

HSBC BANK (VIETNAM) LTD. FINANCIAL RESULTS AS AT 31 DECEMBER 2010

(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 2010 | | |
|--|---------------------------|---------------------------|
| | 31/12/2010 VND million | 31/12/2009 VND million |
| A. ASSETS | | |
| Cash on hand | 525,129 | 318,284 |
| Balances with the State Bank of Vietnam | 1,823,335 | 936,921 |
| Deposits with and loans to credit institutions | 24,882,729 | 19,579,573 |
| Deposits | 24,869,047 | 19,579,573 |
| Loans | 13,682 | - |
| Securities held for trading | 181,516 | 1,257,356 |
| Securities held for trading | 181,516 | 1,257,356 |
| Loans and advances to customers | 18,120,578 | 13,367,874 |
| Loans and advances to customers | 18,305,717 | 13,512,645 |
| Allowance for loans and advances to customers | (185,139) | (144,771) |
| Investment securities | 1,640,114 | 548,560 |
| Available for sale securities | 1,640,114 | 548,560 |
| Fixed assets | 124,882 | 90,929 |
| Tangible fixed assets | 124,882 | 90,929 |
| Cost | 241,515 | 175,107 |
| Accumulated depreciation | (116,633) | (84,178) |
| Other assets | 527,772 | 414,401 |
| Receivables | 83,748 | 104,577 |
| Interest and fees receivables | 328,454 | 240,200 |
| Deferred tax assets | 22,749 | 7,911 |
| Other assets | 92,821 | 61,713 |
| TOTAL ASSETS | 47,826,055 | 36,513,898 |
| B. LIABILITIES AND OWNERS' EQUITY | | |
| LIABILITIES | | |
| Deposits and borrowings from credit institutions | 15,356,624 | 4,973,674 |
| Deposits | 15,356,624 | 4,973,674 |
| Deposits from customers | 26,397,614 | 26,353,491 |
| Derivatives and other financial liabilities | 22,170 | 8,004 |
| Other liabilities | 1,649,839 | 1,201,199 |
| Accrued interest and fee payables | 233,993 | 159,422 |
| Other liabilities | 1,362,715 | 1,019,434 |
| Provision for off balances sheet commitments | 53,131 | 22,343 |
| TOTAL LIABILITIES | 43,426,247 | 32,536,368 |
| OWNERS' EQUITY | | |
| Capital and reserves | 4,399,808 | 3,977,530 |
| Contributed capital | 3,000,000 | 3,000,000 |
| Reserves | 490,631 | 339,041 |
| Retained profits | 909,177 | 638,489 |
| TOTAL OWNER'S EQUITY | 4,399,808 | 3,977,530 |
| TOTAL LIABILITIES AND OWNER'S EQUITY | 47,826,055 | 36,513,898 |

| Statement of income for the year ended 31 December 2010 | | |
|--|---------------------|---------------------|
| | 2010 VND million | 2009 VND million |
| Interest and similar income | 2,534,074 | 1,962,485 |
| Interest and similar expenses | (782,411) | (835,235) |
| Net interest income | 1,751,663 | 1,127,250 |
| Fee and commission income | 636,074 | 498,916 |
| Fee and commission expenses | (82,542) | (66,295) |
| Net fee and commission income | 553,532 | 432,621 |
| Net gain from trading of foreign currencies | 613,502 | 707,119 |
| Net gains from trading of securities held for trading | 26,792 | 94,206 |
| Net gains from disposals of investment securities | - | 62,004 |
| Other income/(expenses) – net | 15,261 | (17,762) |
| Operating expenses | (1,456,434) | (1,216,686) |
| Profit before allowance and provision expenses | 1,504,316 | 1,188,752 |
| Allowance expenses for loans and advances to customers and provision expenses for off-balance sheet commitments | (96,936) | (170,523) |
| Profit before tax | 1,407,380 | 1,018,229 |
| Income tax expense - current | (376,772) | (273,051) |
| Income tax benefit - deferred | 14,838 | 1,593 |
| Total income tax expenses | (361,934) | (271,458) |
| Net profit after tax | 1,045,446 | 746,771 |

Approved by:



Thomas W. Tobin
Chief Executive Officer

Nguyễn Thị Thanh Trúc
Chief Financial 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 2010 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 2011. 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 2010 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: 10-01-309



Chàng Hùng Chun
CPA No. N0863/KTV
Deputy General Director
Ho Chi Minh City, 28 March 2011

Trần Đình Vinh
CPA No. 0339/KTV

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HSBC 
The world's local bank