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Asset Triple A Awards confirms HSBC's position as leading international custodian in Vietnam's growing equity market

(Ho Chi Minh City) – HSBC Bank (Vietnam) Ltd. (HSBC Vietnam) has landed two major awards after being named “The Best Sub-custodian in Vietnam” and “Best Triparty Collateral Management Mandate in Asia” by The Asset Triple A Sustainable Investing Awards for Institutional Investor, ETF, and Asset Servicing Providers, the pre-eminent recognition for those that have excelled in their respective industry.

The duo winnings certify HSBC Vietnam's seamless efforts during the critical and challenging time of pandemic, in which the bank was still able to win new mandates while quickly responding to the changes of the market and situation. As a result, HSBC could still generate business growth with increasing assets under management, as well as continuously support global investors to approach one of the most favourable equity markets to global investors.

This latest honour cements the bank's reputation as a leading facilitator for investments into Vietnam. Besides supporting global investors as they navigate the Vietnamese market, HSBC Vietnam has also been an influential advisor for the country's nascent equity market, which has rapidly grown in a few short years.

“Vietnam has been the leading ‘Frontier Market’ for some time but we have always believed in the significant potential of the country, which is increasingly making its way into the spotlight as one of the world's most attractive investment destinations,” said Tim Evans, CEO of HSBC Vietnam. “We are delighted to receive these awards, which is testament to my colleagues' unwavering efforts to leverage our international client base together with our expertise in the local market to help promote more foreign investment and help this remarkable country to thrive through the current challenging times.”

From having just two large-cap stocks in 2015 to eleven large-cap stocks in 2021, each with a market cap more than US\$5 billion, Vietnam's equity market has emerged to be recognised by HSBC Global Research as “increasing investible”. Average daily trading value in 2020 was US\$430 million, a record high, and in May 2021 it has passed the hitting US\$1 billion.

A resilient and relatively robust financial performance through the recent pandemic will further entice investors in coming months. In May 2021, the Vietnam Index rose 7.15% compared with the previous month and 20.31% compared to 2020. In the report in May 2021, HSBC Global Research referred to Vietnam as a “rising star”, lauding the country's tremendous efforts to prevent the spread of Covid-19, which has given the foreign investor community increased confidence. Although Vietnam's equity market recently has witnessed a decline of 10% when the new wave of Covid attacked Ho Chi Minh City – the country's

commercial hub, which has dented investor sentiment, HSBC's Global Research team still believe that it's not the time to sell Vietnamese equities as "there's still juice left". Vietnam's key drivers are emerging market sentiment and high local liquidity. While the former is backed by lower US yields with the expectations of a benign USD and high commodity prices, the latter is assisted by Vietnam's supportive pandemic measures and accommodative monetary policy. They all should support Vietnamese equities.

Vietnam's GDP grew 2.9% in 2020, which was one of the best worldwide, and despite lingering headwinds generated by Covid-19, HSBC economists remain optimistic about Vietnam's outlook. The country is set to benefit from numerous FTAs, consistent FDI inflows and a tech-led recovery, and anticipated to achieve GDP growth of 6.1% in 2021.

This growth will be spurred on by both internal and external factors, including strong flows of foreign direct investment, improvements in the manufacturing segment, and increased consumption. Many new investors are entering the market, with about a half million of trading accounts being opened in the first five months of 2021, taking the total to more than 3.2 million, and an increase of 22% compared to total new trading accounts in 2020.

In order to catching those advantages of growth with timely manner, HSBC Vietnam through years has continuously worked hard to connect SSC with key market index setters to better understand their review methodology and perceived gaps and concerns from FIs to allow a clear plan and target to be formalised. As a result, in September 2018, Vietnam was included in the watch list for Secondary EM status with FTSE Russel. Besides, HSBC Vietnam also could participate as a key partner in multiple consultation papers on new regulations and focused conferences with local regulators. With HSBC's rich international experience, majority of the bank's suggestions have been seriously considered and adopted.

Looking ahead, HSBC Vietnam will continue to deliver on its promise to "Open up a world of opportunity" for stakeholders, and support market reforms to further drive the development of Vietnam's capital market and the upgrade to emerging market status.

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Notes to Editors:

HSBC Bank (Vietnam) Ltd.

HSBC has been in Vietnam for over 150 years – the bank first opened an office in Saigon (now Ho Chi Minh City) in 1870. HSBC was the first foreign bank to launch its locally incorporated entity on 1 January 2009 as HSBC Bank (Vietnam) Ltd. The bank's current network includes two branches and five transaction offices in Ho Chi Minh City, one branch and four transaction offices in Hanoi, and two full-service branches in Binh Duong and Da Nang. HSBC is one of the largest foreign banks in the country in terms of investment capital, product range, and customer base.