

HSBC BANK (VIETNAM) LTD.

SUMMARISED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

SUMMARISED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2022 million VND	2021 million VND
ASSETS		
Cash on hand	502,590	406,388
Balances with the State Bank of Vietnam	14,196,449	17,255,957
Placements with and loans to other credit institutions	110,224,228	82,443,475
Placements with other credit institutions	108,840,548	81,318,475
Loans to other credit institutions	1,383,680	1,125,000
Derivatives and other financial assets	61,281	47,298
Loans to customers	62,515,074	54,196,467
Loans to customers	63,128,276	54,981,589
Provisions for credit losses on loans to customers	(613,202)	(785,122)
Investment securities	9,495,797	8,281,131
Available-for-sales investment securities	9,495,797	8,285,647
Provision for investment securities	-	(4,516)
Fixed assets	112,047	119,980
Tangible fixed assets	95,981	107,338
Historical cost	237,407	232,373
Accumulated depreciation	(141,426)	(125,035)
Intangible fixed assets	16,066	12,642
Historical cost	29,226	21,360
Accumulated amortisation	(13,160)	(8,718)
Other assets	1,506,709	950,068
Other receivables	592,005	286,628
Accrued interests and fees receivable	734,943	489,657
Deferred tax assets	21,648	20,691
Other assets	158,113	153,092
TOTAL ASSETS	198,614,175	163,700,764
LIABILITIES AND EQUITY		
Placements and borrowings from other credit institutions	2,198,482	2,180,747
Placements from other credit institutions	1,998,180	1,972,345
Borrowings from other credit institutions	200,302	208,402
Deposits from customers	175,516,105	146,104,221
Valuable papers issued	2,098,581	596,605
Other liabilities	2,823,850	1,751,557
Fees and interests payable	97,556	37,976
Other liabilities	2,726,294	1,713,581
TOTAL LIABILITIES	182,637,018	150,633,130
OWNER'S EQUITY	15,977,157	13,067,634
Capital	7,528,000	7,528,000
Charter capital	7,528,000	7,528,000
Reserves	3,514,460	2,959,388
Retained earnings	4,934,697	2,580,246
Net profits for the year	3,145,408	1,114,920
Retained profits of prior years	1,789,289	1,465,326
TOTAL LIABILITIES AND EQUITY	198,614,175	163,700,764
OFF STATEMENT OF FINANCIAL POSITION ITEMS		
Foreign exchange transactions commitments	42,763,347	52,756,092
Foreign currency purchase commitments	6,314,554	8,411,655
Foreign currency sales commitments	6,283,251	8,335,636
Swap transactions commitments	30,165,542	36,006,801
Irrevocable loan commitments	2,460,218	2,327,532
Letters of credit commitments	11,139,038	9,451,940
Other guarantees	9,584,994	8,946,037
Other commitments	8,975,003	19,951,848
Interest and fee receivables not yet collected	137,787	227,424
Bad debts written-off	527,389	471,625

SUMMARISED INCOME STATEMENT

	For the year ended 31 December	
	2022 million VND	2021 million VND
Interest and similar income	5,290,420	2,645,013
Interest and similar expenses	(274,057)	(139,647)
Net interest income	5,016,363	2,505,366
Fees and commission income	1,238,410	1,062,781
Fees and commission expenses	(390,358)	(280,015)
Net fee and commission income	848,052	782,766
Net gain from dealing in foreign currencies	1,278,367	1,058,804
Net gain from trading of held-for-trading securities	-	2,134
Net gain/(loss) from trading of investment securities	4,516	(2,159)
Other income	199,262	128,836
Other expenses	(8,177)	(15,896)
Net other income	191,085	112,940
Operating expenses	(2,695,645)	(2,534,112)
Net operating profit before provisions for credit losses	4,642,738	1,925,739
Provisions for credit losses	(10,386)	(278,967)
Profit before tax	4,632,352	1,646,772
Corporate income tax – current	(932,829)	(326,528)
Corporate income tax – deferred	957	(8,573)
Corporate income tax	(931,872)	(335,101)
Profit after tax	3,700,480	1,311,671

SUMMARISED CASH FLOW STATEMENT (DIRECT METHOD)

	For the year ended 31 December	
	2022 million VND	2021 million VND
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and similar income received	5,048,446	2,687,999
Interest and similar expenses paid	(211,826)	(135,092)
Fee and commission income received	846,887	778,949
Net amount received from trading of foreign currency and securities	1,278,302	1,060,873
Other income	127,298	79,164
Recovery of debts written-off and provided for credit risks	60,189	32,858
Payments to employees and for administrative expenses	(2,575,408)	(2,519,226)
Corporate income tax paid during the year	(679,132)	(344,511)
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,894,756	1,641,014
BEFORE CHANGES IN CURRENT ASSETS AND WORKING CAPITAL		
Changes in operating assets		
Increase in placements with and loans to other credit institutions	(258,680)	(602,000)
Decrease in trading securities	1,787,802	511,784
Increase in derivatives and other financial assets	(13,963)	(32,594)
Increase in loans to customers	(8,146,887)	(6,936,705)
Utilisation of provision for credit losses	(182,306)	(110,351)
Increase in other operating assets	(299,582)	(114,312)
Changes in operating liabilities		
Increase/(decrease) in placements and borrowings from other credit institutions	17,735	(1,237,439)
Increase in deposits from customers	29,411,884	34,653,598
Increase in valuable papers issued	1,499,325	-
Increase in other operating liabilities	576,247	18,479
NET CASH FLOWS FROM OPERATING ACTIVITIES	28,286,511	27,791,474
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(36,436)	(82,300)
Proceeds from the disposal of fixed asset	41	263
NET CASH FLOWS FROM INVESTING ACTIVITIES	(36,395)	(82,037)
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid	(693,397)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	(693,397)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	27,556,719	27,709,437
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	98,980,820	71,271,383
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	126,537,539	98,980,820

MOVEMENTS IN OWNER'S EQUITY

	Charter capital million VND	Reserve to supplement charter capital million VND	Financial reserves 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 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

(*) 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.

(**) 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.

EMPLOYEE'S REMUNERATION

	2022 million VND	2021 million VND
Total number of employees	1,284	1,302
Employee's remuneration		
Total salary fund	768,841	746,745
Variable salaries	175,540	161,983
Other remuneration	63,021	63,523
	1,007,402	972,251
Average salary per employee per year	599	574
Average income per employee per year	785	747

FINANCIAL RATIOS

	31.12.2022 million VND, %	31.12.2021 million VND, %
Charter capital	7,528,000	7,528,000
Total assets	198,614,175	163,700,764
Overdue loans	526,351	563,408
Non-performing loans	216,730	339,004
Capital adequacy ratio	15.22%	15.45%
Loans to deposit ratio	35.01%	34.04%
Overdue loan balance/Total loan balance	0.31%	0.41%
Non-performing loan balance/Total loan balance	0.13%	0.25%
The liquidity reserve ratio	61.78%	63.74%
Short-term funding used for medium and long-term loans ratio	-1.27%	-0.97%
Solvency ratio – 30 days		
- In VND	256.88%	-421.39%
- In foreign currencies	562.32%	474.89%
	2022 million VND	2021 million VND
Total deposits received	6,217,690,637	4,238,696,717
Total loans disbursed	202,116,707	160,405,188
Total loans collected	192,287,829	153,445,725

The Summarised Financial Statements were approved by the Bank's Legal Representative on 21 March 2023.


Ha Le Thao Vy
Financial Controller


Nguyen Thi Thanh Truc
Chief Financial Officer and Chief Accountant


Christy Mark Redvers Evans
Legal Representative

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

The accompanying Summarised Financial Statements have been prepared on 31 December 2022 and approved by the Bank's Chief Executive Officer on 21 March 2023, from pages 3 to 11 which comprise the Summarised Statement of Financial Position as at 31 December 2022, the Summarised Income Statement and the Summarised Cash Flow Statement for the year then ended, Movements in Owner's Equity, Employee's Remuneration and Key Financial Ratios, which were derived from the Financial Statements of HSBC Bank (Vietnam) Ltd. ("the Bank") for the financial year ended 31 December 2022, on which we have audited and issued an unqualified auditor's report dated 21 March 2023. 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 of the 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 Financial Statements cannot substitute for the reading of the audited financial statements of the Bank.

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

The Chief Executive Officer is responsible for the preparation and the true and fair presentation of the Summarised Financial Statements in accordance with the relevant regulations on preparation and presentation of Summarised Financial Statements.

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 year ended 31 December 2022 of the Bank, are consistent, in all material respects, with audited Financial Statements, in accordance with the relevant regulations on preparation and presentation of Summarised Financial Statements.

Other matters

The Summarised Financial Statements of the Bank for the year ended 31 December 2021 were derived from the Financial Statements of the Bank for the year ended 31 December 2021 which were audited by another auditor whose audit report dated 23 March 2022 expressed an unqualified opinion. The independent auditor's report on Summarised 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


Nguyễn Hoàng Nam
Authorized signatory
Report reference number: HCM13087
Ho Chi Minh City, 21 March 2023


Mai Tran Bao Anh
Audit Practising Licence No. 4166-2022-006-1

