

HSBC BANK (VIETNAM) LTD.

SUMMARISED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED 31 DECEMBER 2020

BALANCE SHEET		
	Ending balance VND million	Beginning balance VND million
ASSETS		
Cash on hand	446,116	425,457
Balances with the State Bank of Vietnam	18,254,202	11,741,032
Placements with and loans to other credit institutions	53,094,065	55,660,637
Placements with other credit institutions	52,571,065	55,380,637
Loans to other credit institutions	523,000	280,000
Trading securities	150,149	-
Trading securities	150,279	-
Provision for risk of trading securities	(130)	-
Derivatives and other financial assets	14,704	-
Loans to customers	47,428,378	47,548,571
Loans to customers	48,044,884	48,207,781
Provision for credit losses on loans to customers	(616,506)	(659,210)
Investment securities	8,694,854	8,742,185
Available-for-sale investment securities	8,697,211	8,742,185
Provision for diminution in value of investment securities	(2,357)	-
Fixed assets	83,853	102,350
Tangible fixed assets	77,452	95,452
Historical cost	207,363	215,223
Accumulated depreciation	(129,911)	(119,771)
Intangible fixed assets	6,401	6,898
Historical costs	12,229	10,923
Accumulated amortization	(5,828)	(4,025)
Other assets	878,467	947,135
Other receivables	163,260	101,011
Accrued interest and fee receivables	491,888	596,445
Deferred tax assets	29,264	36,129
Other assets	194,055	213,550
TOTAL ASSETS	129,044,788	125,167,367
LIABILITIES AND EQUITY		
Placements and borrowings from other credit institutions	3,418,186	1,256,520
Placements from other credit institutions	3,094,603	1,256,520
Borrowings from other credit institutions	323,583	-
Deposits from customers	111,450,623	109,908,707
Derivative financial instruments and other financial liabilities	-	172
Valuable papers issued	594,461	-
Other liabilities	1,132,158	1,123,869
Fee and interest payables	35,565	81,536
Other liabilities	1,096,593	1,042,333
TOTAL LIABILITIES	116,595,428	112,289,268
OWNER'S EQUITY	12,449,360	12,878,099
Capital	7,528,000	7,528,000
Charter capital	7,528,000	7,528,000
Reserves	2,762,637	2,525,320
Retained earnings	2,158,723	2,824,779
TOTAL LIABILITIES AND EQUITY	129,044,788	125,167,367
OFF BALANCE SHEET ITEMS		
Foreign exchange transactions commitments	62,013,139	75,791,868
Foreign currency purchase commitments	8,736,526	22,724,932
Foreign currency sales commitments	8,730,074	22,684,681
Swap transactions commitments	44,546,539	30,382,255
Undrawn loan commitments	3,870,021	2,584,730
Letter of credit commitments	8,183,779	7,295,217
Other guarantees	11,216,040	9,535,389

INCOME STATEMENT		
	Current year VND million	Previous year VND million
Interest and similar income	3,254,833	4,214,682
Interest and similar expenses	301,594	507,548
Net interest income	2,953,239	3,707,134
Income from service provisions	970,237	1,121,673
Expenses on service provisions	283,867	284,838
Net gain from service provisions	686,370	836,835
Net gain from dealing in foreign currencies	690,317	679,704
Net gain from trading of held-for-trading securities	17,380	17,434
Net loss from trading of investment securities	(2,357)	-
Other incomes	119,419	172,550
Other expenses	12,195	56,346
Net gain from other activities	107,224	116,204
Operating expenses	2,442,015	2,263,745
Net operating profit before provision for credit losses	2,010,158	3,093,566
Provisions for credit losses	24,692	112,275
Profit before tax	1,985,466	2,981,291
Current corporate income tax	396,483	507,569
Deferred corporate income tax	6,865	98,695
Corporate income tax	403,348	606,264
Profit after tax	1,582,118	2,375,027




CASH FLOW STATEMENT (DIRECT METHOD)		
	Current year VND million	Previous year VND million
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and similar income received	3,361,201	4,319,411
Interest and similar expenses paid	(346,672)	(496,368)
Income received from service provisions	703,723	844,090
Net amount received from trading of foreign currency and securities	707,827	697,138
Other income	75,081	75,716
Recovery of debts written off and provided for credit risks	35,233	40,565
Payments to employees and for administrative expenses	(2,410,882)	(2,652,997)
Corporate income tax paid during the year	(418,670)	(622,528)
NET CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN CURRENT ASSETS AND WORKING CAPITAL	1,706,841	2,205,027
Changes in operating assets		
(Increase) in placements with and loans to other credit institutions	(243,000)	(200,000)
(Increase)/Decrease in trading securities and investment securities	(55,246)	596,372
(Increase)/Decrease in derivatives and other financial assets	(14,704)	8,578
Decrease/(Increase) in loans to customers	162,897	(3,504,149)
(Increase) in provision for credit losses	(67,396)	(45,392)
(Increase)/Decrease in other operating assets	(61,339)	619,072
Changes in operating liabilities		
Increase/(Decrease) in placements and borrowings from other credit institutions	2,161,666	(727,571)
Increase in deposits from customers	1,541,916	24,836,293
Increase in valuable papers issued	593,568	-
(Decrease)/Increase in derivatives and other financial liabilities	(172)	172
Increase in other operating liabilities	26,681	77,224
NET CASH FLOWS FROM OPERATING ACTIVITIES	5,751,712	23,865,626
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(16,659)	(44,164)
Proceeds from the disposal of fixed assets	61	42
NET CASH FLOWS FROM INVESTING ACTIVITIES	(16,598)	(44,122)
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid	(2,010,857)	(1,640,185)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(2,010,857)	(1,640,185)
NET CASH FLOWS DURING THE YEAR	3,724,257	22,181,319
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	67,547,126	45,365,807
ADJUSTMENT FOR EFFECTS OF CHANGE IN FOREIGN EXCHANGE	-	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	71,271,383	67,547,126

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
As at 01 January 2019	7,528,000	756,816	1,412,250	2,446,191	12,143,257
Profit for the year	-	-	-	2,375,027	2,375,027
Appropriation for reserves	-	118,751	237,503	(356,254)	-
Profit paid	-	-	-	(1,640,185)	(1,640,185)
As at 31 December 2019	7,528,000	875,567	1,649,753	2,824,779	12,878,099
As at 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 paid	-	-	-	(2,010,857)	(2,010,857)
As at 31 December 2020	7,528,000	954,673	1,807,964	2,158,723	12,449,360

EMPLOYEES REMUNERATION		
	Current year VND million	Previous year VND million
Number of employees (person)	1,317	1,408
Employees remuneration		
Total salary fund	727,979	695,557
Variable salaries	133,128	155,360
Other remuneration	67,275	67,363
Total remuneration	928,382	918,280
Average salary per employee per year	553	494
Average income per employee per year	705	652

FINANCIAL RATIOS		
	Ending balance VND million, %	Beginning balance VND million, %
Charter capital	7,528,000	7,528,000
Total assets	129,044,788	125,167,367
Capital adequacy ratio	16%	14%
Overdue loan	633,835	633,932
Non-performing loans	348,713	342,796
Loans to deposit ratio	38%	41%
Overdue guarantee balance/Total guarantee balance	0%	0%
Overdue loan balance/Total loan balance	0.65%	0.63%
Non-performing loan balance/Total loan balance	0.36%	0.34%
The liquidity reserve ratio	57%	57%
Solvency ratio - 30 days		
- In VND	Qualify	Qualify
- In other currencies	Qualify	Qualify
Current year VND million Previous year VND million		
Total deposits received	3,104,447,583	3,224,470,993
Total loans disbursed	130,700,959	125,559,501
Total loans collected	130,955,684	121,530,705

The Summarised Financial Statements were approved by the Bank's Legal Representative on 23 March 2021.

 Ha Le Thao Vy
Financial Controller
 Nguyen Thi Thanh Truc
Chief Financial Officer and
Chief Accountant
 Timothy Mark Redvers Evans
Legal Representative

INDEPENDENT AUDITORS' REPORT ON SUMMARISED FINANCIAL STATEMENTS TO THE MEMBERS' COUNCIL AND THE CHIEF EXECUTIVE OFFICER OF HSBC BANK (VIETNAM) LTD.

The accompanying Summarised Financial Statements have been prepared on 23 March 2021, from pages 02 to 08 which comprise the Summarised balance sheet as at 31 December 2020, the Summarised income statement, the Summarised cash flow statement for the fiscal year then ended, Statement of changes in equity, Employees remuneration and Financial ratios. The Summarised Financial Statements were derived from the Financial Statements of HSBC Bank (Vietnam) Ltd. ("the Bank") for the fiscal year ended 31 December 2020, on which we have audited and issued an unqualified auditor's report dated 23 March 2021. The audited Financial Statements and the Summarised Financial Statements do not include the impact of subsequent events that occurred after the date of our above mentioned auditor's report. The Summarised Financial Statements did not include all disclosures which are required by Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations on preparation and presentation of the bank's Financial Statements. Therefore, the reading of the Summarised Financial Statements cannot substitute for the reading of the Financial Statements of the Bank.

The Chief Executive Officer's Responsibility

The Bank's Chief Executive Officer is responsible for the preparation and presentation of the Summarised Financial Statements in accordance with the criteria as required by laws.

Auditor's Responsibility

Our responsibility is to express an opinion on the Summarised Financial Statements based on our procedures which were performed in accordance with the Vietnamese Auditing Standard No. 810 – "Services on the Summarised Financial Statements".

Auditor's Opinion

In our opinion, the accompanying Summarised Financial Statements which were derived from the audited Financial Statements for the fiscal year ended 31 December 2020 of the Bank, are consistent, in all material respects, with audited Financial Statements, in accordance with the criteria as required by laws.



Pham Huynh Anh Thu – Auditor
Audit Practice Registration Certificate No 3537-2021-008-1

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