

**HSBC BANK (VIETNAM) LTD.**  
**SUMMARISED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

SUMMARISED STATEMENT OF FINANCIAL POSITION		
	As at 31 December	
	2023 million VND	2022 million VND
<b>ASSETS</b>		
Cash on hand	496,527	502,590
Balances with the State Bank of Vietnam	14,823,136	14,196,449
Placements with and loans to other credit institutions	74,539,227	110,224,228
Placements with other credit institutions	73,384,227	108,840,548
Loans to other credit institutions	1,155,000	1,383,680
Trading securities	208,083	-
Trading securities	210,168	-
Provision for trading securities	(2,085)	-
Derivatives and other financial assets	-	61,281
Loans to customers	65,798,313	62,515,074
Loans to customers	66,512,752	63,128,276
Provisions for credit losses on loans to customers	(714,439)	(613,202)
Investment securities	6,574,288	9,495,797
Available-for-sales investment securities	6,574,288	9,495,797
Provision for investment securities	-	-
Fixed assets	111,149	112,047
Tangible fixed assets	89,213	95,981
Historical cost	261,063	237,407
Accumulated depreciation	(171,850)	(141,426)
Intangible fixed assets	21,936	16,066
Historical cost	41,353	29,226
Accumulated amortisation	(19,417)	(13,160)
Other assets	1,549,393	1,506,709
Other receivables	653,017	592,005
Accrued interests and fees receivable	711,936	734,943
Deferred tax assets	15,561	21,648
Other assets	168,879	158,113
<b>TOTAL ASSETS</b>	<b>164,100,116</b>	<b>198,614,175</b>
<b>LIABILITIES AND EQUITY</b>		
Placements and borrowings from other credit institutions	1,769,735	2,198,482
Placements from other credit institutions	1,719,981	1,998,180
Borrowings from other credit institutions	49,754	200,302
Deposits from customers	135,877,387	175,516,105
Derivatives and other financial liabilities	9,762	-
Valuable papers issued	3,000,000	2,098,581
Other liabilities	4,500,294	2,823,850
Fees and interests payable	220,202	97,556
Other liabilities	4,280,092	2,726,294
<b>TOTAL LIABILITIES</b>	<b>145,157,178</b>	<b>182,637,018</b>
<b>OWNER'S EQUITY</b>	<b>18,942,938</b>	<b>15,977,157</b>
Capital	7,528,000	7,528,000
Charter capital	7,528,000	7,528,000
Reserves	4,292,819	3,514,460
Retained earnings	7,122,119	4,934,697
Net profits for the year	4,410,701	3,145,408
Retained profits of prior years	2,711,418	1,789,289
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>164,100,116</b>	<b>198,614,175</b>
<b>OFF STATEMENT OF FINANCIAL POSITION ITEMS</b>		
Foreign exchange transactions commitments	50,906,591	42,763,347
Foreign currency purchase commitments	6,346,389	6,314,554
Foreign currency sales commitments	6,364,119	6,283,251
Swap transactions commitments	38,196,083	30,165,542
Irrevocable loan commitments	4,097,168	2,460,218
Letters of credit commitments	13,374,356	11,139,038
Other guarantees	9,026,430	9,584,994
Other commitments	-	8,975,003
Interest and fee receivables not yet collected	149,479	137,787
Bad debts written-off	599,333	527,389

SUMMARISED INCOME STATEMENT		
	For the year ended 31 December	
	2023 million VND	2022 million VND
Interest and similar income	8,818,499	5,290,420
Interest and similar expenses	(853,020)	(274,057)
<b>Net interest income</b>	<b>7,965,479</b>	<b>5,016,363</b>
Fees and commission income	1,384,945	1,238,410
Fees and commission expenses	(468,791)	(390,358)
<b>Net fee and commission income</b>	<b>916,154</b>	<b>848,052</b>
<b>Net gain from dealing in foreign currencies</b>	<b>775,489</b>	<b>1,278,367</b>
<b>Net gain from trading of held-for-trading securities</b>	<b>13,505</b>	<b>-</b>
<b>Net gain from trading of investment securities</b>	<b>-</b>	<b>4,516</b>
Other income	173,981	199,262
Other expenses	(65,869)	(8,177)
<b>Net other income</b>	<b>108,112</b>	<b>191,085</b>
<b>Operating expenses</b>	<b>(3,052,614)</b>	<b>(2,695,645)</b>
<b>Net operating profit before provisions for credit losses</b>	<b>6,726,125</b>	<b>4,642,738</b>
<b>Provisions for credit losses</b>	<b>(212,282)</b>	<b>(10,386)</b>
<b>Profit before tax</b>	<b>6,513,843</b>	<b>4,632,352</b>
Corporate income tax - current	(1,318,696)	(932,829)
Corporate income tax - deferred	(6,087)	957
<b>Corporate income tax</b>	<b>(1,324,783)</b>	<b>(931,872)</b>
<b>Profit after tax</b>	<b>5,189,060</b>	<b>3,700,480</b>

SUMMARISED CASH FLOW STATEMENT (Direct method)		
	For the year ended 31 December	
	2023 million VND	2022 million VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest and similar income received	8,864,953	5,048,446
Interest and similar expenses paid	(728,955)	(211,826)
Fee and commission income received	919,691	846,887
Net amount received from trading of foreign currency and securities	791,079	1,278,302
Other income	68,600	127,298
Recovery of debts written-off and provided for credit risks	31,804	60,189
Payments to employees and for administrative expenses	(3,025,960)	(2,575,408)
Corporate income tax paid during the year	(1,329,234)	(679,132)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN CURRENT ASSETS AND WORKING CAPITAL</b>	<b>5,591,978</b>	<b>3,894,756</b>
<b>Changes in operating assets</b>		
Decrease/(increase) in placements with and loans to other credit institutions	228,680	(258,680)
(Increase)/decrease in trading securities	(286,611)	1,787,802
Decrease/(increase) in derivatives and other financial assets	61,281	(13,983)
Increase in loans to customers	(3,384,476)	(8,146,687)
Utilisation of provision for credit losses	(111,045)	(182,306)
Increase in other operating assets	(47,239)	(299,582)
<b>Changes in operating liabilities</b>		
(Decrease)/increase in placements and borrowings from other credit institutions	(428,747)	17,735
(Decrease)/increase in deposits from customers	(39,638,718)	29,411,884
Increase in valuable papers issued	900,000	1,499,325
Increase in derivatives and other financial liabilities	9,762	-
Increase in other operating liabilities	108,416	576,247
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(36,996,719)</b>	<b>28,286,511</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(45,986)	(36,436)
Proceeds from the disposal of fixed assets	13	41
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(45,973)</b>	<b>(36,395)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit paid	(790,957)	(693,397)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(790,957)</b>	<b>(693,397)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(37,833,649)</b>	<b>27,556,719</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>126,537,539</b>	<b>98,980,820</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>88,703,890</b>	<b>126,537,539</b>

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 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 year	-	-	-	5,189,060	5,189,060
Profit distribution (**)	-	-	-	(2,223,279)	(2,223,279)
Appropriation to reserves	-	259,453	518,906	(778,359)	-
As at 31 December 2023	7,528,000	1,464,734	2,828,085	7,122,119	18,942,938

(\*) 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.  
(\*\*) The Members' Council of the Bank approved the 2022 profit distribution plan on 4 August 2023.

EMPLOYEE'S REMUNERATION		
	2023 million VND	2022 million VND
<b>Total number of employees</b>	<b>1,317</b>	<b>1,284</b>
<b>Employee's remuneration</b>		
Total salary fund	819,617	768,841
Variable salaries	222,669	175,540
Other remuneration	68,717	63,021
	<u>1,111,003</u>	<u>1,007,402</u>
Average salary per employee per year	622	599
Average income per employee per year	844	785

FINANCIAL RATIOS		
	31.12.2023 million VND, %	31.12.2022 million VND, %
Charter capital	7,528,000	7,528,000
Total assets	164,100,116	198,614,175
Overdue loans	919,136	526,351
Non-performing loans	386,096	216,730
Capital adequacy ratio	18.38%	15.22%
Loans to deposit ratio	46.99%	35.01%
Overdue guarantee balance/Total guarantee balance	0.00%	0.00%
Overdue loan balance/Total loan balance	0.68%	0.31%
Non-performing loan balance/Total loan balance	0.28%	0.13%
The liquidity reserve ratio	55.80%	61.78%
Short-term funding used for medium and long-term loans ratio	-6.02%	-1.27%
Solvency ratio - 30 days		
- In VND	-1,176.36%	256.88%
- In foreign currencies	276.94%	562.32%
Return on Equity (ROE)	29.72%	25.48%
	<b>2023</b>	<b>2022</b>
	<b>million VND</b>	<b>million VND</b>
Total deposits received and valuable papers issued	4,820,023,671	6,217,690,637
Total loans disbursed	192,433,404	202,116,707
Total loans collected	189,099,751	192,287,829

The Summarised Financial Statements were approved by the Bank's Legal Representative on 21 March 2024.

  
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

**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 2023 and approved by the Bank's Chief Executive Officer on 21 March 2024, from pages 3 to 11 which comprise the Summarised Statement of Financial Position as at 31 December 2023, the Summarised Income Statement and the Summarised Cash Flow Statement for the year then ended, Movements in Owner's Equity, Employee's Remuneration and Financial Ratios, which were derived from the Financial Statements of HSBC Bank (Vietnam) Ltd. ("the Bank") for the financial year ended 31 December 2023, on which we have audited and issued an unqualified auditor's report dated 21 March 2024. 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 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 2023 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 matter**

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**

  
Nguyen Hoang Nam  
Audit Practising Licence No. 0849-2023-006-1  
Authorised signatory  
Report reference number: HCM14689  
Ho Chi Minh City, 21 March 2024

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

