

**HSBC BANK (VIETNAM) LTD.**  
**SUMMARY INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2013**

**BALANCE SHEET AS AT 30 JUNE 2013**

	30/6/2013 VND million	31/12/2012 VND million
<b>A ASSETS</b>		
<b>I Cash on hand</b>	618,296	588,494
<b>II Balances with the State Bank of Vietnam</b>	2,169,058	2,258,063
<b>III Deposits with and loans to credit institutions</b>	17,224,560	21,007,516
1 Deposits	12,022,394	6,584,331
2 Loans	5,241,477	14,543,079
3 Allowance for loans to credit institutions	(39,311)	(119,894)
<b>IV Securities held for trading</b>	1,748,834	2,121,324
1 Securities held for trading	1,748,834	2,121,324
2 Allowance for diminution in value of securities held for trading	-	-
<b>VI Loans and advances to customers</b>	31,827,841	31,639,694
1 Loans and advances to customers	32,352,194	32,042,693
2 Allowance for loans and advances to customers	(524,353)	(402,999)
<b>VII Investment securities</b>	8,672,829	7,164,727
1 Available-for-sale securities	8,672,829	7,164,727
2 Held-to-maturity securities	-	-
<b>IX Fixed assets</b>	96,064	111,943
1 Tangible fixed assets	96,064	111,943
a Cost	306,014	302,940
b Accumulated depreciation	(209,950)	(190,997)
<b>XI Other assets</b>	766,425	984,761
1 Receivables	73,938	89,537
2 Accrued interest and fees receivable	471,957	670,091
3 Deferred tax assets	134,881	147,256
4 Other assets	85,649	77,877
5 Allowance for other assets	-	-
<b>TOTAL ASSETS</b>	<b>63,123,907</b>	<b>65,876,522</b>
<b>B LIABILITIES AND OWNER'S EQUITY</b>		
<b>LIABILITIES</b>		
<b>II Deposits and borrowings from credit institutions</b>	8,252,349	12,642,783
1 Deposits	8,197,649	10,745,963
2 Borrowings	54,700	1,896,820
<b>III Deposits from customers</b>	46,143,126	44,612,685
<b>IV Derivatives and other financial liabilities</b>	66,115	52,483
<b>VII Other liabilities</b>	2,256,352	2,394,520
1 Accrued interest and fees payable	247,913	392,214
2 Deferred tax liabilities	-	-
3 Other liabilities	1,937,096	1,935,697
4 Provision for off-balance sheet commitments	71,343	66,609
<b>TOTAL LIABILITIES</b>	<b>56,717,942</b>	<b>59,702,471</b>
<b>OWNER'S EQUITY</b>		
<b>VIII Capital and reserves</b>	6,405,965	6,174,051
1 Contributed capital	3,000,000	3,000,000
2 Reserves	905,758	905,758
5 Retained profits	2,500,207	2,268,293
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>63,123,907</b>	<b>65,876,522</b>
<b>OFF-BALANCE SHEET ITEMS</b>		
<b>I CONTINGENT LIABILITIES</b>		
2 Letters of credit	2,169,580	4,119,983
3 Other guarantees	3,697,384	3,829,347
<b>II OTHER COMMITMENTS</b>		
1 Undrawn loan commitments	1,005,719	632,237
2 Outstanding acceptances on trade bills	2,639,730	1,131,932
3 Foreign exchange forward contracts	13,015,049	6,174,139
5 Interest rate swap contracts	966,036	1,133,751
6 Cross currency swap contracts	1,531,854	1,647,127

**STATEMENT OF INCOME FOR THE SIX-MONTH PERIOD ENDED  
30 JUNE 2013**

	Six-month period ended	
	30/6/2013 VND million	30/6/2012 VND million (Unreviewed)
1 Interest and similar income	2,062,604	2,333,681
2 Interest and similar expenses	(612,462)	(854,582)
<b>I Net interest income</b>	<b>1,450,142</b>	<b>1,479,099</b>
3 Fee and commission income	378,932	350,740
4 Fee and commission expenses	(84,795)	(90,281)
<b>II Net fee and commission income</b>	<b>294,137</b>	<b>260,459</b>
<b>III Net gain from trading of foreign currencies</b>	<b>258,415</b>	<b>258,185</b>
<b>IV Net gain from trading of securities held for trading</b>	<b>35,447</b>	<b>-</b>
<b>V Net gain from disposals of investment securities</b>	<b>23,506</b>	<b>50,910</b>
5 Other income	12,657	29,956
6 Other expenses	(5,279)	(22,622)
<b>VI Other income - net</b>	<b>7,378</b>	<b>7,334</b>
<b>VIII Operating expenses</b>	<b>(866,754)</b>	<b>(874,268)</b>
<b>IX Operating profit before allowance and provision expenses</b>	<b>1,202,271</b>	<b>1,181,719</b>
<b>X Allowance and provision expenses</b>	<b>(88,154)</b>	<b>(104,229)</b>
<b>XI Profit before tax</b>	<b>1,114,117</b>	<b>1,077,490</b>
7 Income tax expense - current	(272,375)	(269,904)
8 Income tax expense - deferred	(12,375)	(4,925)
<b>XII Total income tax expense</b>	<b>(284,750)</b>	<b>(274,829)</b>
<b>XIII Net profit after tax</b>	<b>829,367</b>	<b>802,661</b>

**STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED  
30 JUNE 2013 (DIRECT METHOD)**

	Six-month period ended	
	30/6/2013 VND million	30/6/2012 VND million (Unreviewed)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest and similar income received	2,260,256	2,271,856
Interest and similar expenses paid	(756,763)	(913,946)
Net fee and commission income received	290,694	256,955
Net receipts from trading of foreign currencies and securities	303,740	309,109
Other income/(expenses) received	1,767	(1,380)
Recoveries from bad debts written off	5,588	8,639
Salaries and operating expenses paid	(769,497)	(720,355)
Income tax paid	(385,335)	(262,108)
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>950,450</b>	<b>948,770</b>
<b>Changes in operating assets</b>		
Decrease/(increase) in deposits with and loans to credit institutions	1,604,939	(7,947,935)
Increase in securities held for trading and investment securities	(1,228,479)	(6,204,965)
Decrease in derivatives and other financial assets	-	11,252
Increase in loans and advances to customers	(309,501)	(4,671,296)
Utilisation of allowance for loans and advances to customers	(44,047)	(1,662)
Decrease/(increase) in other assets	20,195	(481,911)
<b>Changes in operating liabilities</b>		
(Decrease)/increase in deposits and borrowings from credit institutions	(4,390,434)	8,446,294
Increase in deposits from customers	1,530,441	64,006
Increase in derivatives and other financial liabilities	13,632	-
Increase/(decrease) in other liabilities	138,972	(350,964)
<b>I. NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(1,713,832)</b>	<b>(10,188,411)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for additions of fixed assets	(6,915)	(6,620)
Proceeds from disposals of fixed assets	397	425
<b>II. NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(6,518)</b>	<b>(6,195)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit distribution	(597,453)	(626,449)
<b>III. NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(597,453)</b>	<b>(626,449)</b>
<b>NET CASH FLOWS FOR THE PERIOD</b>	<b>(2,317,803)</b>	<b>(10,821,055)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>15,905,116</b>	<b>24,041,197</b>
<b>FOREIGN EXCHANGE TRANSLATION DIFFERENCE</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>13,587,313</b>	<b>13,220,142</b>

**FINANCIAL RATIOS**

	30/6/2013 VND million, %	31/12/2012 VND million, %
Charter capital	3,000,000	3,000,000
Total assets	63,123,907	65,876,522
Capital adequacy ratio (*)	13%	12%
Overdue loans	2,968,562	2,372,311
Non-performing loans	1,104,272	822,451
Loans to deposits ratio (*)	1.02	1.11
Overdue guarantee balance/Total guarantee balance	0%	0%
Overdue loan balance/Total loan balance	9.18%	7.40%
Non-performing loan balance/Total loan balance	3.41%	2.57%
Solvency ratio - next day (*)	27%	24%
Solvency ratio - next seven days (*)		
In VND	240%	194%
In USD	127%	151%
In GBP	604%	655%
In EUR	698%	283%

**Six-month period ended**

	30/6/2013 VND million	30/6/2012 VND million (Unreviewed)
Total deposits received	725,573,109	617,685,353
Total loans disbursed	65,970,399	72,147,647
Total loans collected	65,875,563	67,450,006

(\*) The financial ratios were calculated in accordance with the provisions of Circular No. 13/2010/TT-NHNN dated 20 May 2010 ("Circular 13") issued by the State Bank of Vietnam regulating safety ratios in the operations of credit institutions which was amended and supplemented by Circular No. 19/2010/TT-NHNN dated 27 September 2010 issued by the State Bank of Vietnam ("Circular 19"), Circular No. 22/2011/TT-NHNN dated 30 August 2011 issued by the State Bank of Vietnam ("Circular 22") and Circular No. 33/2011/TT-NHNN dated 8 October 2011 issued by the State Bank of Vietnam ("Circular 33"). Accordingly, the financial ratios and their utilisation are not designed for those who are not informed about the principles and requirements of Circular 13, Circular 19, Circular 22 and Circular 33 on calculation of financial ratios applicable to credit institutions in Vietnam.

26 August 2013

Approved by:  
  
Nguyen Thi Thanh Truc  
Chief Financial Officer

  
Sumit Dutta  
Chief Executive Officer



**SUMMARY INTERIM FINANCIAL STATEMENTS REVIEW REPORT**

To the Investor  
HSBC Bank (Vietnam) Ltd.

We have reviewed the interim financial statements of HSBC Bank (Vietnam) Ltd. ("the Bank") as of 30 June 2013 and for the six-month period then ended in accordance with Vietnamese Standards on Auditing 910 - *Engagements to Review Financial Statements*, from which the accompanying summary interim financial statements were derived. In our report dated 26 August 2013 we expressed an unqualified conclusion on the interim financial statements from which the summary interim financial statements were derived.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying summary interim financial statements are not consistent, in all material respects, with the interim financial statements from which they were derived.

For a better understanding of the Bank's financial position and the results of its operations for the period and of the scope of our review, the summary interim financial statements should be read in conjunction with the interim financial statements from which the summary interim financial statements were derived and our review report thereon.

**KPMG Limited**  
Vietnam  
Investment Certificate No: 011043000345  
Review Report No: 13-01-430/1

  
Nguyễn Đình Nghị  
Practising Auditor Registration Certificate  
No. 0304-2013-007-1  
Deputy General Director

  
Trương Vinh Phúc  
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Ho Chi Minh City, 26 August 2013

**HSBC Bank (Vietnam) Ltd.**  
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