

HSBC BANK (VIETNAM) LTD.

**SUMMARISED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**





**REPORT ON THE REVIEW OF SUMMARISED INTERIM FINANCIAL INFORMATION
TO THE OWNER, THE MEMBERS' COUNCIL AND THE CHIEF EXECUTIVE OFFICER OF
HSBC BANK (VIETNAM) LTD.**

The accompanying Summarised Interim Financial Statements have been prepared on 30 June 2024 and approved by the Bank's Chief Executive Officer on 23 August 2024, from page 3 to page 10 which comprise the Summarised Interim Statement of Financial Position as at 30 June 2024, the Summarised Interim Income Statement and the Summarised Interim Cash Flow Statement for the six-month period then ended, Movements in Owner's Equity and Financial Ratios, which were derived from the Interim Financial Statements of HSBC Bank (Vietnam) Ltd. ("the Bank") for the six-month period ended 30 June 2024, on which we have reviewed and issued an unqualified auditor's review report dated 23 August 2024. 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 which are required by Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations on preparation and presentation of interim financial statements for credit institutions operating in 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 Chief Executive Officer's Responsibility to the Summarised Interim Financial Statements

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the Summarised Interim Financial Statements 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 in accordance with 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 Statements which were derived from the reviewed Interim Financial Statements for the six-month period ended 30 June 2024 of the Bank are not consistent, in all material respects, with the reviewed Interim Financial Statements, in accordance with the relevant regulations on preparation and presentation of interim financial statements.

Other matter

The report on the review of the Interim 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
CÔNG TY
TNHH
PWC (VIỆT NAM)
QUẬN 1 - T. PHỐ CHỢ MỚI



Nguyen Hoang Nam
Audit Practising License No. 0849-2023-006-1
Authorised signatory

Report reference number: HCM15832
Ho Chi Minh City, 23 August 2024

HSBC BANK (VIETNAM) LTD.

SUMMARISED INTERIM FINANCIAL STATEMENTS

I. SUMMARISED INTERIM STATEMENT OF FINANCIAL POSITION

	As at 30.6.2024 million VND	As at 31.12.2023 million VND
A ASSETS		
I Cash on hand	509,546	496,527
II Balances with the State Bank of Vietnam	7,111,648	14,823,136
III Placements with and loans to other credit institutions	41,697,134	74,539,227
1 Placements with other credit institutions	40,342,134	73,384,227
2 Loans to other credit institutions	1,355,000	1,155,000
IV Trading securities	-	208,083
1 Trading securities	-	210,168
2 Provision for trading securities	-	(2,085)
V Derivatives and other financial assets	80,558	-
VI Loans to customers	68,829,919	65,798,313
1 Loans to customers	69,667,754	66,512,752
2 Provisions for credit losses on loans to customers	(837,835)	(714,439)
VIII Investment securities	9,248,673	6,574,288
1 Available-for-sales investment securities	9,248,673	6,574,288
3 Provision for investment securities	-	-
X Fixed assets	116,919	111,149
1 Tangible fixed assets	98,596	89,213
a Historical cost	290,480	261,063
b Accumulated depreciation	(191,884)	(171,850)
3 Intangible fixed assets	18,323	21,936
a Historical cost	41,353	41,353
b Accumulated amortisation	(23,030)	(19,417)
XI Other assets	1,362,009	1,549,393
1 Other receivables	576,883	653,017
2 Fee and interest income receivables	606,301	711,936
3 Deferred tax assets	15,920	15,561
4 Other assets	162,905	168,879
TOTAL ASSETS	128,956,406	164,100,116

HSBC BANK (VIETNAM) LTD.

SUMMARISED INTERIM FINANCIAL STATEMENTS

I. SUMMARISED INTERIM STATEMENT OF FINANCIAL POSITION
(continued)

	As at 30.6.2024 million VND	As at 31.12.2023 million VND
B	LIABILITIES AND EQUITY	
II	Placements and borrowings from other credit institutions	
1	2,336,706	1,769,735
	2,286,951	1,719,981
2	49,755	49,754
III	101,704,058	135,877,387
IV	Derivatives and other financial liabilities	9,762
	-	
VI	Valuable papers issued	3,000,000
	2,000,000	
VII	Other liabilities	
1	2,115,009	4,500,294
	209,765	220,202
3	1,905,244	4,280,092
	<u>108,155,773</u>	<u>145,157,178</u>
VIII	EQUITY	
1	20,800,633	18,942,938
	7,528,000	7,528,000
a	<i>Charter capital</i>	<i>7,528,000</i>
	7,528,000	7,528,000
2	4,292,819	4,292,819
3	Foreign exchange differences	-
	70,598	
5	Retained earnings	7,122,119
	8,909,216	
a	<i>Net profits for the current year</i>	<i>4,410,701</i>
	1,787,097	
b	<i>Retained profits of prior years</i>	<i>2,711,418</i>
	7,122,119	
	<u>128,956,406</u>	<u>164,100,116</u>

HSBC BANK (VIETNAM) LTD.

SUMMARISED INTERIM FINANCIAL STATEMENTS

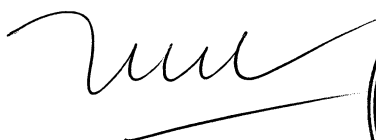
I. SUMMARISED INTERIM STATEMENT OF FINANCIAL POSITION
(continued)

OFF STATEMENT OF FINANCIAL POSITION ITEMS

ITEMS	As at 30.6.2024 million VND	As at 31.12.2023 million VND
2 Foreign exchange transactions commitments	29,112,796	50,906,591
<i>Foreign currency purchase commitments</i>	7,018,929	6,346,389
<i>Foreign currency sales commitments</i>	7,126,147	6,364,119
<i>Swap transactions commitments</i>	14,967,720	38,196,083
3 Irrevocable loan commitments	3,769,534	4,097,168
4 Letter of credit commitments	10,867,328	13,374,356
5 Other guarantees	6,893,578	9,026,430
7 Interest income and fee receivables not yet collected	158,567	149,479
8 Bad debts written-off	710,107	599,333



Ha Le Thao Vy
Financial Controller



Nguyen Thi Thanh Truc
Chief Financial Officer and
Chief Accountant



Timothy Mark Redvers Evans
Executive Officer and
Legal Representative
23 August 2024

HSBC BANK (VIETNAM) LTD.

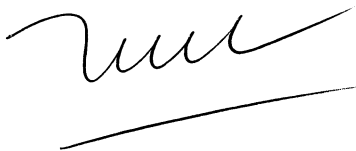
SUMMARISED INTERIM FINANCIAL STATEMENTS

II. SUMMARISED INTERIM INCOME STATEMENT

		<u>For the six-month period ended</u>	
		30.6.2024	30.6.2023
		million VND	million VND
1	Interest and similar income	3,508,839	4,412,609
2	Interest and similar expenses	(329,519)	(410,955)
I	Net interest income	3,179,320	4,001,654
3	Fees and commission income	705,530	652,899
4	Fees and commission expenses	(225,099)	(220,074)
II	Net fee and commission income	480,431	432,825
III	Net gain from dealing in foreign currencies	342,896	371,799
IV	Net gain from trading of held-for-trading securities	4,888	13,817
5	Other income	138,700	108,407
6	Other expenses	(12,025)	(15,269)
VI	Net other income	126,675	93,138
VIII	Operating expenses	(1,659,010)	(1,498,515)
IX	Net operating profit before provisions for credit losses	2,475,200	3,414,718
X	Provisions for credit losses	(237,970)	(99,480)
XI	Profit before tax	2,237,230	3,315,238
7	Corporate income tax - current	(450,492)	(665,474)
8	Corporate income tax - deferred	359	-
XII	Corporate income tax	(450,133)	(665,474)
XIII	Profit after tax	1,787,097	2,649,764

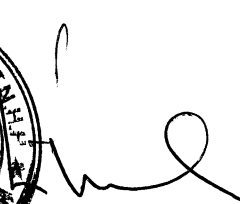


Ha Le Thao Vy
Financial Controller



Nguyen Thi Thanh Truc
Chief Financial Officer and
Chief Accountant




Mark Redvers Evans
Chief Executive Officer and
Legal Representative
23 August 2024

HSBC BANK (VIETNAM) LTD.

SUMMARISED INTERIM FINANCIAL STATEMENTS

III. SUMMARISED INTERIM CASH FLOW STATEMENT
(Direct method)

		For the six-month period ended	
		30.6.2024	30.6.2023
		million VND	million VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Interest and similar income received	3,577,990	4,425,202
02	Interest and similar expenses paid	(339,956)	(307,687)
03	Fee and commission income received	492,779	416,007
04	Net amount received from trading of foreign currency and securities	345,699	385,616
05	Other income	60,393	72,502
06	Recovery of debts written-off and provided for credit risks	23,789	17,259
07	Payments to employees and for administrative expenses	(1,662,959)	(1,536,381)
08	Corporate income tax paid during the period	(553,151)	(652,872)
NET CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN CURRENT ASSETS AND WORKING CAPITAL		1,944,584	2,819,646
Changes in operating assets			
09	Increase in placements with and loans to other credit institutions	(200,000)	(26,320)
10	Decrease in trading securities	1,981,671	4,173,761
11	(Increase)/decrease in derivatives and other financial assets	(80,558)	61,281
12	Increase in loans to customers	(3,155,002)	(652,853)
13	Utilisation of provision for credit losses	(114,574)	(36,230)
14	Decrease in other operating assets	121,517	177,869
Changes in operating liabilities			
16	Increase in placements and borrowings from other credit institutions	566,971	495,616
17	Decrease in deposits from customers	(34,173,329)	(10,984,694)
18	(Decrease)/increase in valuable papers issued	(1,000,000)	500,000
20	(Decrease)/increase in derivatives and other financial liabilities	(9,762)	93,124
21	Increase/(decrease) in other operating liabilities	4,904	(423,043)
I	NET CASH FLOWS FROM OPERATING ACTIVITIES	(34,113,578)	(3,801,843)

HSBC BANK (VIETNAM) LTD.

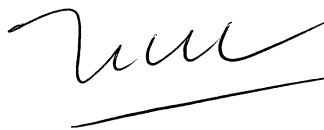
SUMMARISED INTERIM FINANCIAL STATEMENTS

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

		<u>For the six-month period ended</u>	
		30.6.2024	30.6.2023
		million VND	million VND
CASH FLOWS FROM INVESTING ACTIVITIES			
01	Purchase of fixed assets	(28,414)	(19,008)
02	Proceeds from the disposal of fixed assets	-	13
II	NET CASH FLOWS FROM INVESTING ACTIVITIES	(28,414)	(18,995)
CASH FLOWS FROM FINANCING ACTIVITIES			
04	Profit paid	(2,223,280)	(790,957)
III	NET CASH FLOWS FROM FINANCING ACTIVITIES	(2,223,280)	(790,957)
IV	NET DECREASE IN CASH AND CASH EQUIVALENTS	(36,365,272)	(4,611,795)
V	CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	88,703,890	123,539,587
VI	ADJUSTMENT FOR EFFECTS OF CHANGE IN FOREIGN EXCHANGE DIFFERENCE	70,598	69,856
VII	CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	52,409,216	118,997,648

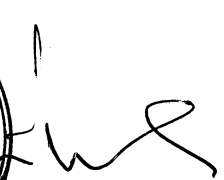


Ha Le Thao Vy
Financial Controller



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Timothy Mark Redvers Evans
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23 August 2024

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SUMMARISED INTERIM FINANCIAL STATEMENTS

IV. MOVEMENTS IN OWNER'S EQUITY

	Charter capital million VND	Reserve to supplement charter capital million VND	Financial reserves million VND	Foreign exchange differences million VND	Retained earnings million VND	Total million VND
As at 1 January 2023	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	<u>7,528,000</u>	<u>1,464,734</u>	<u>2,828,085</u>	<u>-</u>	<u>7,122,119</u>	<u>18,942,938</u>
Profit for the period	-	-	-	-	1,787,097	1,787,097
Foreign exchange differences	-	-	-	70,598	-	70,598
As at 30 June 2024	<u><u>7,528,000</u></u>	<u><u>1,464,734</u></u>	<u><u>2,828,085</u></u>	<u><u>70,598</u></u>	<u><u>8,909,216</u></u>	<u><u>20,800,633</u></u>

(*) The Members' Council of the Bank approved the 2022 profit distribution plan on 4 August 2023. Accordingly, the dividend amount of VND2,223,279 million was remitted to the Parent Bank on 22 March 2024.

HSBC BANK (VIETNAM) LTD.

SUMMARISED INTERIM FINANCIAL STATEMENTS

V. FINANCIAL RATIOS

	30.6.2024 million VND, %	31.12.2023 million VND, %
Charter capital	7,528,000	7,528,000
Total assets	128,956,406	164,100,116
Overdue loan	986,929	919,136
Non-performing loans	597,103	386,096
Capital adequacy ratio	19.03%	18.38%
Loans to deposit ratio	67.94%	46.99%
Overdue loan balance/Total loan balance	0.89%	0.66%
Non-performing loan balance/Total loan balance	0.54%	0.28%
The liquidity reserve ratio	34.60%	55.80%
Short-term funding used for medium and long-term loans ratio (*)	-7.17%	-6.02%
Solvency ratio – 30 days		
- In VND (**)	211.07%	-1,176.36%
- In foreign currencies	2,784.65%	276.94%

For the six-month period ended

	30.6.2024 million VND	30.6.2023 million VND
Total deposits received and valuable papers issued	2,432,480,279	2,235,699,487
Total loans disbursed	98,642,853	92,868,551
Total loans collected	95,684,301	92,227,895

(*) As at 30 June 2024 and 31 December 2023, the balance of medium and long-term loan is less than the balance of medium and long-term funding, which is fully complied with the SBV's requirement.

(**) Negative solvency ratio – 30 days represents cash inflows within the next 30 days exceed cash outflows within the next 30 days, which is fully complied with the SBV's requirement.

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