

HSBC BANK (VIETNAM) LTD.

**SUMMARISED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**





**REPORT ON THE REVIEW OF 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 2023 and approved by the Bank's Chief Executive Officer on 22 August 2023, from page 3 to page 10 which comprise the Summarised Interim Statement of Financial Position as at 30 June 2023, the Summarised Interim Income Statement and the Summarised Interim Cash Flow Statement for the six-month period then ended, Movements in Owner's Equity and Financial Ratios, which were derived from the Interim Financial Statements of HSBC Bank (Vietnam) Ltd. ("the Bank") for the six-month period ended 30 June 2023, on which we have reviewed and issued an unqualified auditor's review report dated 22 August 2023. 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 interim 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 relevant regulations on preparation and presentation of interim financial statements.

Auditor's Responsibility

Our responsibility is to express a conclusion on the Summarised Interim Financial Statements 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 in accordance with 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 2023 of the Bank are not consistent, in all material respects, with the reviewed Interim Financial Statements, in accordance with the relevant regulations on preparation and presentation of interim financial statements.

Other matter

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. 0849-2023-006-1
Authorised signatory
Report reference number: HCM14220
Ho Chi Minh City, 22 August 2023

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HSBC BANK (VIETNAM) LTD.

SUMMARISED INTERIM FINANCIAL STATEMENTS

I. SUMMARISED INTERIM STATEMENT OF FINANCIAL POSITION

| | As at 30.6.2023 million VND | As at 31.12.2022 million VND |
|---|-----------------------------------|------------------------------------|
| A ASSETS | | |
| I Cash on hand | 519,737 | 502,590 |
| II Balances with the State Bank of Vietnam ("SBV") | 20,484,031 | 14,196,449 |
| III Placements with and loans to other credit institutions | 99,403,880 | 110,224,228 |
| 1 Placements with other credit institutions | 97,993,880 | 108,840,548 |
| 2 Loans to other credit institutions | 1,410,000 | 1,383,680 |
| IV Trading securities | 51,125 | - |
| 1 Trading securities | 51,125 | - |
| 2 Provision for trading securities | - | - |
| V Derivatives and other financial assets | - | 61,281 |
| VI Loans to customers | 63,104,677 | 62,515,074 |
| 1 Loans to customers | 63,781,129 | 63,128,276 |
| 2 Provisions for credit losses on loans to customers | (676,452) | (613,202) |
| VIII Investment securities | 5,270,911 | 9,495,797 |
| 1 Available-for-sales investment securities | 5,270,911 | 9,495,797 |
| 3 Provision for investment securities | - | - |
| X Fixed assets | 110,037 | 112,047 |
| 1 Tangible fixed assets | 89,481 | 95,981 |
| a Historical cost | 247,195 | 237,407 |
| b Accumulated depreciation | (157,714) | (141,426) |
| 3 Intangible fixed assets | 20,556 | 16,066 |
| a Historical cost | 36,470 | 29,226 |
| b Accumulated amortisation | (15,914) | (13,160) |
| XI Other assets | 1,347,002 | 1,506,709 |
| 1 Other receivables | 418,004 | 592,005 |
| 2 Accrued interests and fees receivable | 745,527 | 734,943 |
| 3 Deferred tax assets | 21,648 | 21,648 |
| 4 Other assets | 161,823 | 158,113 |
| TOTAL ASSETS | 190,291,400 | 198,614,175 |

HSBC BANK (VIETNAM) LTD.

SUMMARISED INTERIM FINANCIAL STATEMENTS

I. SUMMARISED INTERIM STATEMENT OF FINANCIAL POSITION
(continued)

| | As at 30.6.2023 million VND | As at 31.12.2022 million VND |
|--|---|------------------------------------|
| B | LIABILITIES AND EQUITY | |
| II | Placements and borrowings from other credit institutions | |
| 1 | 2,694,098 | 2,198,482 |
| | 1,403,611 | 1,998,180 |
| 2 | 1,290,487 | 200,302 |
| III | 164,531,411 | 175,516,105 |
| IV | Deposits from customers | |
| IV | 93,124 | - |
| Derivatives and other financial liabilities | | |
| VI | 2,599,821 | 2,098,581 |
| Valuable papers issued | | |
| VII | 1,676,169 | 2,823,850 |
| Other liabilities | | |
| 1 | 199,584 | 97,556 |
| 3 | 1,476,585 | 2,726,294 |
| | <u>171,594,623</u> | <u>182,637,018</u> |
| TOTAL LIABILITIES | | |
| VIII | EQUITY | |
| 1 | 18,696,777 | 15,977,157 |
| Capital | | |
| a | 7,528,000 | 7,528,000 |
| | <i>Charter capital</i> | <i>7,528,000</i> |
| 2 | 3,514,460 | 3,514,460 |
| Reserves | | |
| 3 | 69,856 | - |
| Foreign exchange differences | | |
| 5 | 7,584,461 | 4,934,697 |
| Retained earnings | | |
| a | 2,649,764 | 3,145,408 |
| | <i>Net profits for the year</i> | <i>3,145,408</i> |
| b | 4,934,697 | 1,789,289 |
| | <i>Retained profits of prior years</i> | <i>1,789,289</i> |
| | <u>190,291,400</u> | <u>198,614,175</u> |
| TOTAL LIABILITIES AND EQUITY | | |

HSBC BANK (VIETNAM) LTD.

SUMMARISED INTERIM FINANCIAL STATEMENTS

I. SUMMARISED INTERIM STATEMENT OF FINANCIAL POSITION
(continued)

OFF STATEMENT OF FINANCIAL POSITION ITEMS

| ITEMS | As at 30.6.2023 million VND | As at 31.12.2022 million VND |
|---|-----------------------------------|------------------------------------|
| 2 Foreign exchange transactions commitments | 51,140,283 | 42,763,347 |
| <i>Foreign currency purchase commitments</i> | 8,807,817 | 6,314,554 |
| <i>Foreign currency sales commitments</i> | 8,791,369 | 6,283,251 |
| <i>Swap transactions commitments</i> | 33,541,097 | 30,165,542 |
| 3 Irrevocable loan commitments | 2,766,765 | 2,460,218 |
| 4 Letter of credit commitments | 11,192,461 | 11,139,038 |
| 5 Other guarantees | 7,910,457 | 9,584,994 |
| 6 Other commitments | - | 8,975,003 |
| 7 Interest income and fee receivables not yet collected | 149,803 | 137,787 |
| 8 Bad debts written-off | 543,823 | 527,389 |



Ha Le Thao Vy
Financial Controller



Nguyen Thi Thanh Truc
Chief Financial Officer and
Chief Accountant




Timothy Mark Redvers Evans
Chief Executive Officer and
Legal Representative
22 August 2023

HSBC BANK (VIETNAM) LTD.

SUMMARISED INTERIM FINANCIAL STATEMENTS

II. SUMMARISED INTERIM INCOME STATEMENT

| | | For the six-month period ended | |
|-------------|---|---------------------------------------|--------------------|
| | | 30.6.2023 | 30.6.2022 |
| | | million VND | million VND |
| 1 | Interest and similar income | 4,412,609 | 1,629,848 |
| 2 | Interest and similar expenses | (410,955) | (74,588) |
| I | Net interest income | 4,001,654 | 1,555,260 |
| 3 | Fees and commission income | 652,899 | 581,125 |
| 4 | Fees and commission expenses | (220,074) | (181,071) |
| II | Net fee and commission income | 432,825 | 400,054 |
| III | Net gain from dealing in foreign currencies | 371,799 | 606,977 |
| IV | Net gain from trading of held-for-trading securities | 13,817 | - |
| V | Net gain from trading of investment securities | - | 4,516 |
| 5 | Other income | 108,407 | 104,639 |
| 6 | Other expenses | (15,269) | (4,443) |
| VI | Net other income | 93,138 | 100,196 |
| VIII | Operating expenses | (1,498,515) | (1,311,882) |
| IX | Net operating profit before provisions for credit losses | 3,414,718 | 1,355,121 |
| X | Provisions for credit losses | (99,480) | 23,980 |
| XI | Profit before tax | 3,315,238 | 1,379,101 |
| 7 | Corporate income tax - current | (665,474) | (280,785) |
| 8 | Corporate income tax - deferred | - | - |
| XII | Corporate income tax | (665,474) | (280,785) |
| XIII | Profit after tax | 2,649,764 | 1,098,316 |



Ha Le Thao Vy
Financial Controller



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Timothy Mark Redvers Evans
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22 August 2023

HSBC BANK (VIETNAM) LTD.

SUMMARISED INTERIM FINANCIAL STATEMENTS

III. SUMMARISED INTERIM CASH FLOW STATEMENT
(Direct method)

| | | For the six-month period ended | |
|--|--|---------------------------------------|---------------------|
| | | 30.6.2023 | 30.6.2022 |
| | | million VND | million VND |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 01 | Interest and similar income received | 4,425,202 | 1,685,420 |
| 02 | Interest and similar expenses paid | (307,687) | (54,759) |
| 03 | Fee and commission income received | 416,007 | 422,517 |
| 04 | Net amount received from trading of foreign currency and securities | 385,616 | 606,912 |
| 05 | Other income | 72,502 | 49,591 |
| 06 | Recovery of debts written-off and provided for credit risks | 17,259 | 32,930 |
| 07 | Payments to employees and for administrative expenses | (1,536,381) | (1,318,142) |
| 08 | Corporate income tax paid during the period | (652,872) | (171,916) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN CURRENT ASSETS AND WORKING CAPITAL | | 2,819,646 | 1,252,553 |
| Changes in operating assets | | | |
| 09 | Increase in placements with and loans to other credit institutions | (26,320) | (192,754) |
| 10 | Decrease in trading securities | 4,173,761 | 1,369,463 |
| 11 | Decrease in derivatives and other financial assets | 61,281 | 3,667 |
| 12 | Increase in loans to customers | (652,853) | (7,745,002) |
| 13 | Utilisation of provision for credit losses | (36,230) | (68,243) |
| 14 | Decrease in other operating assets | 177,869 | 24,986 |
| Changes in operating liabilities | | | |
| 16 | Increase/(decrease) in placements and borrowings from other credit institutions | 495,616 | (846,364) |
| 17 | Decrease in deposits from customers | (10,984,694) | (16,390,480) |
| 18 | Increase in valuable papers issued | 500,000 | 499,325 |
| 20 | Increase in derivatives and other financial liabilities | 93,124 | - |
| 21 | (Decrease)/increase in other operating liabilities | (423,043) | 129,467 |
| I | NET CASH FLOWS FROM OPERATING ACTIVITIES | (3,801,843) | (21,963,382) |

HSBC BANK (VIETNAM) LTD.

SUMMARISED INTERIM FINANCIAL STATEMENTS

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

| | | For the six-month period ended | |
|---|--|---------------------------------------|---------------------|
| | | 30.6.2023 | 30.6.2022 |
| | | million VND | million VND |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 01 | Purchase of fixed assets | (19,008) | (5,181) |
| 02 | Proceeds from the disposal of fixed assets | 13 | 41 |
| II | NET CASH FLOWS FROM INVESTING ACTIVITIES | (18,995) | (5,140) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 04 | Profit paid | (790,957) | (693,397) |
| III | NET CASH FLOWS FROM FINANCING ACTIVITIES | (790,957) | (693,397) |
| IV | NET DECREASE IN CASH AND CASH EQUIVALENTS | (4,611,795) | (22,661,919) |
| V | CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 123,539,587 | 98,980,820 |
| VI | ADJUSTMENT FOR EFFECTS OF CHANGE IN FOREIGN EXCHANGE DIFFERENCE | 69,856 | 37,507 |
| VII | CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 118,997,648 | 76,356,408 |



Ha Le Thao Vy
Financial Controller



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Chief Financial Officer and
Chief Accountant




Timothy Mark Redvers Evans
Chief Executive Officer and
Legal Representative
22 August 2023

HSBC BANK (VIETNAM) LTD.

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 2022 | 7,528,000 | 1,020,257 | 1,939,131 | - | 2,580,246 | 13,067,634 |
| Profit for the year | - | - | - | - | 3,700,480 | 3,700,480 |
| Profit distribution (*) | - | - | - | - | (790,957) | (790,957) |
| Appropriation to reserves | - | 185,024 | 370,048 | - | (555,072) | - |
| As at 31 December 2022 | 7,528,000 | 1,205,281 | 2,309,179 | - | 4,934,697 | 15,977,157 |
| Profit for the period | - | - | - | - | 2,649,764 | 2,649,764 |
| Foreign exchange differences | - | - | - | 69,856 | - | 69,856 |
| As at 30 June 2023 | 7,528,000 | 1,205,281 | 2,309,179 | 69,856 | 7,584,461 | 18,696,777 |

(*) The Members' Council of the Bank approved the 2021 profit distribution plan on 27 July 2022. Accordingly, the dividend amount of VND790,957 million was remitted to the Parent Bank on 21 February 2023.

HSBC BANK (VIETNAM) LTD.

SUMMARISED INTERIM FINANCIAL STATEMENTS

V. FINANCIAL RATIOS




| | 30.6.2023 million VND, % | 31.12.2022 million VND, % |
|--|------------------------------------|-------------------------------------|
| Charter capital | 7,528,000 | 7,528,000 |
| Total assets | 190,291,400 | 198,614,175 |
| Overdue loan | 919,544 | 526,351 |
| Non-performing loans | 276,979 | 216,730 |
| Capital adequacy ratio | 18.23% | 15.22% |
| Loans to deposit ratio | 36.53% | 35.01% |
| Overdue loan balance/Total loan balance | 0.57% | 0.31% |
| Non-performing loan balance/Total loan balance | 0.17% | 0.13% |
| The liquidity reserve ratio | 66.14% | 61.78% |
| Short-term funding used for medium and long-term loans ratio (*) | -3.12% | -1.27% |
| Solvency ratio – 30 days | | |
| - In VND | 292.01% | 256.88% |
| - In foreign currencies | 806.15% | 562.32% |

For the six-month period ended

| | 30.6.2023 million VND | 30.6.2022 million VND |
|--|---------------------------------|---------------------------------|
| Total deposits received and valuable papers issued | 2,235,699,487 | 1,927,028,651 |
| Total loans disbursed | 92,868,551 | 102,590,164 |
| Total loans collected | 92,227,895 | 95,093,129 |

(*) As at 30 June 2023 and 31 December 2022, 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.

The Summarised Interim Financial Statements were approved by the Bank's Legal Representative on 22 August 2023.

| | | |
|--|---|---|
|  <hr/> Ha Le Thao Vy Financial Controller |  <hr/> Nguyen Thi Thanh Truc Chief Financial Officer and Chief Accountant |  <hr/> Timothy Mark Redvers Evans Chief Executive Officer and Legal Representative |
|--|---|---|

