

HSBC BANK (VIETNAM) LTD.

SUMMARISED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED 31 DECEMBER 2020

| BALANCE SHEET | | |
|--|-------------------------------|----------------------------------|
| | Ending balance VND million | Beginning balance VND million |
| ASSETS | | |
| Cash on hand | 446,116 | 425,457 |
| Balances with the State Bank of Vietnam | 18,254,202 | 11,741,032 |
| Placements with and loans to other credit institutions | 53,094,065 | 55,660,637 |
| Placements with other credit institutions | 52,571,065 | 55,380,637 |
| Loans to other credit institutions | 523,000 | 280,000 |
| Trading securities | 150,149 | - |
| Trading securities | 150,279 | - |
| Provision for risk of trading securities | (130) | - |
| Derivatives and other financial assets | 14,704 | - |
| Loans to customers | 47,428,378 | 47,548,571 |
| Loans to customers | 48,044,884 | 48,207,781 |
| Provision for credit losses on loans to customers | (616,506) | (659,210) |
| Investment securities | 8,694,854 | 8,742,185 |
| Available-for-sale investment securities | 8,697,211 | 8,742,185 |
| Provision for diminution in value of investment securities | (2,357) | - |
| Fixed assets | 83,853 | 102,350 |
| Tangible fixed assets | 77,452 | 95,452 |
| Historical cost | 207,363 | 215,223 |
| Accumulated depreciation | (129,911) | (119,771) |
| Intangible fixed assets | 6,401 | 6,898 |
| Historical costs | 12,229 | 10,923 |
| Accumulated amortization | (5,828) | (4,025) |
| Other assets | 878,467 | 947,135 |
| Other receivables | 163,260 | 101,011 |
| Accrued interest and fee receivables | 491,888 | 596,445 |
| Deferred tax assets | 29,264 | 36,129 |
| Other assets | 194,055 | 213,550 |
| TOTAL ASSETS | 129,044,788 | 125,167,367 |
| LIABILITIES AND EQUITY | | |
| Placements and borrowings from other credit institutions | 3,418,186 | 1,256,520 |
| Placements from other credit institutions | 3,094,603 | 1,256,520 |
| Borrowings from other credit institutions | 323,583 | - |
| Deposits from customers | 111,450,623 | 109,908,707 |
| Derivative financial instruments and other financial liabilities | - | 172 |
| Valuable papers issued | 594,461 | - |
| Other liabilities | 1,132,158 | 1,123,869 |
| Fee and interest payables | 35,565 | 81,536 |
| Other liabilities | 1,096,593 | 1,042,333 |
| TOTAL LIABILITIES | 116,595,428 | 112,289,268 |
| OWNER'S EQUITY | 12,449,360 | 12,878,099 |
| Capital | 7,528,000 | 7,528,000 |
| Charter capital | 7,528,000 | 7,528,000 |
| Reserves | 2,762,637 | 2,525,320 |
| Retained earnings | 2,158,723 | 2,824,779 |
| TOTAL LIABILITIES AND EQUITY | 129,044,788 | 125,167,367 |
| OFF BALANCE SHEET ITEMS | | |
| Foreign exchange transactions commitments | 62,013,139 | 75,791,868 |
| Foreign currency purchase commitments | 8,736,526 | 22,724,932 |
| Foreign currency sales commitments | 8,730,074 | 22,684,681 |
| Swap transactions commitments | 44,546,539 | 30,382,255 |
| Undrawn loan commitments | 3,870,021 | 2,584,730 |
| Letter of credit commitments | 8,183,779 | 7,295,217 |
| Other guarantees | 11,216,040 | 9,535,389 |

| INCOME STATEMENT | | |
|--|-----------------------------|------------------------------|
| | Current year VND million | Previous year VND million |
| Interest and similar income | 3,254,833 | 4,214,682 |
| Interest and similar expenses | 301,594 | 507,548 |
| Net interest income | 2,953,239 | 3,707,134 |
| Income from service provisions | 970,237 | 1,121,673 |
| Expenses on service provisions | 283,867 | 284,838 |
| Net gain from service provisions | 686,370 | 836,835 |
| Net gain from dealing in foreign currencies | 690,317 | 679,704 |
| Net gain from trading of held-for-trading securities | 17,380 | 17,434 |
| Net loss from trading of investment securities | (2,357) | - |
| Other incomes | 119,419 | 172,550 |
| Other expenses | 12,195 | 56,346 |
| Net gain from other activities | 107,224 | 116,204 |
| Operating expenses | 2,442,015 | 2,263,745 |
| Net operating profit before provision for credit losses | 2,010,158 | 3,093,566 |
| Provisions for credit losses | 24,692 | 112,275 |
| Profit before tax | 1,985,466 | 2,981,291 |
| Current corporate income tax | 396,483 | 507,569 |
| Deferred corporate income tax | 6,865 | 98,695 |
| Corporate income tax | 403,348 | 606,264 |
| Profit after tax | 1,582,118 | 2,375,027 |


| CASH FLOW STATEMENT (DIRECT METHOD) | | |
|--|-----------------------------|------------------------------|
| | Current year VND million | Previous year VND million |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Interest and similar income received | 3,361,201 | 4,319,411 |
| Interest and similar expenses paid | (346,672) | (496,368) |
| Income received from service provisions | 703,723 | 844,090 |
| Net amount received from trading of foreign currency and securities | 707,827 | 697,138 |
| Other income | 75,081 | 75,716 |
| Recovery of debts written off and provided for credit risks | 35,233 | 40,565 |
| Payments to employees and for administrative expenses | (2,410,882) | (2,652,997) |
| Corporate income tax paid during the year | (418,670) | (622,528) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN CURRENT ASSETS AND WORKING CAPITAL | 1,706,841 | 2,205,027 |
| Changes in operating assets | | |
| (Increase) in placements with and loans to other credit institutions | (243,000) | (200,000) |
| (Increase)/Decrease in trading securities and investment securities | (55,246) | 596,372 |
| (Increase)/Decrease in derivatives and other financial assets | (14,704) | 8,578 |
| Decrease/(Increase) in loans to customers | 162,897 | (3,504,149) |
| (Increase) in provision for credit losses | (67,396) | (45,392) |
| (Increase)/Decrease in other operating assets | (61,339) | 619,072 |
| Changes in operating liabilities | | |
| Increase/(Decrease) in placements and borrowings from other credit institutions | 2,161,666 | (727,571) |
| Increase in deposits from customers | 1,541,916 | 24,836,293 |
| Increase in valuable papers issued | 593,568 | - |
| (Decrease)/Increase in derivatives and other financial liabilities | (172) | 172 |
| Increase in other operating liabilities | 26,681 | 77,224 |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 5,751,712 | 23,865,626 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (16,659) | (44,164) |
| Proceeds from the disposal of fixed assets | 61 | 42 |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | (16,598) | (44,122) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Profit paid | (2,010,857) | (1,640,185) |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | (2,010,857) | (1,640,185) |
| NET CASH FLOWS DURING THE YEAR | 3,724,257 | 22,181,319 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 67,547,126 | 45,365,807 |
| ADJUSTMENT FOR EFFECTS OF CHANGE IN FOREIGN EXCHANGE | - | - |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | 71,271,383 | 67,547,126 |


| STATEMENT OF CHANGES IN EQUITY | | | | | |
|--------------------------------|--------------------------------|---|--------------------------------------|----------------------------------|----------------------|
| | Charter capital VND million | Reserve to supplement charter capital VND million | Financial reserves VND million | Retained earnings VND million | Total VND million |
| As at 01 January 2019 | 7,528,000 | 756,816 | 1,412,250 | 2,446,191 | 12,143,257 |
| Profit for the year | - | - | - | 2,375,027 | 2,375,027 |
| Appropriation for reserves | - | 118,751 | 237,503 | (356,254) | - |
| Profit paid | - | - | - | (1,640,185) | (1,640,185) |
| As at 31 December 2019 | 7,528,000 | 875,567 | 1,649,753 | 2,824,779 | 12,878,099 |
| As at 01 January 2020 | 7,528,000 | 875,567 | 1,649,753 | 2,824,779 | 12,878,099 |
| Profit for the year | - | - | - | 1,582,118 | 1,582,118 |
| Appropriation for reserves | - | 79,106 | 158,211 | (237,317) | - |
| Profit paid | - | - | - | (2,010,857) | (2,010,857) |
| As at 31 December 2020 | 7,528,000 | 954,673 | 1,807,964 | 2,158,723 | 12,449,360 |


| EMPLOYEES REMUNERATION | | |
|---|-----------------------------|------------------------------|
| | Current year VND million | Previous year VND million |
| Number of employees (person) | 1,317 | 1,408 |
| Employees remuneration | | |
| Total salary fund | 727,979 | 695,557 |
| Variable salaries | 133,128 | 155,360 |
| Other remuneration | 67,275 | 67,363 |
| Total remuneration | 928,382 | 918,280 |
| Average salary per employee per year | 553 | 494 |
| Average income per employee per year | 705 | 652 |

| FINANCIAL RATIOS | | |
|---|----------------------------------|-------------------------------------|
| | Ending balance VND million, % | Beginning balance VND million, % |
| Charter capital | 7,528,000 | 7,528,000 |
| Total assets | 129,044,788 | 125,167,367 |
| Capital adequacy ratio | 16% | 14% |
| Overdue loan | 633,835 | 633,932 |
| Non-performing loans | 348,713 | 342,796 |
| Loans to deposit ratio | 38% | 41% |
| Overdue guarantee balance/Total guarantee balance | 0% | 0% |
| Overdue loan balance/Total loan balance | 0.65% | 0.63% |
| Non-performing loan balance/Total loan balance | 0.36% | 0.34% |
| The liquidity reserve ratio | 57% | 57% |
| Solvency ratio - 30 days | | |
| - In VND | Qualify | Qualify |
| - In other currencies | Qualify | Qualify |
| Current year VND million | | |
| Total deposits received | 3,104,447,583 | 3,224,470,993 |
| Total loans disbursed | 130,700,959 | 125,559,501 |
| Total loans collected | 130,955,684 | 121,530,705 |

The Summarised Financial Statements were approved by the Bank's Legal Representative on 23 March 2021.


 Ha Le Thao Vy
 Financial Controller


 Nguyen Thi Thanh Truc
 Chief Financial Officer and
 Chief Accountant


 Timothy Mark Redvers Evans
 Legal Representative

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

The accompanying Summarised Financial Statements have been prepared on 23 March 2021, from pages 02 to 08 which comprise the Summarised balance sheet as at 31 December 2020, the Summarised income statement, the Summarised cash flow statement for the fiscal year then ended, Statement of changes in equity, Employees remuneration and Financial ratios. The Summarised Financial Statements were derived from the Financial Statements of HSBC Bank (Vietnam) Ltd. ("the Bank") for the fiscal year ended 31 December 2020, on which we have audited and issued an unqualified auditor's report dated 23 March 2021. 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 which are required by Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations on preparation and presentation of the bank's Financial Statements. Therefore, the reading of the Summarised Financial Statements cannot substitute for the reading of the Financial Statements of the Bank.

The Chief Executive Officer's Responsibility

The Bank's Chief Executive Officer is responsible for the preparation and presentation of the Summarised Financial Statements in accordance with the criteria as required by laws.

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 fiscal year ended 31 December 2020 of the Bank, are consistent, in all material respects, with audited Financial Statements, in accordance with the criteria as required by laws.



Pham Huynh Anh Thu – Auditor
 Audit Practice Registration Certificate No 3537-2021-008-1



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