial Statements for the six-month period ended 30 June 2022 of the Bank are not consistent, in all material respects, with reviewed Interim Financial Statements, in accordance with the criteria as required by regulations.



### Other matters

The Summarised Interim Financial Statements of the Bank for the six-month period ended 30 June 2021 and the Summarised Financial Statements of the Bank for the year ended 31 December 2021 were derived from the Interim Financial Statements of the Bank for the six-month period ended 30 June 2021 and the Financial Statements of the Bank for the year ended 31 December 2021 which were reviewed and audited respectively by another auditor whose review report dated 23 August 2021 expressed an unmodified conclusion and whose audit report dated 23 March 2022 expressed an unqualified opinion.

The independent auditor's review report on the Summarised Interim Financial Statements is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Nguyen Hoang Nam  
Audit Practising Licence No. 0849-2018-006-1  
Authorised signatory  
Report reference number: HCM12654  
Ho Chi Minh City, 22 August 2022

**HSBC BANK (VIETNAM) LTD.**

**SUMMARISED INTERIM FINANCIAL STATEMENTS**

**I. SUMMARISED INTERIM STATEMENT OF FINANCIAL POSITION**

	As at 30.06.2022 million VND	As at 31.12.2021 million VND
<b>A ASSETS</b>		
<b>I Cash on hand</b>	<b>556,383</b>	<b>406,388</b>
<b>II Balances with the State Bank of Vietnam</b>	<b>13,622,579</b>	<b>17,255,957</b>
<b>III Placements with and loans to other credit institutions</b>	<b>61,967,740</b>	<b>82,443,475</b>
1 Placements with other credit institutions	60,714,901	81,318,475
2 Loans to other credit institutions	1,252,839	1,125,000
<b>V Derivatives and other financial assets</b>	<b>43,631</b>	<b>47,298</b>
<b>VI Loans to customers</b>	<b>62,033,692</b>	<b>54,196,467</b>
1 Loans to customers	62,726,591	54,981,589
2 Provisions for credit losses on loans to customers	(692,899)	(785,122)
<b>VIII Investment securities</b>	<b>8,443,644</b>	<b>8,281,131</b>
1 Available-for-sales investment securities	8,443,644	8,285,647
2 Provision for diminution in value of investment securities	-	(4,516)
<b>X Fixed assets</b>	<b>105,053</b>	<b>119,980</b>
1 Tangible fixed assets	92,496	107,338
a Historical cost	215,665	232,373
b Accumulated depreciation	(123,169)	(125,035)
3 Intangible fixed assets	12,557	12,642
a Historical cost	23,222	21,360
b Accumulated amortisation	(10,665)	(8,718)
<b>XII Other assets</b>	<b>851,478</b>	<b>950,068</b>
1 Other receivables	279,596	286,628
2 Accrued interests and fees receivable	408,712	489,657
3 Deferred tax assets	20,691	20,691
4 Other assets	142,479	153,092
<b>TOTAL ASSETS</b>	<b>147,624,200</b>	<b>163,700,764</b>

HSBC BANK (VIETNAM) LTD.

SUMMARISED INTERIM FINANCIAL STATEMENTS

I. SUMMARISED INTERIM STATEMENT OF FINANCIAL POSITION  
(continued)

	As at 30.06.2022 million VND	As at 31.12.2021 million VND
<b>B LIABILITIES AND EQUITY</b>		
<b>II Placements and borrowings from other credit institutions</b>	<b>1,334,383</b>	<b>2,180,747</b>
1 Placements from other credit institutions	1,021,230	1,972,345
2 Borrowings from other credit institutions	313,153	208,402
<b>III Deposits from customers</b>	<b>129,713,741</b>	<b>146,104,221</b>
<b>VI Valuable papers issued</b>	<b>1,097,171</b>	<b>596,605</b>
<b>VII Other liabilities</b>	<b>1,275,448</b>	<b>1,751,557</b>
1 Fees and interests payable	56,564	37,976
3 Other liabilities	1,218,884	1,713,581
<b>TOTAL LIABILITIES</b>	<b>133,420,743</b>	<b>150,633,130</b>
<b>VIII OWNER'S EQUITY</b>	<b>14,203,457</b>	<b>13,067,634</b>
1 Capital	7,528,000	7,528,000
a Charter capital	7,528,000	7,528,000
2 Reserves	2,959,388	2,959,388
3 Exchange difference	37,507	-
5 Retained earnings	3,678,562	2,580,246
a Net profits for the year	1,098,316	1,114,920
b Retained profits of prior years	2,580,246	1,465,326
<b>TOTAL EQUITY</b>	<b>14,203,457</b>	<b>13,067,634</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>147,624,200</b>	<b>163,700,764</b>

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SUMMARISED INTERIM FINANCIAL STATEMENTS

I. SUMMARISED INTERIM STATEMENT OF FINANCIAL POSITION  
(continued)

OFF STATEMENT OF FINANCIAL POSITION ITEMS

ITEMS	As at	As at
	30.06.2022 million VND	31.12.2021 million VND
2 Foreign exchange transactions commitments	69,908,491	52,756,092
<i>Foreign currency purchase commitments</i>	10,899,037	8,411,655
<i>Foreign currency sales commitments</i>	10,928,657	8,335,636
<i>Swap transactions commitments</i>	48,080,797	36,008,801
3 Irrevocable loan commitments	2,547,085	2,327,532
4 Letters of credit commitments	10,248,975	9,451,940
5 Other guarantees	7,179,126	8,946,037
6 Other commitments	9,013,550	19,951,848
7 Interest and fee receivables not yet collected	203,451	227,424
8 Bad debts written-off	458,914	471,625
9 Other assets and documents	327,668	359,791



Le Anh Hang  
Vice President Regulatory Reporting



Nguyen Thi Thanh Truc  
Chief Financial Officer and  
Chief Accountant




Timothy Mark Redvers Evans  
Legal Representative  
22 August 2022



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SUMMARISED INTERIM FINANCIAL STATEMENTS

II. SUMMARISED INTERIM INCOME STATEMENT

		For the six-month period ended	
		30.06.2022	30.06.2021
		million VND	million VND
1	Interest and similar income	1,629,848	1,300,619
2	Interest and similar expenses	(74,588)	(69,552)
<b>I</b>	<b>Net interest income</b>	<b>1,555,260</b>	<b>1,231,067</b>
3	Fees and commission income	581,125	555,702
4	Fees and commission expenses	(181,071)	(154,181)
<b>II</b>	<b>Net fee and commission income</b>	<b>400,054</b>	<b>401,521</b>
<b>III</b>	<b>Net gain from dealing in foreign currencies</b>	<b>606,977</b>	<b>470,916</b>
<b>IV</b>	<b>Net gain from trading of held-for-trading securities</b>	<b>-</b>	<b>1,353</b>
<b>V</b>	<b>Net gain from trading of investment securities</b>	<b>4,516</b>	<b>-</b>
5	Other income	104,639	67,340
6	Other expenses	(4,443)	(13,724)
<b>VI</b>	<b>Net other income</b>	<b>100,196</b>	<b>53,616</b>
<b>VIII</b>	<b>Operating expenses</b>	<b>(1,311,882)</b>	<b>(1,229,470)</b>
<b>IX</b>	<b>Net operating profit before provisions for credit losses</b>	<b>1,355,121</b>	<b>929,003</b>
<b>X</b>	<b>Provisions for credit losses</b>	<b>23,980</b>	<b>(94,491)</b>
<b>XI</b>	<b>Profit before tax</b>	<b>1,379,101</b>	<b>834,512</b>
7	Corporate income tax – current	(280,785)	(169,573)
8	Corporate income tax – deferred	-	-
<b>XII</b>	<b>Corporate income tax</b>	<b>(280,785)</b>	<b>(169,573)</b>
<b>XIII</b>	<b>Profit after tax</b>	<b>1,098,316</b>	<b>664,939</b>



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SUMMARISED INTERIM FINANCIAL STATEMENTS

III. SUMMARISED INTERIM CASH FLOW STATEMENT  
(Direct method)

		<u>For the six-month period ended</u>	
		<u>30.06.2022</u>	<u>30.06.2021</u>
		million VND	million VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Interest and similar income received	1,685,420	1,400,938
02	Interest and similar expenses paid	(54,759)	(50,745)
03	Fee and commission income received	422,517	391,427
04	Net amount received from trading of foreign currency and securities	606,912	472,269
05	Other income	49,591	21,853
06	Recovery of debts written-off and provided for credit risks	32,930	19,349
07	Payments to employees and for administrative expenses	(1,318,142)	(1,325,804)
08	Corporate income tax paid during the period	(171,916)	(158,234)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN CURRENT ASSETS AND WORKING CAPITAL</b>		<b>1,252,553</b>	<b>771,053</b>
<b>Changes in operating assets</b>			
09	Increase in placements with and loans to other credit institutions	(192,754)	(608,000)
10	Decrease/(increase) in trading securities	1,369,463	(265,447)
11	Decrease in derivatives and other financial assets	3,667	14,704
12	Increase in loans to customers	(7,745,002)	(6,401,533)
13	Utilisation of provision for credit losses	(68,243)	(31,725)
14	Decrease/(increase) in other operating assets	24,986	(29,332)
<b>Changes in operating liabilities</b>			
16	(Decrease)/increase in placements and borrowings from other credit institutions	(846,364)	644,816
17	Decrease in deposits from customers	(16,390,480)	(2,006,812)
18	Increase in valuable papers issued	499,325	-
20	Increase in derivative financial instruments and other financial liabilities	-	4,923
21	Increase in other operating liabilities	129,467	304,623
<b>I</b>	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b><u>(21,963,382)</u></b>	<b><u>(7,602,730)</u></b>



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SUMMARISED INTERIM FINANCIAL STATEMENTS

III. SUMMARISED INTERIM CASH FLOW STATEMENT  
(Direct method)  
(continued)

	For the six-month period ended	
	30.06.2022 million VND	30.06.2021 million VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
01 Purchase of fixed assets	(5,181)	(4,762)
02 Proceeds from the disposal of fixed assets	41	240
<b>II NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(5,140)</b>	<b>(4,522)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
04 Profit paid	(693,397)	-
<b>III NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(693,397)</b>	<b>-</b>
<b>IV NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(22,661,919)</b>	<b>(7,607,252)</b>
<b>V CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>98,980,820</b>	<b>71,271,383</b>
<b>VI ADJUSTMENT FOR EFFECTS OF CHANGE IN FOREIGN EXCHANGE DIFFERENCE</b>	<b>37,507</b>	<b>36,661</b>
<b>VI CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>76,356,408</b>	<b>63,700,792</b>



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SUMMARISED INTERIM FINANCIAL STATEMENTS

IV. MOVEMENTS IN OWNER'S EQUITY

	Charter capital million VND	Reserve to supplement charter capital million VND	Financial reserves million VND	Foreign exchange differences million VND	Retained earnings million VND	Total million VND
As at 1 January 2021	7,528,000	954,673	1,807,964	-	2,158,723	12,449,360
Profit for the year	-	-	-	-	1,311,671	1,311,671
Profit distribution (*)	-	-	-	-	(693,397)	(693,397)
Appropriation to reserves	-	65,584	131,167	-	(196,751)	-
As at 31 December 2021	7,528,000	1,020,257	1,939,131	-	2,580,246	13,067,634
Profit for the period	-	-	-	-	1,098,316	1,098,316
Foreign exchange differences	-	-	-	37,507	-	37,507
As at 30 June 2022	7,528,000	1,020,257	1,939,131	37,507	3,678,562	14,203,457

(\*) The Members' Council of the Bank approved the 2020 profit distribution plan on 18 August 2021. Accordingly, the dividend amount of VND693,397 million was remitted to the Parent Bank on 8 February 2022.

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SUMMARISED INTERIM FINANCIAL STATEMENTS

V. FINANCIAL RATIOS

	30.06.2022 million VND, %	31.12.2021 million VND, %
Charter capital	7,528,000	7,528,000
Total assets	147,624,200	163,700,764
Overdue loan	582,750	563,408
Non-performing loans	302,680	339,004
Capital adequacy ratio	16.32%	15.45%
Loans to deposit ratio	49.67%	34.04%
Overdue guarantee balance/Total guarantee balance	0.00%	0.00%
Overdue loan balance/Total loan balance	0.48%	0.41%
Non-performing loan balance/Total loan balance	0.25%	0.25%
The liquidity reserve ratio	31.36%	63.74%
Short-term funding used for medium and long-term loans ratio (*)	-1.45%	-0.97%
Solvency ratio – 30 days (**)		
- In VND	2194.01%	-421.39%
- In foreign currencies	-144.78%	474.89%

	For the six-month period ended	
	30.06.2022 million VND	30.06.2021 million VND
Total deposits received and valuable papers issued	1,927,028,651	1,907,607,522
Total loans disbursed	102,590,164	77,803,433
Total loans collected	95,093,129	71,405,265

(\*) As at 30 June 2022 and 31 December 2021, the balance of medium and long-term loan is less than the balance of medium and long-term funding, which is fully complied with the SBV's requirement.

(\*\*) Negative solvency ratio – 30 days represents cash inflows within the next 30 days exceed cash outflows within the next 30 days, which is fully complied with the SBV's requirement.

The Summarised Interim Financial Statements were approved by the Bank's Legal Representative on 22 August 2022.



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