

**SUMMARISED INTERIM
FINANCIAL STATEMENTS**
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

HSBC BANK (VIETNAM) LTD.



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No. 1.1345/21/TC-AC

Date: 23 August 2021

To:

The Members' Council and the Chief Executive Officer
HSBC Bank (Vietnam) Ltd.

Re. The Summarised Interim Financial Statements for the six-month period ended 30 June 2021

Gentlemen,

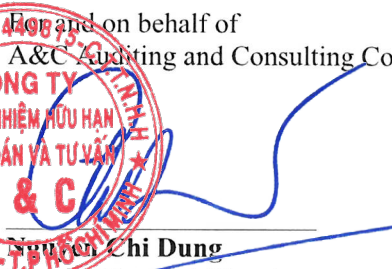
We have reviewed the accompanying Summarised Interim Financial Statements which were prepared by the Chief Executive Officer of HSBC Bank (Vietnam) Ltd. (hereinafter referred to as "the Bank") on 23 August 2021 (from page 02 to page 08), including the Summarised Interim Balance Sheet as of 30 June 2021, the Summarised Interim Income Statement, the Summarised Interim Cash Flow Statement for the six-month period ended 30 June 2021, the Statement of Changes in Equity and Financial Ratios which are derived from the Interim Financial Statements for the six-month period then ended. We reviewed and expressed the unqualified conclusion on the Interim Financial Statements for the six-month period then ended in our Report of Interim Financial Information Review dated 23 August 2021. The Interim Financial Statements and the Summarised Interim Financial Statements derived therefrom do not reflect effects of events, if any, that occurred subsequent to the date of our aforementioned Review Report.

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

Based on our review, we found that the accompanying Summarised Interim Financial Statements derived from the reviewed Interim Financial Statements for the six-month period ended 30 June 2021 of the Bank are consistent with the reviewed Interim Financial Statements.

For and on behalf of
A&C Auditing and Consulting Co., Ltd.




Nguyễn Chi Dung
Deputy General Director

HSBC BANK (VIETNAM) LTD.

Address: Floors 1,2,6, Metropolitan Building, 235 Dong Khoi Street, Ben Nghe Ward, District 1, Ho Chi Minh City

SUMMARISED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2021

I. SUMMARISED INTERIM BALANCE SHEET

A- ASSETS	Unit: million VND	
	Ending balance	Beginning balance
I. Cash on hand	467,282	446,116
II. Balances with the State Bank of Vietnam	19,578,640	18,254,202
III. Placements with and loans to other credit institutions	44,785,870	53,094,065
1. Placements with other credit institutions	43,354,870	52,571,065
2. Loans to other credit institutions	1,431,000	523,000
IV. Trading securities	100,038	150,149
1. Trading securities	100,038	150,279
2. Provision for risk of trading securities	-	(130)
V. Derivatives and other financial assets	-	14,704
VI. Loans to customers	53,767,145	47,428,378
1. Loans to customers	54,446,417	48,044,884
2. Provision for credit losses on loans to customers	(679,272)	(616,506)
VIII. Investment securities	8,960,483	8,694,854
1. Available-for-sale investment securities	8,962,840	8,697,211
3. Provision for diminution in value of investment securities	(2,357)	(2,357)
X. Fixed assets	66,359	83,853
1. Tangible fixed assets	61,330	77,452
a. Historical cost	176,334	207,363
b. Accumulated depreciation	(115,004)	(129,911)
3. Intangible fixed assets	5,029	6,401
a. Historical costs	12,130	12,229
b. Accumulated amortization	(7,101)	(5,828)
XII. Other assets	857,909	878,467
1. Other receivables	213,036	163,260
2. Accrued interest and fee receivables	408,991	491,888
3. Deferred tax assets	29,264	29,264
4. Other assets	206,618	194,055
TOTAL ASSETS	128,583,726	129,044,788

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Summarised Interim Financial Statements (cont.)

For the six-month period ended 30 June 2021

I. SUMMARISED INTERIM BALANCE SHEET (continued)

	Unit: million VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
B - LIABILITIES AND EQUITY		
II. Placements and borrowings from other credit institutions	4,063,002	3,418,186
1. Placements from other credit institutions	3,550,667	3,094,603
2. Borrowings from other credit institutions	512,335	323,583
III. Deposits from customers	109,443,811	111,450,623
IV. Derivative financial instruments and other financial liabilities	4,923	-
VI. Valuable papers issued	595,533	594,461
VII. Other liabilities	1,325,497	1,132,158
1. Fees and interests payable	53,300	35,565
3. Other liabilities	1,272,197	1,096,593
TOTAL LIABILITIES	115,432,766	116,595,428
VIII. Equity	13,150,960	12,449,360
1. Capital	7,528,000	7,528,000
a. Charter capital	7,528,000	7,528,000
2. Reserves	2,762,637	2,762,637
3. Exchange difference	36,661	-
5. Retained earnings	2,823,662	2,158,723
TOTAL LIABILITIES AND EQUITY	128,583,726	129,044,788

OFF INTERIM BALANCE SHEET ITEMS

	Unit: million VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
2. Foreign exchange transactions commitments	76,988,108	62,013,139
Foreign currency purchase commitments	10,805,111	8,736,526
Foreign currency sales commitments	10,750,150	8,730,074
Swap transactions commitments	55,432,847	44,546,539
3. Undrawn loan commitments	2,116,724	3,870,021
4. Letter of credit commitments	9,169,771	8,183,779
5. Other guarantees	12,240,590	11,216,040
6. Other commitments	20,248,177	-



Ha Le Thao Vy
Financial Controller



Ho Chi Minh City, 23 August 2021

Timothy Mark Redvers Evans
Legal Representative

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Summarised Interim Financial Statements (cont.)

For the six-month period ended 30 June 2021

II. SUMMARISED INTERIM INCOME STATEMENT

	Unit: million VND	
	Accumulated from the beginning of the year	
	Current year	Previous year
1. Interest and similar income	1,300,619	1,834,095
2. Interest and similar expenses	69,552	208,692
I. Net interest income	1,231,067	1,625,403
3. Income from service provisions	555,702	483,367
4. Expenses on service provisions	154,181	142,534
II. Net gain from service provisions	401,521	340,833
III. Net gain from dealing in foreign currencies	470,916	305,247
IV. Net gain from trading of held-for-trading securities	1,353	14,026
5. Other incomes	67,340	57,170
6. Other expenses	13,724	4,482
VI. Net gain from other activities	53,616	52,688
VIII. Operating expenses	1,229,470	1,128,952
IX. Net operating profit before provision for credit losses	929,003	1,209,245
X. Provisions for credit losses	94,491	(4,224)
XI. Profit before tax	834,512	1,213,469
7. Current corporate income tax	169,573	233,766
8. Deferred corporate income tax	-	-
XII. Corporate income tax	169,573	233,766
XIII. Profit after tax	664,939	979,703



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Ho Chi Minh City, 23 August 2021

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Summarised Interim Financial Statements (cont.)

For the six-month period ended 30 June 2021

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

Unit: million VND

	Accumulated from the beginning of the year	
	Current year	Previous year
CASH FLOWS FROM OPERATING ACTIVITIES		
01. Interest and similar income received	1,400,938	1,992,253
02. Interest and similar expenses paid	(50,745)	(235,778)
03. Income received from service provisions	391,427	343,215
04. Net amount received from trading of foreign currency and securities	472,269	319,273
05. Other income	21,853	36,827
06. Recovery of debts written off and provided for credit risks	19,349	16,530
07. Payments to employees and for administrative expenses	(1,325,804)	(1,097,762)
08. Corporate income tax paid during the period	(158,234)	(239,529)
Net cash flows from operating activities before changes in current assets and working capital	771,053	1,135,029
<i>Changes in operating assets</i>		
09. (Increase) in placements with and loans to other credit institutions	(608,000)	(630,000)
10. (Increase)/Decrease in held-for-trading securities and investment securities	(265,447)	446,173
11. Decrease in derivatives and other financial assets	14,704	-
12. (Increase)/Decrease in loans to customers	(6,401,533)	2,558,076
13. Decrease in provision for credit losses	(31,725)	(14,978)
14. (Increase) in other operating assets	(29,332)	(164,572)
<i>Changes in operating liabilities</i>		
16. Increase in placements and borrowings from other credit institutions	644,816	707,124
17. (Decrease)/Increase in deposits from customers	(2,006,812)	7,293,453
20. Increase in derivatives and other financial liabilities	4,923	22,242
21. Increase/(Decrease) in other operating liabilities	304,623	(117,229)
I. Net cash flows from operating activities	(7,602,730)	11,235,318



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Summarised Interim Financial Statements (cont.)

For the six-month period ended 30 June 2021

III. SUMMARISED INTERIM CASH FLOW STATEMENT (continued)

(Direct method)

Unit: million VND

Accumulated from the beginning of the year	Current year	Previous year
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CASH FLOWS FROM INVESTING ACTIVITIES

01. Purchase of fixed assets	(4,762)	(8,675)
02. Proceeds from the disposal of fixed assets	240	6
II. Net cash flows from investing activities	(4,522)	(8,669)

CASH FLOWS FROM FINANCING ACTIVITIES

III. Net cash flows from financing activities	-	-
IV. Net cash flows during the period	(7,607,252)	11,226,649
V. Cash and cash equivalents at the beginning of the year	71,271,383	67,547,126
VI. Adjustment for effects of change in foreign exchange	36,661	30,462
VII. Cash and cash equivalents at end of the period	63,700,792	78,804,237



Ha Le Thao Vy
Financial Controller



Ho Chi Minh City, 23 August 2021

Timothy Mark Redvers Evans
Legal Representative

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Summarised Interim Financial Statements (cont.)

For the six-month period ended 30 June 2021

IV. STATEMENT OF CHANGES IN EQUITY

Unit: million VND

	Charter capital	Reserve to supplement charter capital	Financial reserves	Exchange difference	Retained earnings	Total
Balance as of 01 January 2020	7,528,000	875,567	1,649,753	-	2,824,779	12,878,099
Profit during the period	-	-	-	-	979,703	979,703
Appropriation for funds	-	-	-	-	-	-
Profit distribution	-	-	-	-	(2,010,857)	(2,010,857)
Exchange difference	-	-	-	30,462	-	30,462
Balance as of 30 June 2020	7,528,000	875,567	1,649,753	30,462	1,793,625	11,877,407
Balance as of 01 January 2021	7,528,000	954,673	1,807,964	-	2,158,723	12,449,360
Profit during the period	-	-	-	-	664,939	664,939
Exchange difference	-	-	-	36,661	-	36,661
Balance as of 30 June 2021	7,528,000	954,673	1,807,964	36,661	2,823,662	13,150,960

The Bank Members' Council approved the 2020 eligible attributable profit plan on 18 August 2021. Accordingly, the remittance profit to the Bank's Owner is VND 693,397 million which are from the 2020 elgibly attributable profit and the realized exchange difference recorded in 2019.

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Summarised Interim Financial Statements (cont.)

For the six-month period ended 30 June 2021

V. FINANCIAL RATIOS

Unit: million VND, %

	Ending balance	Beginning balance
Charter capital	7,528,000	7,528,000
Total assets	128,583,726	129,044,788
Capital adequacy ratio	16%	16%
Overdue loan	591,269	633,835
Non-performing loans	326,384	348,713
Loans to deposit ratio	44%	38%
Overdue guarantee balance/Total guarantee balance	0%	0%
Overdue loan balance/Total loan balance	0.61%	0.65%
Non-performing loan balance/Total loan balance	0.34%	0.36%
The liquidity reserve ratio	43%	57%
Solvency ratio – 30 days		
<i>In VND</i>	<i>Qualify</i>	<i>Qualify</i>
<i>In other currencies</i>	<i>Qualify</i>	<i>Qualify</i>
	Current year	Previous year
Total deposits received	1,907,607,522	1,481,729,820
Total loans disbursed	77,803,433	61,938,364
Total loans collected	71,405,265	64,553,345

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



Ha Le Thao Vy
Financial Controller



Timothy Mark Redvers Evans
Legal Representative