

HSBC BANK (VIETNAM) LTD.
SUMMARISED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED 31 DECEMBER 2021

BALANCE SHEET		
	Ending balance VND million	Beginning balance VND million
ASSETS		
Cash on hand	406,388	446,116
Balance with the State Bank of Vietnam	17,255,957	18,254,202
Placements with and loans to other credit institutions	82,443,475	53,094,065
Placements with other credit institutions	81,318,475	52,571,065
Loans to other credit institutions	1,125,000	523,000
Trading securities	-	150,149
Trading securities	-	150,279
Provision for risk of trading securities	-	(130)
Derivatives and other financial assets	47,298	14,704
Loans to customers	54,196,467	47,428,378
Loans to customers	54,381,589	48,044,884
Provision for credit losses on loans to customers	(785,122)	(616,506)
Investment securities	8,281,131	8,694,854
Available-for-sale investment securities	8,285,647	8,697,211
Provision for diminution in value of investment securities	(4,516)	(2,357)
Fixed assets	119,980	83,853
Tangible fixed assets	107,338	77,452
Historical costs	232,373	207,363
Accumulated depreciation	(125,035)	(129,911)
Intangible fixed assets	12,642	6,401
Initial costs	21,380	12,229
Accumulated amortization	(8,718)	(5,828)
Other assets	950,608	878,467
Other receivables	286,628	163,260
Accrued interest and fee receivables	489,657	491,888
Deferred tax assets	20,691	29,264
Other assets	153,092	194,055
TOTAL ASSETS	163,700,764	129,044,788
LIABILITIES AND EQUITY		
Placements and borrowings from other credit institutions	2,180,747	3,418,186
Placements from other credit institutions	1,972,245	3,094,633
Borrowings from other credit institutions	208,402	323,583
Deposits from customers	146,104,221	111,450,623
Derivative financial instruments and other financial liabilities	-	-
Valuable papers issued	596,605	594,461
Other liabilities	1,751,557	1,132,158
Fees and interests payable	37,976	35,565
Other liabilities	1,713,581	1,096,593
TOTAL LIABILITIES	150,633,130	116,595,428
Equity	13,067,634	12,449,360
Capital	7,528,000	7,528,000
Charter capital	7,528,000	7,528,000
Reserves	2,959,388	2,762,637
Retained earnings	2,580,246	2,158,723
TOTAL LIABILITIES AND EQUITY	163,700,764	129,044,788
OFF BALANCE SHEET ITEMS		
Foreign exchange transactions commitments	52,756,092	62,013,139
Foreign currency purchase commitments	8,411,655	8,736,526
Foreign currency sales commitments	8,335,636	8,730,074
Swap transactions commitments	36,008,801	44,546,539
Irrevocable loan commitments	2,327,532	3,870,021
Letter of credit commitments	9,451,940	8,183,779
Other guarantees	8,946,037	11,216,040
Other commitments	19,951,848	-

INCOME STATEMENT		
	Current year VND million	Previous year VND million
Interest and similar income	2,645,013	3,254,833
Interest and similar expenses	139,647	301,594
Net interest income	2,505,366	2,953,239
Income from service provisions	1,062,781	970,237
Expenses on service provisions	280,015	283,867
Net gain from service provisions	782,766	686,370
Net gain from dealing in foreign currencies	1,058,804	690,317
Net gain from trading of held-for-trading securities	2,134	17,380
Net loss from trading of investment securities	(2,159)	(2,357)
Other income	128,836	119,419
Other expenses	15,896	12,195
Net gain from other activities	112,940	107,224
Operating expenses	2,534,112	2,442,015
Net operating profit before provision for credit losses	1,925,739	2,010,158
Provision for credit losses	278,967	24,692
Total profit before tax	1,646,772	1,985,466
Current corporate income tax	326,528	396,483
Deferred corporate income tax	8,573	6,965
Corporate income tax	335,101	403,348
Profit after tax	1,311,671	1,582,118


CASH FLOWS STATEMENT (DIRECT METHOD)			
	Current year VND million	Previous year VND million	
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar income received	2,687,999	3,361,201	
Interest and similar expenses paid	(135,082)	(346,672)	
Income received from service provisions	778,949	703,723	
Net amount received from trading of foreign currency and securities	1,060,873	707,827	
Other income	79,164	75,081	
Recovery of debts written off and provided for credit risks	32,858	35,233	
Payments to employees and for administrative expenses	(2,519,226)	(2,410,882)	
Corporate income tax paid during the year	(344,511)	(418,670)	
NET CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN CURRENT ASSETS AND WORKING CAPITAL	1,641,014	1,706,841	
Changes in operating assets			
(Increase) in placements with and loans to other credit institutions	(602,000)	(243,000)	
(Decrease)/(Increase) in trading securities	511,794	(55,246)	
(Increase) in derivatives and other financial assets	(32,594)	(14,704)	
(Increase)/(Decrease) in loans to customers	(6,936,705)	162,897	
Decrease in provision for credit losses	(110,351)	(67,396)	
(Increase) in other operating assets	(114,312)	(61,339)	
Changes in operating liabilities			
(Decrease)/Increase in placements and borrowings from other credit institutions	(1,237,439)	2,161,666	
Increase in deposits from customers	34,653,598	1,541,916	
Increase in valuable papers issued	-	593,568	
Decrease in derivatives and other financial liabilities	-	(172)	
Increase in other operating liabilities	18,479	26,681	
NET CASH FLOWS FROM OPERATING ACTIVITIES	27,791,474	5,751,712	
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(82,300)	(16,659)	
Proceeds from the disposal of fixed assets	263	61	
NET CASH FLOWS FROM INVESTING ACTIVITIES	(82,037)	(16,598)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit paid	-	(2,010,857)	
NET CASH FLOWS FROM FINANCING ACTIVITIES	-	(2,010,857)	
NET CASH FLOWS DURING THE YEAR	27,709,437	3,724,257	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	71,271,383	67,547,126	
ADJUSTMENT FOR EFFECTS OF CHANGE IN FOREIGN EXCHANGE FLUCTUATION	-	-	
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	98,980,820	71,271,383	


STATEMENT OF CHANGES IN EQUITY					
	Charter capital VND million	Reserve to supplement charter capital VND million	Financial reserves VND million	Retained earnings VND million	Total VND million
Balance as of 01 January 2020	7,528,000	875,567	1,649,753	2,824,779	12,878,099
Profit for the year	-	-	-	1,582,118	1,582,118
Appropriation for reserves	-	79,106	158,211	(237,317)	-
Profit distribution	-	-	-	(2,010,857)	(2,010,857)
Balance as of 31 December 2020	7,528,000	954,673	1,807,964	2,158,723	12,449,360
Balance as of 01 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
Appropriation for reserves	-	65,584	131,167	(198,751)	-
Profit distribution	-	-	-	(693,397)	(693,397)
Balance as of 31 December 2021	7,528,000	1,020,257	1,939,131	2,580,246	13,067,634


EMPLOYEE'S REMUNERATION			
	Current year VND million	Previous year VND million	
Number of employees (person)	1,302	1,317	
Employee's remuneration			
Total salary budget	746,745	727,979	
Variable salaries	161,983	133,128	
Other remuneration	63,523	67,275	
Total remuneration	972,251	928,382	
Average salary per employee per year	574	553	
Average income per employee per year	747	705	

FINANCIAL RATIOS			
	Ending balance VND million, %	Beginning balance VND million, %	
Charter capital	7,528,000	7,528,000	
Total assets	163,700,764	129,044,788	
Overdue loan	563,408	633,635	
Non-performing loans	339,004	348,713	
Capital adequacy ratio	15.45%	15.91%	
Loans to deposit ratio	34.04%	37.93%	
Overdue guarantee balance/Total guarantee balance	0.00%	0.00%	
Overdue loan balance/Total loan balance	0.41%	0.65%	
Non-performing loan balance/Total loan balance	0.25%	0.36%	
The liquidity reserve ratio	63.74%	57.30%	
Solvency ratio - 30 days			
- In VND	Qualify	Qualify	
- In other currencies	Qualify	Qualify	
	Current year VND million	Previous year VND million	
Total deposits received	4,238,696,717	3,104,447,583	
Total loans disbursed	160,405,188	130,700,959	
Total loans collected	153,445,725	130,955,684	

The Summarised Financial Statements were approved by the Bank's Legal Representative on 23 March 2022.


Ha Le Thao Vy
 Financial Controller


Nguyen Thi Thanh Truc
 Chief Financial Officer and
 Chief Accountant


Mark Redvers Evans
 Legal Representative

THE INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED 31 DECEMBER 2021 TO THE MEMBERS' COUNCIL AND THE CHIEF EXECUTIVE OFFICER OF HSBC BANK (VIETNAM) LTD.

Gentlemen,

We have audited the accompanying Summarised Financial Statements which were prepared by the Chief Executive Officer of HSBC Bank (Vietnam) Ltd. (hereinafter referred to as "the Bank") on 23 March 2022 (from page 02 to page 08), including the Summarised Balance Sheet as of 31 December 2021, the Summarised Income Statement, the Summarised Cash Flow Statement for the fiscal year then ended, the Statement of Changes in Equity, Employee's Remuneration and Financial Ratios which are derived from the Financial Statements for the fiscal year then ended. We audited and expressed the unqualified opinion on the Financial Statements for the fiscal year then ended in our Independent Auditor's Report dated 23 March 2022. The Financial Statements and the Summarised Financial Statements derived therefrom do not reflect effects of events, if any, that occurred subsequent to the date of our aforementioned Auditor's Report.

The Summarised Financial Statements do not contain all the disclosures as required by the legal regulations related to preparation and presentation of Bank's Financial Statements. Therefore, reading the Summarised Financial Statements cannot substitute for reading the Financial Statements of the Bank.

Based on our audit, we found that the accompanying Summarised Financial Statements derived from the audited Financial Statements for the fiscal year ended 31 December 2021 of the Bank are consistent with the audited Financial Statements.



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