

HSBC BANK (VIETNAM) LTD.
SUMMARISED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

SUMMARISED BALANCE SHEET		
	As at	
	30.06.2017 VND million	31.12.2016 VND million
ASSETS		
Cash on hand	431,440	416,508
Balances with the State Bank of Vietnam	3,817,757	3,699,046
Placements with and loans to other credit institutions	22,672,948	21,212,780
Placements with other credit institutions	21,530,929	20,808,587
Loans to other credit institutions	1,142,019	404,193
Securities held-for-trading	464,389	261,705
Securities held-for-trading	464,555	263,395
Provision for diminution in value of securities held-for-trading	(166)	(1,690)
Derivatives and other financial assets	47,131	41,447
Loans and advances to customers	34,609,105	31,939,756
Loans and advances to customers	35,094,734	32,507,152
Provisions for credit losses on loans and advances to customers	(485,629)	(567,396)
Investment securities	10,709,981	12,325,017
Available-for-sales investment securities	10,828,080	12,540,578
Provision for diminution in value of investment securities	(118,099)	(215,561)
Fixed assets	29,839	29,538
Tangible fixed assets	28,473	27,979
Historical cost	202,586	209,580
Accumulated depreciation	(174,113)	(181,601)
Intangible fixed assets	1,366	1,559
Historical cost	4,090	4,090
Accumulated amortisation	(2,724)	(2,531)
Other assets	736,759	1,212,251
Other receivables	121,909	164,755
Accrued interest and fee receivables	457,733	802,785
Deferred tax assets	20,171	119,384
Other assets	136,946	125,327
TOTAL ASSETS	73,519,349	71,138,048
LIABILITIES AND EQUITY		
Placements from other credit institutions	3,417,865	2,533,142
Placements from other credit institutions	3,417,865	2,533,142
Deposits from customers	57,737,432	56,011,014
Other liabilities	1,973,988	1,961,219
Fee and interest payables	54,146	63,891
Other liabilities	1,919,842	1,897,328
TOTAL LIABILITIES	63,129,285	60,505,375
OWNER'S EQUITY	10,390,064	10,632,673
Contributed capital	7,528,000	7,528,000
Reserves	1,531,935	1,531,935
Retained earnings	1,330,129	1,572,738
TOTAL EQUITY	10,390,064	10,632,673
TOTAL LIABILITIES AND EQUITY	73,519,349	71,138,048
OFF BALANCE SHEET ITEMS		
CONTINGENT LIABILITIES		
Letters of credit commitments	6,269,232	7,235,177
Other guarantees	7,464,106	7,431,831
COMMITMENTS	70,315,429	52,934,677
Foreign exchange transactions commitments	62,839,891	44,269,526
Buying foreign currency commitments	31,032,223	21,696,684
Selling foreign currency commitments	30,905,967	21,576,607
Cross currency swap contracts	901,701	996,235
Undrawn loan commitments	4,110,888	5,341,301
Interest rate swap contracts	3,364,650	3,323,850

SUMMARISED INCOME STATEMENT		
	For the six-month period ended	
	30.06.2017 VND million	30.06.2016 VND million
Interest and similar income	1,466,928	1,371,233
Interest and similar expenses	(141,571)	(253,556)
Net interest income	1,325,357	1,117,677
Fee and commission income	404,570	406,729
Fee and commission expenses	(91,012)	(79,499)
Net fee and commission income	313,558	327,230
Net gain from dealing in foreign currencies	340,816	448,821
Net gain from trading of securities held-for-trading	1,614	10,242
Net gain/(loss) from trading of investment securities	97,463	(22,307)
Other incomes	19,494	26,798
Other expenses	(7,113)	(2,298)
Net other income	12,381	24,500
Operating expenses	(885,397)	(934,065)
Operating profit before provisions for credit losses	1,205,792	972,098
Provisions for credit losses	25,075	3,452
Profit before tax	1,230,867	975,550
Business income tax - current	(149,485)	(72,413)
Business income tax - deferred	(99,213)	(117,700)
Business income tax	(248,698)	(190,113)
Net profit after tax	982,169	785,437


SUMMARISED CASH FLOW STATEMENT (DIRECT METHOD)		
	For the six-month period ended	
	30.06.2017 VND million	30.06.2016 VND million
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and similar income received	1,806,995	1,388,243
Interest and similar expenses paid	(151,315)	(285,026)
Fee and commission income received	335,604	334,093
Net amount received from trading of foreign currency and securities	342,246	458,942
Other expenses	(5,869)	(2,230)
Recovery of written off bad debts	18,713	26,682
Payments to employees and for administrative expenses	(1,179,787)	(1,366,197)
Business income tax paid	(188,735)	(259,222)
Net cash flows from operating activities before changes in working capital	977,852	295,285
Changes in operating assets		
(Increase)/decrease in placements with and loans to other credit institutions	(700,594)	8,197
Decrease/(increase) in securities held-for-trading and available-for-sales investment securities	1,511,337	(3,135,352)
Increase in derivatives and other financial assets	(5,684)	(18,663)
Increase in loans and advances to customers	(2,587,580)	(2,620,287)
Utilisation of provision for losses on loans and advances to customers	(58,033)	(27,325)
Decrease/(increase) in other operating assets	42,845	(50,023)
Changes in operating liabilities		
Increase in placements and borrowings from other credit institutions	884,723	628,240
Increase/(decrease) in deposits from customers	1,726,418	(5,075,019)
Decrease in other operating liabilities	(96,178)	(39,199)
Net cash flows from operating activities	1,695,106	(10,034,146)
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets	(7,640)	(5,100)
Proceeds from the disposal of fixed assets	215	54
Net cash flows from investment activities	(7,425)	(5,046)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(794,464)	(347,955)
Net cash flows from financing activities	(794,464)	(347,955)
Net increase/ (decrease) in cash and cash equivalents	893,217	(10,387,147)
Cash and cash equivalents at beginning of the period	24,878,271	31,906,076
Cash and cash equivalents at end of the period	25,771,488	21,518,929


MOVEMENTS IN OWNER'S EQUITY					
	Contributed capital VND million	Reserve to supplement contributed capital VND million	Financial reserves VND million	Retained earnings VND million	Total VND million
As at 1 January 2016	7,528,000	472,394	843,404	1,142,424	9,986,222
Profit for the year	-	-	-	1,440,915	1,440,915
Dividend declared (*)	-	-	-	(794,464)	(794,464)
Appropriation to reserves	-	72,045	144,092	(216,137)	-
As at 31 December 2016	7,528,000	544,439	987,496	1,572,738	10,632,673
Profit for the period	-	-	-	982,169	982,169
Dividend declared (**)	-	-	-	(1,224,778)	(1,224,778)
As at 30 June 2017	7,528,000	544,439	987,496	1,330,129	10,390,064


(*) Dividend for the financial year 2015 was declared by Members' Council based on the Board Resolution dated 26 September 2016.
(**) Dividend for the financial year 2016 was declared by Members' Council based on the Board Resolution 20 June 2017.

FINANCIAL RATIOS		
	As at	
	30.06.2017 VND million, %	31.12.2016 VND million, %
Contributed capital	7,528,000	7,528,000
Total assets	73,519,349	71,138,048
Capital adequacy ratio	15%	16%
Overdue loan	796,070	808,063
Non-performing loans	376,736	428,963
Loans to deposit ratio	60%	58%
Overdue guarantee balance/Total guarantee balance	0%	0%
Overdue loan balance/Total loan balance	1.46%	1.58%
Non-performing loan balance/Total loan balance	0.69%	0.84%
The liquidity reserve ratio	51%	50%
Solvency ratio - 30 days	Qualify	Qualify
- In VND	Qualify	Qualify
- In other currencies	Qualify	Qualify
For the six-month period ended		
	30.06.2017 VND million	30.06.2016 VND million
Total deposits received	990,257,145	911,184,816
Total loans disbursed	39,599,516	41,662,758
Total loans collected	37,135,500	39,112,479

The summarised interim financial statements were approved by the Bank's Legal Representative on 24 August 2017.


 Ha Le Thao Vy
 Financial Controller


 Nguyen Thi Thanh Truc
 Chief Financial Officer


 Phan Hong Hai
 Legal Representative

REPORT ON REVIEW OF THE SUMMARISED INTERIM FINANCIAL INFORMATION TO THE MEMBERS' COUNCIL OF HSBC BANK (VIETNAM) LTD.

The accompanying summarised interim financial statements have been prepared on 24 August 2017, from page 2 to page 8 which comprise the summarised balance sheet as at 30 June 2017, the summarised income statement, the summarised cash flow statement for the six-month period then ended, movements in owners' equity and key financial ratios. The summarised interim financial statements were derived from the interim financial statements of HSBC Bank (Vietnam) Ltd. ("the Bank") for the six-month period then ended, on which we have reviewed and issued an unqualified auditor's review conclusion dated 24 August 2017. The reviewed interim financial statements and the summarised interim financial statements do not include the impact of subsequent events that occurred after the date of our above mentioned auditor's review report.


The summarised interim financial statements did not include all disclosures of the interim financial statements disclosures which are required by Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations on preparation and presentation of financial statements for banks and other credit institutions operating in Socialist Republic of Vietnam. Therefore, the reading of the summarised interim financial statements cannot substitute for the reading of the reviewed interim financial statements of the Bank.

The Legal Representative's Responsibility to the summarised financial statements
The Bank's Legal Representative is responsible for the preparation and presentation of the summarised interim financial statements in accordance with the criteria as required by regulations.

Auditor's Responsibility
Our responsibility is to express a conclusion on the summarised interim financial information based on our procedures which were performed in accordance with Vietnamese Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and the relevant requirements of Vietnamese Auditing Standard No. 810 - Services on the summarised financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying summarised interim financial information which were derived from the reviewed interim financial statements for the six-month period ended 30 June 2017 of the Bank are not consistent, in all material respects, with reviewed interim financial statements, in accordance with the criteria as required by regulations.

For and on behalf of PwC (Vietnam) Limited


 Nguyễn Hoàng Nam
 Audit Practising Licence No. 0849-2017-006-1
 Authorised signatory
 Report reference number: HCM0412
 Ho Chi Minh City, 24 August 2017

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