

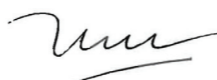


HSBC BANK (VIETNAM) LTD. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(Issued in accordance with Decision No 16/2007/QĐ-NHNN dated 18 April 2007 of the Governor of the State Bank of Vietnam)

BALANCE SHEET AS AT 31 DECEMBER 2011	31/12/2011 VND million	31/12/2010 VND million Reclassified
A. ASSETS		
Cash on hand	551,827	525,129
Balances with the State Bank of Vietnam	2,870,455	1,823,335
Deposits with and loans to credit institutions	22,611,225	24,943,169
Deposits	21,734,156	24,869,047
Loans	881,841	74,682
Allowances for loans to credit institutions	(4,772)	(560)
Securities held for trading	1,369,977	181,516
Securities held for trading	1,369,977	181,516
Derivatives and other financial assets	19,503	-
Loans and advances to customers	22,616,728	18,060,138
Loans and advances to customers	22,842,734	18,244,717
Allowance for loans and advances to customers	(226,006)	(184,579)
Investment securities	2,508,970	1,640,114
Available for sale securities	2,508,970	1,640,114
Fixed assets	140,125	124,882
Tangible fixed assets	140,125	124,882
Cost	291,290	241,515
Accumulated depreciation	(151,165)	(116,633)
Other assets	629,753	527,772
Receivables	81,891	83,748
Interest and fees receivable	433,301	328,454
Deferred tax assets	27,921	22,749
Other assets	86,640	92,821
TOTAL ASSETS	53,318,563	47,826,055
B. LIABILITIES AND OWNER'S EQUITY		
LIABILITIES		
Deposits and borrowings from credit institutions	6,794,758	15,376,349
Borrowings	6,794,758	15,376,349
Deposits from customers	39,305,713	26,377,889
Derivatives and other financial liabilities	-	22,170
Other liabilities	1,815,144	1,649,839
Accrued interest and fees payable	299,026	233,993
Other liabilities	1,459,433	1,362,715
Provision for off-balance sheet commitments	56,685	53,131
TOTAL LIABILITIES	47,915,615	43,426,247
OWNER'S EQUITY		
Capital and reserves	5,402,948	4,399,808
Contributed capital	3,000,000	3,000,000
Reserves	703,112	490,631
Retained profits	1,699,836	909,177
TOTAL OWNER'S EQUITY	5,402,948	4,399,808
TOTAL LIABILITIES AND OWNER'S EQUITY	53,318,563	47,826,055

STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2011	2011 VND million	2010 VND million
Interest and similar income	3,987,214	2,534,074
Interest and similar expenses	(1,211,989)	(782,411)
Net interest income	2,775,225	1,751,663
Fee and commission income	955,941	636,074
Fee and commission expenses	(122,186)	(82,542)
Net fee and commission income	833,755	553,532
Net gain from trading of foreign currencies	397,287	613,502
Net (loss)/gain from trading of securities held for trading	(1,529)	26,792
Other income – net	25,114	15,261
Operating expenses	(1,866,565)	(1,456,434)
Profit before allowance and provision expenses	2,163,287	1,504,316
Allowance and provision expenses	(192,580)	(96,936)
Profit before tax	1,970,707	1,407,380
Income tax expense - current	(510,490)	(376,772)
Income tax benefit - deferred	5,172	14,838
Total income tax expenses	(505,318)	(361,934)
Net profit after tax	1,465,389	1,045,446



Approved by

Nguyen Thi Thanh Truc
Chief Financial Officer

Sumit Dutta
Chief Executive Officer

Ho Chi Minh City, 28 March 2012

INDEPENDENT AUDITORS' REPORT
KPMG
To the Investor HSBC Bank (Vietnam) Ltd.
Scope We have audited the accompanying balance sheet of HSBC Bank (Vietnam) Ltd. ("the Bank") as of 31 December 2011 and the related statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's management on 28 March 2012. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.
We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
Audit opinion In our opinion, the financial statements give a true and fair view of the financial position of HSBC Bank (Vietnam) Ltd. as of 31 December 2011 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam, and the relevant statutory requirements.
<p>KPMG Limited Vietnam Investment Certificate No: 011043000345 Audit Report No: 11-01-495</p>  <p>Chang Hung Chun CPA No. N0863/KTV Deputy General Director</p> <p>Ho Chi Minh City, 28 March 2012</p>
 <p>Tran Dinh Vinh CPA No. 0339/KTV</p>

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Ho Chi Minh City

