

HSBC BANK (VIETNAM) LTD. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

(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 2012		
	31/12/2012 VND million	31/12/2011 VND million
A. ASSETS		
Cash on hand	588,494	551,827
Balances with the State Bank of Vietnam	2,258,063	2,870,455
Deposits with and loans to credit institutions	21,007,516	22,611,225
Deposits	6,584,331	21,734,156
Loans	14,543,079	881,841
Allowances for loans to credit institutions	(119,894)	(4,772)
Securities held for trading	2,121,324	1,369,977
Securities held for trading	2,121,324	1,369,977
Derivatives and other financial assets	-	19,503
Loans and advances to customers	31,639,694	22,616,728
Loans and advances to customers	32,042,693	22,842,734
Allowance for loans and advances to customers	(402,999)	(226,006)
Investment securities	7,164,727	2,508,970
Available-for-sale securities	7,164,727	2,508,970
Fixed assets	111,943	140,125
Tangible fixed assets	111,943	140,125
Cost	302,940	291,290
Accumulated depreciation	(190,997)	(151,165)
Other assets	984,761	629,753
Receivables	89,537	81,891
Accrued interest and fees receivable	670,091	433,301
Deferred tax assets	147,256	27,921
Other assets	77,877	86,640
TOTAL ASSETS	65,876,522	53,318,563
B. LIABILITIES AND OWNER'S EQUITY		
LIABILITIES		
Deposits and borrowings from credit institutions	12,642,783	6,794,758
Deposits	10,745,963	6,794,758
Borrowings	1,896,820	-
Deposits from customers	44,612,685	39,305,713
Derivatives and other financial liabilities	52,483	-
Other liabilities	2,394,520	1,815,144
Accrued interest and fees payable	392,214	299,026
Other liabilities	1,935,697	1,459,433
Provision for off-balances sheet commitments	66,609	56,685
TOTAL LIABILITIES	59,702,471	47,915,615
OWNER'S EQUITY		
Capital and reserves	6,174,051	5,402,948
Contributed capital	3,000,000	3,000,000
Reserves	905,758	703,112
Retained profits	2,268,293	1,699,836
TOTAL OWNER'S EQUITY	6,174,051	5,402,948
TOTAL LIABILITIES AND OWNER'S EQUITY	65,876,522	53,318,563

BALANCE SHEET AS AT 31 DECEMBER 2012 (continued)		
	31/12/2012 VND million	31/12/2011 VND million
OFF-BALANCE SHEET ITEMS		
CONTINGENT LIABILITIES		
Letters of credit	4,119,983	4,466,694
Other guarantees	3,829,347	2,814,876
OTHER COMMITMENTS		
Undrawn loan commitments	632,237	456,854
Outstanding acceptances on trade bills	1,131,932	677,909
Foreign exchange forward contracts	6,174,139	11,064,617
Currency options	-	251,074
Interest rate swap contracts	1,133,751	1,879,958
Cross currency swap contracts	1,647,127	1,132,745

STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2012		
	2012 VND million	2011 VND million
Interest and similar income	4,350,951	3,987,214
Interest and similar expenses	(1,450,791)	(1,211,989)
Net interest income	2,900,160	2,775,225
Fee and commission income	726,549	955,941
Fee and commission expenses	(171,741)	(122,186)
Net fee and commission income	554,808	833,755
Net gain from trading of foreign currencies	455,311	397,287
Net gain/(loss) from trading of securities held for trading	44,930	(1,529)
Net gain from disposals of investment securities	11,212	-
Other income – net	55,137	25,114
Operating expenses	(1,792,626)	(1,866,565)
Operating profit before allowance and provision expenses	2,228,932	2,163,287
Allowance and provision expenses	(350,520)	(192,580)
Profit before tax	1,878,412	1,970,707
Income tax expense - current	(600,195)	(510,490)
Income tax benefit - deferred	119,335	5,172
Total income tax expenses	(480,860)	(505,318)
Net profit after tax	1,397,552	1,465,389

22 March 2013



 Nguyen Thi Thanh Truc
 Chief Financial Officer



Sumit Dutta
Chief Executive Officer



INDEPENDENT AUDITORS' REPORT

**To the Investor
HSBC Bank (Vietnam) Ltd.**

Scope

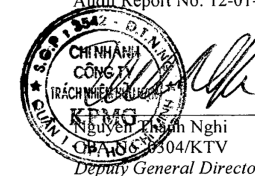
We have audited the accompanying balance sheet of HSBC Bank (Vietnam) Ltd. ("the Bank") as of 31 December 2012 and the related statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's management on 22 March 2013, as set out on pages 4 to 55. 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 presentation of financial statements. 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 2012 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.

KPMG Limited
 Vietnam
 Investment Certificate No: 011043000345
 Audit Report No: 12-01-119




 Nguyen Thanh Nghi
 Deputy General Director

Ho Chi Minh City, 22 March 2013


 Lam Thi Ngoc Hao
 CPA No. N0866/KTV

HSBC Bank (Vietnam) Ltd.
 The Metropolitan, 235 Dong Khoi Street, District 1
 Ho Chi Minh City

