

**HSBC BANK (VIETNAM) LTD.**  
**SUMMARISED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

BALANCE SHEET				INCOME STATEMENT				OWNER'S EQUITY				
		As at 31 December				For the year ended 31 December						
		2018 VND million	2017 VND million			2018 VND million	2017 VND million					
<b>ASSETS</b>												
Cash on hand		391,775	403,083									
Balances with the State Bank of Vietnam		11,521,295	5,752,645									
Placements with and loans to other credit institutions		33,532,737	30,926,398									
Placements with other credit institutions		33,482,737	30,528,367									
Loans to other credit institutions		80,000	398,031									
<b>Held-for-trading securities</b>		-	53,260									
Held-for-trading securities		-	53,623									
Provision for diminution in value of held-for-trading securities		-	(363)									
<b>Derivatives and other financial assets</b>		8,578	15,718									
<b>Loans and advances to customers</b>		44,111,305	39,333,828									
Loans and advances to customers		44,703,632	39,904,385									
Provision for credit losses on loans and advances to customers		(592,327)	(570,557)									
<b>Investment securities</b>		9,338,557	9,994,663									
Available-for-sale investment securities		9,338,557	10,179,273									
Provision for diminution in value of investment securities		-	(184,610)									
<b>Fixed assets</b>		85,809	57,303									
Tangible fixed assets		82,261	55,010									
Historical cost		186,819	194,355									
Accumulated depreciation		(104,558)	(139,345)									
Intangible fixed assets		3,548	2,293									
Historical cost		6,019	4,801									
Accumulated amortisation		(2,471)	(2,508)									
<b>Other assets</b>		1,742,588	1,249,210									
Other receivables		720,083	263,779									
Accrued interest and fee receivables		718,117	709,416									
Deferred tax assets		134,824	124,192									
Other assets		169,564	151,823									
<b>TOTAL ASSETS</b>		100,732,644	87,786,108									
<b>LIABILITIES AND EQUITY</b>												
Placements and borrowings from other credit institutions		1,984,091	1,060,550									
Placements from other credit institutions		1,904,776	1,060,550									
Borrowings from other credit institutions		79,315	-									
<b>Deposits from customers</b>		85,072,414	74,353,240									
Other liabilities		1,532,882	1,185,391									
Fee and interest payables		70,355	59,568									
Other liabilities		1,462,527	1,125,823									
<b>TOTAL LIABILITIES</b>		88,589,387	76,599,181									
<b>Owner's equity</b>		12,143,257	11,186,927									
Contributed capital		7,528,000	7,528,000									
Reserves		2,169,066	1,798,790									
Retained earnings		2,446,191	1,860,137									
<b>TOTAL EQUITY</b>		12,143,257	11,186,927									
<b>TOTAL LIABILITIES AND EQUITY</b>		100,732,644	87,786,108									
<b>OFF BALANCE SHEET ITEMS</b>												
Contingent liabilities		17,311,987	16,611,883									
Letters of credit commitments		9,961,190	8,432,802									
Other guarantees		7,350,797	8,179,081									
<b>Commitments</b>		77,881,062	68,524,063									
Foreign exchange transactions commitments		74,897,364	60,464,947									
Buying foreign currency commitments		37,423,664	30,206,156									
Selling foreign currency commitments		37,414,417	30,202,465									
Cross currency swap contracts		59,283	56,326									
Undrawn loan commitments		2,983,698	4,695,366									
Interest rate swap contracts		-	3,363,750									

CASH FLOW STATEMENT (DIRECT METHOD)			
For the year ended 31 December			
		2018 VND million	2017 VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest and similar income received		3,744,079	3,061,739
Interest and similar expenses paid		(294,704)	(263,974)
Fee and commission income received		790,038	697,915
Net amount received from trading of foreign currency and securities		680,777	745,859
Other income/(expenses)		14,464	(18,632)
Recovery of written off bad debts		42,017	44,822
Payments to employees and for administrative expenses		(1,927,305)	(1,823,245)
Business income tax paid		(561,122)	(424,823)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>		2,488,244	2,019,661
<b>Changes in operating assets</b>			
Decrease/(increase) in placements with and loans to other credit institutions		1,551,406	(1,181,342)
Decrease in held-for-trading securities and available-for-sales investment securities		260,139	2,571,077
Decrease in derivatives and other financial assets		7,140	25,729
Increase in loans and advances to customers		(4,799,246)	(7,397,233)
Utilisation of provision for losses on loans and advances to customers		(38,922)	(88,934)
Decrease/(increase) in other operating assets		177,867	(99,024)
<b>Changes in operating liabilities</b>			
Increase/(decrease) in placements and borrowings from other credit institutions		923,540	(1,472,592)
Increase in deposits from customers		10,719,174	18,342,226
Increase/(decrease) in other operating liabilities		183,470	(84,589)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		11,472,812	12,634,879
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Purchase of fixed assets		(46,023)	(44,920)
Proceeds from the disposal of fixed assets		475	1,632
<b>NET CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		(45,548)	(43,288)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(1,512,177)	(2,019,242)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		(1,512,177)	(2,019,242)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		9,915,087	10,572,449
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		35,450,720	24,878,271
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		45,365,807	35,450,720

EMPLOYEES REMUNERATION				
		2018 VND million	2017 VND million	
Number of employees				
Employees remuneration				
Total salary fund		631,710	574,527	
Variable salaries		168,195	142,390	
Other remuneration		68,818	70,006	
Average salary per employee per year		868,723	786,923	
Average income per employee per year		604	608	

FINANCIAL RATIOS		
	31.12.2018 VND million, %	31.12.2017 VND million, %
Contributed capital	7,528,000	7,528,000
Total assets	100,732,644	87,786,108
Capital adequacy ratio	14%	14%
Overdue loan	661,110	681,417
Non-performing loans	332,397	350,422
Loans to deposit ratio	49%	56%
Overdue guarantee balance/Total guarantee balance	0%	0%
Overdue loan balance/Total loan balance	0.88%	1.01%
Non-performing loan balance/Total loan balance	0.4	