

**Joint Stock Commercial Bank for  
Foreign Trade of Vietnam**

Audited separate financial statements  
for the year ended 31 December 2012



# Joint Stock Commercial Bank for Foreign Trade of Vietnam

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# Joint Stock Commercial Bank for Foreign Trade of Vietnam

## GENERAL INFORMATION

**Banking Licence** No. 138/GP-NHNN dated 23 May 2008 issued by the State Bank of Vietnam (“the SBV”) and Decision No. 2719/QD-NHNN dated 27 December 2011 by the Governor of the State Bank of Vietnam adjusting and supplementing the contents of the Bank’s operations. The Banking Licence validity is 99 years from the issuance date of the Banking Licence No. 138/GP-NHNN.

**Business Registration Certificate** Business Registration Certificate No. 0100112437 dated 02 June 2008 issued by Hanoi Authority for Planning and Investment was renewed for the first time on 06 September 2010 and for the seventh time on 10 January 2012.

### Members of Board of Directors during the year and at the date of this report

Mr. Nguyen Hoa Binh	Chairman	Appointed on 23 May 2008
Mr. Nguyen Phuoc Thanh	Member	Appointed on 23 May 2008
Ms. Le Thi Hoa	Member	Appointed on 23 May 2008
Ms. Le Thi Kim Nga	Member	Appointed on 23 May 2008
Mr. Nguyen Dang Hong	Member	Appointed on 02 April 2012
Mr. Nguyen Danh Luong	Member	Appointed on 02 April 2012
Mr. Yutaka Abe	Member	Appointed on 02 April 2012
Mr. Le Dac Cu	Member	Appointed on 02 April 2012
Mr. Pham Huyen Anh	Member	Appointed on 20 May 2009 Resigned on 02 April 2012

### Members of Board of Management during the year and at the date of this report

Mr. Nguyen Phuoc Thanh	Chief Executive Officer	Appointed on 23 May 2008
Mr. Nguyen Van Tuan	Deputy CEO	Appointed on 02 June 2008
Mr. Dao Minh Tuan	Deputy CEO	Appointed on 02 June 2008
Mr. Pham Quang Dung	Deputy CEO	Appointed on 02 June 2008
Mr. Nguyen Danh Luong	Deputy CEO	Appointed on 01 August 2009
Mr. Dao Hao	Deputy CEO	Appointed on 01 August 2010
Mr. Pham Thanh Ha	Deputy CEO	Appointed on 01 August 2010
Mr. Yukata Abe	Deputy CEO	Appointed on 30 September 2012
Ms. Truong Thi Thuy Nga	Deputy CEO	Appointed on 01 December 2012
Ms. Nguyen Thu Ha	Deputy CEO	Appointed on 02 June 2008 Retired on 01 November 2012

### Members of Supervisory Board during the year and at the date of this report

Ms. Truong Le Hien	Head of Supervisory Board	Appointed on 02 June 2008
Ms. La Thi Hong Minh	Member	Appointed on 02 June 2008
Ms. Do Thi Mai Huong	Member	Appointed on 02 June 2008
Ms. Vu Thi Bich Van	Member	Appointed on 22 April 2011

# **Joint Stock Commercial Bank for Foreign Trade of Vietnam**

## GENERAL INFORMATION (continued)

<b>Chief Accountant</b>	Ms. Phung Nguyen Hai Yen	Appointed on 16 June 2011
<b>Legal Representative</b>	Mr. Nguyen Phuoc Thanh	Title: Chief Executive Officer
<b>The Bank's Head Office</b>	198 Tran Quang Khai Street Hoan Kiem District, Hanoi, Vietnam	
<b>The Bank's auditors</b>	Ernst & Young Vietnam Limited	

# Joint Stock Commercial Bank for Foreign Trade of Vietnam

## REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Joint Stock Commercial Bank for Foreign Trade of Vietnam (“the Bank”) is responsible for preparing and presenting the separate financial statements for the year ended 31 December 2012.

### The Board of Management’s responsibility in respect of the separate financial statements

The Board of Management of the Bank is responsible for ensuring that the separate financial statements give a true and fair view of the separate financial position of the Bank as at 31 December 2012 and of the separate results of its operation and its separate cash flows for the year then ended, in all material aspects, in accordance with the Vietnamese Accounting Standards (“VAS”), the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and comply with the relevant statutory requirements. In preparing these separate financial statements, the Board of Management is required to:

- select appropriate accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue its business.

The Board of Management of the Bank is responsible for ensuring that proper accounting records are kept to disclose, with reasonable accuracy at any time, the separate financial position of the Bank and to ensure that the accounting records comply with the registered accounting system. It is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other violations.

The Board of Management of the Bank confirmed that the Bank has complied with the above requirements in preparing the accompanying separate financial statements for the year ended 31 December 2012.

### Statement by the Board of Management

The Board of Management does hereby state that, in its opinion, the separate financial statements give a true and fair view of the separate financial position of the Bank as at 31 December 2012 and of the separate results of its operation and its separate cash flows for the year then ended, in all material aspects, in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and comply with the relevant statutory requirements.

For and on behalf of the Board of Management:



Mr. Nguyen Danh Luong  
Deputy CEO

Hanoi, 15 March 2013

Reference: 61039047/16113618

## INDEPENDENT AUDITORS' REPORT

To: **Shareholders**  
**Joint Stock Commercial Bank for Foreign Trade of Vietnam**

We have audited the separate financial statements of Joint Stock Commercial Bank for Foreign Trade of Vietnam as set out on pages 05 to 68 which comprise the separate balance sheet as at 31 December 2012, the separate income statement and the separate statement of cash flows for the year then ended and the notes thereto.

The preparation and presentation of these separate financial statements are the responsibility of the Board of Management. Our responsibility is to express an opinion on these separate financial statements based on our audit.

### *Basis of Opinion*

We conducted our audit in accordance with the Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the separate financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Management, as well as evaluating the overall presentation of the separate financial statements. We believe that our audit provides a reasonable basis for our opinion.

### *Opinion*

In our opinion, the separate financial statements give a true and fair view, in all material aspects, of the separate financial position of the Bank as at 31 December 2012 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.



Ernst & Young Vietnam Limited



Mr. Vo Tan Hoang Van  
Deputy General Director  
Certificate No. 0264/KTV



Ms. Hoang Thi Hong Minh  
Auditor  
Certificate No. 0761/KTV

Ho Chi Minh City, Vietnam

15 March 2013

**Joint Stock Commercial Bank for Foreign Trade of Vietnam**
**Form B02/TCTD**

 SEPARATE BALANCE SHEET  
 as at 31 December 2012

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

	Notes	31/12/2012 VND million	31/12/2011 VND million
<b>A ASSETS</b>			
<b>I Cash on hand, gold, silver and gemstones</b>	<b>4</b>	<b>5,592,611</b>	<b>5,393,497</b>
<b>II Balances with the State Bank of Vietnam</b>	<b>5</b>	<b>15,732,059</b>	<b>10,616,723</b>
<b>III Balances with and loans to other credit institutions</b>	<b>6</b>	<b>66,516,066</b>	<b>105,383,527</b>
1 Balances with other credit institutions		60,593,469	71,625,694
2 Loans to other credit institutions		6,082,031	33,776,726
3 Allowance for loans to other credit institutions		(159,434)	(18,893)
<b>IV Trading securities</b>	<b>7</b>	<b>509,670</b>	<b>509,955</b>
1 Trading securities		509,670	509,955
2 Allowance for diminution in the value of trading securities		-	-
<b>VI Loans and advances to customers</b>		<b>234,518,118</b>	<b>202,831,962</b>
1 Loans and advances to customers	8	239,773,105	208,085,778
2 Allowance for loans and advances to customers	9	(5,254,987)	(5,253,816)
<b>VII Investment securities</b>		<b>77,844,471</b>	<b>29,307,794</b>
1 Available-for-sale securities	10(a)	73,217,551	25,843,956
2 Held-to-maturity securities	10(b)	4,843,103	3,750,448
3 Allowance for diminution in the value of investment securities		(216,183)	(286,610)
<b>VIII Long-term investments</b>		<b>4,533,833</b>	<b>4,030,042</b>
1 Investments in subsidiaries	11(a)	1,578,902	1,489,071
2 Investments in joint-ventures	11(b)	649,665	574,117
3 Investments in associates	11(c)	17,710	22,110
4 Other long-term investments	11(d)	2,324,794	2,147,919
5 Allowance for diminution in the value of long-term investments	11(d)	(37,238)	(203,175)
<b>IX Fixed assets</b>		<b>3,431,065</b>	<b>2,362,731</b>
1 Tangible fixed assets	12	2,092,966	1,236,066
a Cost		4,878,643	3,601,096
b Accumulated depreciation		(2,785,677)	(2,365,030)
2 Intangible fixed assets	13	1,338,099	1,126,665
a Cost		1,647,797	1,358,488
b Accumulated amortization		(309,698)	(231,823)
<b>XI Other assets</b>		<b>5,563,766</b>	<b>8,085,522</b>
1 Receivables	14(a)	1,329,834	2,193,856
2 Accrued interest and fee receivables	14(b)	3,403,191	3,354,768
3 Other assets	14(c)	830,741	2,536,898
<b>TOTAL ASSETS</b>		<b>414,241,659</b>	<b>368,521,753</b>

The accompanying notes are an integral part of these separate financial statements

**Joint Stock Commercial Bank for Foreign Trade of Vietnam**
**Form B02/TCTD**
*(Issued in accordance with Decision  
No. 16/2007/QĐ-NHNN dated 18 April  
2007 of the Governor of the SBV)*
**SEPARATE BALANCE SHEET**  
as at 31 December 2012 (continued)

	Notes	31/12/2012 VND million	31/12/2011 VND million
<b>B</b>			
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>I</b>			
<b>Amounts due to the Government and the State Bank of Vietnam</b>	<b>15</b>	<b>24,806,433</b>	<b>38,866,234</b>
<b>II</b>			
<b>Deposits and borrowings from other credit institutions</b>	<b>16</b>	<b>34,327,199</b>	<b>48,132,623</b>
1 Deposits from other credit institutions		16,962,205	22,895,728
2 Borrowings from other credit institutions		17,364,994	25,236,895
<b>III</b>			
<b>Deposits from customers</b>	<b>17</b>	<b>285,096,573</b>	<b>229,713,161</b>
<b>IV</b>			
<b>Derivatives and other financial liabilities</b>	<b>18</b>	<b>5,461</b>	<b>11,474</b>
<b>VI</b>			
<b>Valuable papers issued</b>	<b>19</b>	<b>2,027,567</b>	<b>2,071,383</b>
<b>VII</b>			
<b>Other liabilities</b>		<b>26,998,746</b>	<b>21,604,842</b>
1 Accrued interest and fee payables	20(a)	3,486,442	2,950,922
2 Deferred tax liabilities	20(b)	40,523	-
3 Other liabilities	20(c)	22,894,833	17,756,005
4 Provision for contingent liabilities and off-balance sheet commitments	20(d)	576,948	897,915
<b>TOTAL LIABILITIES</b>		<b>373,261,979</b>	<b>340,399,717</b>
<b>VIII</b>			
<b>Capital and reserves</b>			
1 Capital		32,375,568	20,693,997
a Chartered capital		23,174,171	19,698,045
b Share premium		9,201,397	995,952
2 Reserves		2,648,863	1,999,663
3 Retained profits		5,955,249	5,428,376
a Previous years' retained profits		2,973,179	2,258,841
b Current year's retained profits		2,982,070	3,169,535
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>21</b>	<b>40,979,680</b>	<b>28,122,036</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>414,241,659</b>	<b>368,521,753</b>

*The accompanying notes are an integral part of these separate financial statements*



**SEPARATE BALANCE SHEET**  
as at 31 December 2012 (continued)

No.	OFF-BALANCE SHEET ITEMS	Notes	31/12/2012 VND million	31/12/2011 VND million
<b>I</b>	<b>Contingent liabilities</b>			
1	Credit guarantees		19,400	25,850
2	Letters of credit		29,674,606	32,696,320
3	Other guarantees		17,353,819	15,384,088
<b>II</b>	<b>Commitments</b>			
1	Other commitments		364,982	4,825,942
		<b>35</b>	<b>47,412,807</b>	<b>52,932,200</b>

Hanoi, 15 March 2013

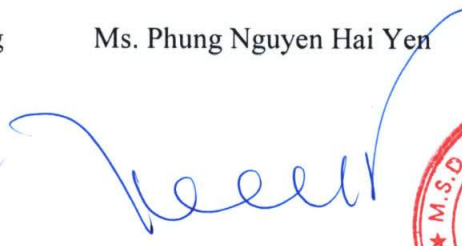
Prepared by:

Approved by:

Ms. Nguyen Thi Thu Huong

Ms. Phung Nguyen Hai Yen

Mr. Nguyen Danh Luong


*Deputy Director of  
Accounting Policy Department*

*Chief Accountant*



*Deputy CEO*

**Joint Stock Commercial Bank for Foreign Trade of Vietnam**
**Form B03/TCTD**
**SEPARATE INCOME STATEMENT**  
 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 SBV)*

	Notes	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million	
1	Interest and similar income	22	31,552,820	33,159,600
2	Interest and similar expenses	23	(20,871,054)	(21,021,371)
<b>I</b>	<b>Net interest income</b>		<b>10,681,766</b>	<b>12,138,229</b>
3	Fee and commission income	24	2,130,069	2,157,925
4	Fee and commission expenses	24	(828,777)	(677,690)
<b>II</b>	<b>Net fee and commission income</b>	<b>24</b>	<b>1,301,292</b>	<b>1,480,235</b>
<b>III</b>	<b>Net gain from trading foreign currencies</b>	<b>25</b>	<b>1,488,308</b>	<b>1,177,980</b>
<b>IV</b>	<b>Net gain from trading securities</b>		<b>75,968</b>	<b>-</b>
<b>V</b>	<b>Net gain from investment securities</b>	<b>26</b>	<b>226,679</b>	<b>48,692</b>
5	Other income	27	643,341	307,456
6	Other expenses	27	(127,975)	(1,616,218)
<b>VI</b>	<b>Net other income/(expenses)</b>	<b>27</b>	<b>515,366</b>	<b>(1,308,762)</b>
<b>VII</b>	<b>Net income from investments in subsidiaries, associates and joint-ventures</b>	<b>28</b>	<b>515,788</b>	<b>1,403,954</b>
	<b>TOTAL OPERATING INCOME</b>		<b>14,805,167</b>	<b>14,940,328</b>
<b>VIII</b>	<b>TOTAL OPERATING EXPENSES</b>	<b>29</b>	<b>(5,902,979)</b>	<b>(5,554,911)</b>
<b>IX</b>	<b>Net profit before provisions and allowances for credit losses</b>		<b>8,902,188</b>	<b>9,385,417</b>
<b>X</b>	<b>Provisions and allowances for credit losses</b>	<b>30</b>	<b>(3,355,265)</b>	<b>(3,447,542)</b>
<b>XI</b>	<b>PROFIT BEFORE TAX</b>		<b>5,546,923</b>	<b>5,937,875</b>

*The accompanying notes are an integral part of these separate financial statements*

**SEPARATE INCOME STATEMENT**  
for the year ended 31 December 2012 (continued)

	Notes	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million
7	Current Corporate income tax expenses	(1,275,618)	(1,433,350)
<b>XII</b>	<b>Current Corporate income tax expenses</b>	<b>(1,275,618)</b>	<b>(1,433,350)</b>
<b>XIII</b>	<b>NET PROFIT AFTER TAX</b>	<b>4,271,305</b>	<b>4,504,525</b>

Hanoi, 15 March 2013

Prepared by:

Approved by:

Ms. Nguyen Thi Thu Huong

Ms. Phung Nguyen Hai Yen

Mr. Nguyen Danh Luong





*Deputy Director of  
Accounting Policy Department*

*Chief Accountant*

*Deputy CEO*

**SEPARATE STATEMENT OF CASH FLOWS**  
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 SBV)*

	Notes	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1		32,055,102	32,155,617
2		(20,337,879)	(20,706,599)
3		1,301,292	1,480,235
4		1,853,576	1,217,123
5		(19,090)	(1,522,392)
6	27	365,682	211,929
7		(5,461,557)	(5,054,751)
8	33	(1,447,821)	(1,347,086)
<b>Net cash flow from operating activities before changes in operating assets and working capital</b>		<b>8,309,305</b>	<b>6,434,076</b>
<b>Changes in operating assets</b>			
9		(1,469,741)	1,833,603
10		(17,113,136)	1,232,870
11		(31,687,328)	(32,485,320)
12		(3,534,520)	(3,816,525)
13		2,304,827	(2,378,424)
<b>Changes in operating liabilities</b>			
14		(10,602,746)	28,789,298
15		(13,805,424)	(11,046,769)
16		51,926,357	24,196,092
17		(43,815)	(1,492,602)
18		(6,013)	46,160
19		4,760,818	12,736,180
20		(440,535)	(496,924)
<b>I</b>	<b>Net cash flow (used in)/generated from operating activities</b>	<b>(11,401,951)</b>	<b>23,551,715</b>

*The accompanying notes are an integral part of these separate financial statements*

**SEPARATE STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2012 (continued)

	Notes	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1		(1,624,611)	(1,488,477)
2		2,838	3,781
3		(646)	(2,080)
4		(271,201)	(210,636)
5		4,400	2,187,177
6		443,983	186,572
7		-	149,017
<b>II</b>		<b>(1,445,237)</b>	<b>825,354</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1	21	3,476,126	4,363,918
2	21	8,205,445	-
3	21	(2,363,765)	(93)
<b>III</b>		<b>9,317,806</b>	<b>4,363,825</b>
<b>IV</b>		<b>(3,529,382)</b>	<b>28,740,894</b>
<b>V</b>		<b>125,434,572</b>	<b>96,693,678</b>
<b>VII</b>		<b>121,905,190</b>	<b>125,434,572</b>

Hanoi, 15 March 2013

Prepared by:

Ms. Nguyen Thi Thu Huong

Ms. Phung Nguyen Hai Yen

Approved by:

Mr. Nguyen Danh Luong

*Deputy Director of  
Accounting Policy Department*

*Chief Accountant*

*Deputy CEO*



*The accompanying notes are an integral part of these separate financial statements*

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012**

These notes form an integral part of, and should be read in conjunction with, the accompanying separate financial statements.

**1. Reporting Entity**

**(a) Establishment and operations**

Joint Stock Commercial Bank for Foreign Trade of Vietnam was established upon the transformation from a state-owned commercial bank following the approval of the Prime Minister on the equitization plan of the Bank for Foreign Trade of Vietnam and in accordance with other relevant regulations. The Bank was granted Banking Licence No. 138/GP-NHNN dated 23 May 2008 by the State Bank of Vietnam for a period of 99 years and Business Registration Certificate No. 0103024468 dated 02 June 2008 by Hanoi Authority for Planning and Investment, Business Registration Certificate No. 0100112437 was renewed for the seventh time on 10 January 2012.

The principal activities of the Bank in accordance with Decision No. 2719/QD-NHNN dated 27 December 2011 supplementing the Banking Licence No. 138/GP-NHNN on contents of the Bank's operations are to mobilize and receive short, medium and long-term deposit funds from organizations and individuals; to lend to organizations and individuals up to the nature and capability of the Bank's capital resources; to conduct settlement and cash services; to provide other banking services as approved by the SBV; to invest in associates, joint-ventures and other companies; to invest in stocks and bonds and to trade in foreign exchange and real-estate business in accordance with the prevailing regulations.

**(b) Chartered capital**

Under Banking Licence No. 138/GP-NHNN dated 23 May 2008 issued by the SBV and Business Registration Certificate No. 0103024468 dated 02 June 2008 issued by Hanoi Authority for Planning and Investment, the Bank's chartered capital was VND12,100,860,260,000. As at 31 December 2012, under Business Registration Certificate No. 0100112437 which was renewed for the seventh time on 10 January 2012, the Bank's chartered capital was VND23,174,170,760,000. The face value per share is VND10,000.

	31/12/2012		31/12/2011	
	Number of shares	%	Number of shares	%
Shares owned by the State of Vietnam	1,787,023,116	77.10%	1,787,023,116	90.72%
Shares owned by foreign strategic shareholder (Mizuho Corporate Bank, Ltd., Japan)	347,612,562	15.00%	-	-
Shares owned by other shareholders	182,781,398	7.90%	182,781,398	9.28%
	<b>2,317,417,076</b>	<b>100%</b>	<b>1,969,804,514</b>	<b>100%</b>

**(c) Locations and network**

The Bank's Head Office is located at 198 Tran Quang Khai Street, Hoan Kiem District, Hanoi. As at 31 December 2012, the Bank has one (01) Head Office, one (01) Operations Centre, one (01) Training Centre and seventy eight (78) branches nationwide, three (03) local subsidiaries, two (02) overseas subsidiaries, three (03) joint-ventures, two (02) associates and one (01) overseas representative office located in Singapore.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**1. Reporting Entity (continued)**

**(d) Subsidiaries, joint-ventures and associates**

*Subsidiaries*

<i>Subsidiaries</i>	<i>Operating Licence</i>	<i>Business sector</i>	<i>% direct shareholding by the Bank</i>
Vietcombank Financial Leasing Company Limited (“VCB Leasing”)	Operating Licence No. 05/GP-CTCTTC dated 25 May 1998 granted by the SBV	Financial leasing	100%
Vietcombank Securities Company Limited (“VCB Securities”)	Operating Licence No. 09/GPHDKD dated 24 April 2002 and Licence No. 12/GPHDLK dated 23 May 2002 granted by the State Securities Commission	Capital market, securities broking, financial investment advising	100%
Vietcombank Tower 198 Company Limited (“VCB Tower”)	Investment Licence No. 1578/GP dated 30 May 1996 and No. 1578/GPDC1 dated 18 April 2006 granted by the Ministry of Planning and Investment	Office leasing	70%
Vietnam Finance Company Limited (“Vinafico”)	Investment Licence No. 05456282-000-02-11-7 dated 10 February 2011 granted by the Hong Kong Monetary Authority	Financial services	100%
Vietcombank Money Incorporation	Business Licence No. E0321392009-6 dated 15 June 2009 granted by Authority of Nevada State, the United States of America	Remittance	75%

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**1. Reporting Entity (continued)**

**(d) Subsidiaries, joint-ventures and associates (continued)**

*Joint-ventures*

<i>Joint-ventures</i>	<i>Operating Licence</i>	<i>Business sector</i>	<i>% direct shareholding by the Bank</i>
Vietcombank – Bonday – Ben Thanh Company Limited	Operating Licence No. 2458/GP dated 07 February granted by the Ministry of Planning and Investment	Office leasing	52%
Vietcombank Fund Management Company	Investment Licence No. 06/UBCK-GPHĐQLQ dated 02 December 2005 and Licence No. 76/GPDC-UBCK dated 03 August 2010 granted by the State Securities Commission	Investment fund management	51%
Vietcombank – Cadif Life Insurance Company Limited	Investment Licence No. 55/GP dated 23 October 2008 granted by the Ministry of Finance	Life insurance	45%

*Associates*

<i>Associates</i>	<i>Operating Licence</i>	<i>Business sector</i>	<i>% direct shareholding by the Bank</i>
Vietcombank Bonday Limited	Investment Licence No. 283/GP dated 05 December 1991 granted by the Department of Planning and Investment	Office leasing	16%
Vietcombank Partners Fund 1	Decision No. 02/UBCK-TLQTV dated 29 December 2005 granted by the State Securities Commission	Investment fund	11%

**(e) Number of employees**

As at 31 December 2012, the Bank has 13,251 employees (as at 31 December 2011: 12,181 employees).



## **2. Summary of significant accounting policies**

The following significant accounting policies have been adopted by the Bank in the preparation of these separate financial statements.

### **(a) Basis of financial statements preparation**

The separate financial statements have been prepared in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the SBV and the relevant statutory requirements. The Bank also prepares the consolidated financial statements for the year ended 31 December 2012.

The separate financial statements are presented in Vietnam Dong (“VND”) and rounded to the nearest million (“VND million”).

The separate financial statements, except for the separate statement of cash flows, are prepared on the accrual basis using the historical cost concept. The separate statement of cash flows is prepared using the direct method in accordance with the SBV’s regulations. During the year, the Bank has applied the accounting policies consistently with the previous year.

### **(b) Fiscal year**

The Bank's fiscal year is from 01 January to 31 December.

### **(c) Foreign currency transactions**

According to the Bank’s accounting system, the Bank records all transactions in their original currencies. Monetary assets and liabilities denominated in currencies other than VND are converted into VND at the inter-bank exchange rates prevailing on the balance sheet date. Non-monetary foreign currency assets and liabilities are reported using the exchange rate effective on the date of the transaction. Income and expenses in foreign currencies are converted into VND at the exchange rates on the dates of the transactions.

Foreign exchange differences arising from revaluation of foreign currency trading activities at the end of the fiscal year are recorded in the separate income statement.

### **(d) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with the SBV, Treasury bills and other short-term valuable papers which are eligible for discounting, securities with collection terms or maturities not exceeding three months since the purchase date, balances with and loans to other credit institutions with original terms to maturity not exceeding three months.

### **(e) Investments**

#### **(i) Trading securities**

Trading securities are debt securities, which are bought and held for the purpose of reselling within one year to gain profit on changes in price.

Trading securities are initially recognized at cost of acquisition. They are subsequently measured at the lower of the book value and the market value. Gains or losses from the sales of trading securities are recognized in the separate income statement.

Interest derived from holding trading securities is recognized on the cash basis in the separate income statement.

## **2. Summary of significant accounting policies (continued)**

### **(e) Investments (continued)**

#### *(ii) Investment securities*

Investment securities are classified into two categories: available-for-sale and held-to-maturity investment securities. The Bank classifies investment securities on their purchase dates. In accordance with Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, the Bank is allowed to reclassify investment securities no more than once after the purchase date.

#### *Available-for-sale investment securities*

Available-for-sale investment securities are debt securities, equity securities or other securities, which are acquired for an indefinite period and may be sold at any time.

#### *Held-to-maturity investment securities*

Held-to-maturity investment securities are debt securities, with fixed or determinable payments and maturities where the Bank's management has the positive intention and ability to hold until maturity.

Investment securities are initially recognized at cost of acquisition, including transaction expenses and other directly attributable expenses. They are subsequently measured at the lower of the book value after amortization and the market value. Premiums and discounts arising from purchases of debt securities are amortized in the separate income statement using straight-line method over the period from the acquisition dates to the maturity dates.

#### *(iii) Long-term investments*

#### *Investments in subsidiaries, associates and joint-ventures*

Subsidiaries are entities controlled by the Bank. The control exists when the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing the control, potential voting rights which are presently exercisable may be taken into account.

Associates are those entities in relation to which the Bank has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Bank holds from 20 to 50 percent of the voting power of a certain entity.

Joint-ventures are those entities over whose activities the Bank has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in subsidiaries, associates and joint-ventures are stated at cost less allowance for diminution in value in the separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**2. Summary of significant accounting policies (continued)**

**(e) Investments (continued)**

*(iii) Long-term investments (continued)*

*Other long-term investments*

Other long-term investments represent the Bank's capital investments in other enterprises at which the Bank either owns less than 20% of voting right and is a foundation shareholder; or a strategic partner; or having impacts on the enterprise's planning and determining of financial and operating policies under agreements to appoint personnel in the Board of Directors/Board of Management.

Other long-term investments include equity securities and other long-term capital contributions whose holding, withdrawing or paying term is for more than 01 year (at the exclusion of capital contributions, investments into joint-ventures, associates and subsidiaries).

Other long-term investments are initially recognized at cost. They are subsequently measured at the lower of the book value and the market value. Cost is determined on a weighted average basis.

**(f) Loans and advances to customers**

*(i) Loans and advances to customers*

Loans and advances to customers are stated on the separate balance sheet at the principal amounts outstanding at the end of the fiscal year.

Allowance for credit risk of loans and advances to customers is recorded and stated in a separate line.

*(ii) Specific allowance for credit risk*

In accordance with Decision No. 493/2005/QD-NHNN dated 22 April 2005 issued by the SBV ("Decision 493"), which was amended and supplemented by Decision No. 18/2007/ QD-NHNN dated 25 April 2007 issued by the SBV ("Decision 18"), specific allowance for credit risk is calculated on loan grading and corresponding allowance rate against principal outstanding as at 30 November less allowed value of collateral as follows:

	<i>Allowance rate</i>
Group 1 – Current	0%
Group 2 – Special mentioned	5%
Group 3 – Sub-standard	20%
Group 4 – Doubtful	50%
Group 5 – Loss	100%

The Bank applies Article 7 of Decision 493 to classify loans and advances based on both qualitative and quantitative factors. This rating and classification methodology was approved to be effective on 01 January 2010 by the SBV in Official Letter No. 3937/NHNN-TTGSNH dated 27 March 2010.

## **2. Summary of significant accounting policies (continued)**

### **(f) Loans and advances to customers (continued)**

#### *(ii) Specific allowance for credit risk (continued)*

On 23 April 2012, the State Bank of Vietnam issued Decision No. 780/QĐ-NHNN on classification of rescheduled or extended loans. Accordingly, the Bank is permitted to maintain the group of rescheduled or extended loans of customers, which are assessed to have positive business activities and good repayment capability after the rescheduling or extension.

#### *(iii) General allowance for credit risk*

The Bank is required to make and maintain a general allowance of 0.75% of total outstanding balance of loans and advances to customers which are classified into Group 1 to 4 at the date of the separate balance sheet. Such general allowance is required to be made in full within 5 years from the effective date of Decision 493. As at 31 December 2012, the Bank made a general allowance of 0.75% of the above balances as at 30 November 2012 (at 31 December 2011: 0.75% of the above balances as at 30 November 2011).

#### *(iv) Bad debt write-off*

In accordance with the requirements of Decision 493, loans and advances to customers are written-off against allowances when loans and advances have been classified into Group 5 or when borrowers have declared bankruptcy (for borrowers being legal entities) or borrowers are dead or missing (for borrowers being individuals).

### **(g) Provision for off-balance sheet commitments**

In accordance with Decision 493 and Decision 18, the Bank is required to classify guarantees, acceptances, undrawn loan commitments which are unconditionally irrevocable into 5 groups (Note 2(f)) and make specific provisions accordingly.

In addition, the Bank is required to make a general provision of 0.75% of total irrevocable outstanding letters of guarantee, letters of credit, and commitment of financing to customers as at the separate balance sheet date. Such general provision is required to be made in full within 5 years from the effective date of Decision 493. As at 31 December 2012, the Bank made a general provision of 0.75% of the above balances as at 30 November 2012 (at 31 December 2011: 0.75% of the above balances as at 30 November 2011).

### **(h) Repurchase and reverse repurchase agreements**

Securities sold under agreements to repurchase at a specific date in the future (repos) are still recognized on the separate financial statements. The corresponding cash received from these agreements is recognized on the separate balance sheet as a liability. The difference between the sale price and repurchase price is amortized to the separate income statement over the life of the agreement using the straight-line method based on the interest rate stipulated in the contract.

**2. Summary of significant accounting policies (continued)****(h) Repurchase and reverse repurchase agreements (continued)**

Conversely, securities purchased under agreements to resell at a specific date in the future are not recognized in the separate financial statements. The corresponding cash paid under these agreements is recognized in the separate balance sheet in "Loans and advances to customers". The difference between the purchase price and resale price is treated as interest income and is amortized over the life of the agreement on a straight-line basis to the separate income statements.

**(i) Tangible fixed assets****(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, and the cost of dismantling and removing the asset and restoring the site on which they are located. Expenditure incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the separate income statement in the year in which the costs are incurred. In case it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of tangible fixed assets beyond its originally assessed standard of performance, the expenditure is capitalized as an additional cost of tangible fixed assets.

**(ii) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of items of tangible fixed assets. The estimated useful lives are as follows:

• Premises	25 years
• Office furniture, fittings and equipment	3 - 5 years
• Motor vehicles	6 years
• Others	4 years

**(j) Intangible fixed assets****(i) Land use rights**

Land use rights are the land transferred upon payments of land use fee. The initial cost of a land use right comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use right.

In accordance with Circular No. 203/2009/TT-BTC dated 20 October 2009 by the Ministry of Finance, effective from 01 January 2010, intangible fixed assets which are land use rights are not amortized.

In accordance with Circular No. 123/2012/TT-BTC dated 27 July 2012 by the Ministry of Finance, effective from 10 September 2012, applied since 2012, value of term land use rights participating in business and production activities shall be amortized to deductible expenses by the time limit stated in the certificate of land use right.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**2. Summary of significant accounting policies (continued)**

**(j) Intangible fixed assets (continued)**

*(ii) Other intangible fixed assets*

Copyrights, patents and other intangible fixed assets are amortized on a straight-line basis over 4 years.

**(k) Deposits from customers and certificates of deposits**

Deposits from customers and certificates of deposits are stated at cost.

**(l) Valuable papers issued**

Valuable papers issued are stated at cost, net off amortized premiums and discounts. Cost of valuable papers issued includes the proceeds from the issuance less directly attributable expenses.

**(m) Provision for severance allowance**

Under the Vietnamese Labor Code, when employees who have worked for the Bank for 12 months or more (“eligible employees”) voluntarily terminates their labor contract, the employer is required to pay the eligible employees severance allowance calculated based on years of service and employees’ compensation at termination. Provision for severance allowance has been provided at 3% of the basic salary fund which is used for calculating Social Insurance contribution of the Bank.

Pursuant to Law on Social Insurance, effective from 01 January 2009, the Bank and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees’ basic salary or 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of the unemployment insurance scheme, the Bank is no longer required to provide severance allowance for the service period after 01 January 2009. However, severance allowance to be paid to existing eligible employees as of 31 December 2008 will be determined based on the eligible employees’ years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

In accordance with Circular 180/2012/TT-BTC dated 24 October 2012, as at the date of preparing separate financial statements, the balance of unused provision for severance allowance fund was recognized in other revenue in 2012 and was not carried forward to the next year.

**(n) Capital and reserves**

*(i) Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognized as a deduction from equity.

*(ii) Share premium*

On receipt of capital from shareholders, the difference between the issuance price and the par value of the shares is recorded as share premium in equity.

## **2. Summary of significant accounting policies (continued)**

### **(n) Capital and reserves (continued)**

#### *(iii) Treasury shares*

When the Bank repurchases its own issued shares, the total paid amount which includes directly attributable costs, net off any tax effects, is recognized as a deduction from equity and referred to as treasury shares.

#### *(iv) Reserves*

Reserves are for specific purposes and appropriated from net profit after tax at prescribed rates as below:

- Supplementary chartered capital reserve: 5% of net profit after tax and does not exceed the Bank's chartered capital.
- Financial reserve: 10% of net profit after tax and does not exceed 25% of the Bank's chartered capital.
- Investment and development reserves, bonus and welfare funds and other reserves: are to be made upon the decisions of the Annual General Shareholders' Meeting. The allocation ratios are decided by the Annual General Shareholders' Meeting and in accordance with relevant statutory requirements.

The appropriation to reserves is made in accordance with the decisions of the Annual General Shareholders' Meeting and relevant regulatory requirements.

The remaining of the net profit after tax, after allocation to reserves and dividends payment, is recorded as retained profits of the Bank.

### **(o) Revenue and expenses**

#### *(i) Interest income and interest expenses*

Interest income of outstanding loans classified in Group 1 (as defined in Note 2(f)) is recognized in the separate financial statement on an accrual basis. Accrued interest on loans classified in Group 2 to Group 5 is recognized in the separate income statements upon receipt.

Interest expenses are recorded on an accrual basis.

#### *(ii) Fees, commissions and dividend income*

Fees and commissions are recognized on an accrual basis. Dividends receivable in cash from investment activities are recognized in the separate income statement when the Bank's right to receive payment is established.

#### *(iii) Dividends received in the form of shares*

In accordance with Circular No. 244/2009/TT-BTC dated 31 December 2009, effective from 01 January 2010, dividends and other receipts in the form of shares, amounts distributed in the form of shares coming from profits of joint stock companies, are not recorded in the separate financial statements but only recognized as an increase in the number of shares held by the Bank instead.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
for the year ended 31 December 2012 (continued)

**2. Summary of significant accounting policies (continued)**

**(p) Operating lease payments**

Payments made under operating leases are recognized in the separate income statement on a straight-line basis over the lease term.

**(q) Taxation**

Income tax on the profit or loss for the year comprises of current and deferred tax. Income tax is recognized in the separate income statement except to the extent that it relates to items recognized directly to equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payables in respect of previous years.

Deferred tax is calculated by using the balance sheet method, providing for the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**(r) Related parties**

Entities and individuals, directly or indirectly through one or more intermediaries, which control, or are controlled by, or are under common control with the Bank are related parties of the Bank. Associates and individuals, directly or indirectly owning the voting power of the Bank that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Bank and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Government of Vietnam, through the State Bank of Vietnam, is a shareholder of the Bank. Therefore, in these separate financial statements, some Government agencies, including the Ministry of Finance and the State Bank of Vietnam are considered as related parties of the Bank.

**(s) Segment reporting**

A segment is a distinguishable component of the Bank engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Bank's primary format for segment reporting is based on geographical segments.



**2. Summary of significant accounting policies (continued)**

**(t) Off-balance sheet items**

*(i) Foreign exchange contracts*

The Bank enters into foreign exchange forwards and swaps contracts which enable customers to transfer, modify or reduce their foreign exchange risk or other market risks and simultaneously are used for business purpose of the Bank.

Forward contracts are commitments to either purchase or sell a designated currency at a specific future date for a specific exchange rate and settled in cash. Forward contracts are recorded at nominal value on the balance sheet at the transaction date and are subsequently revaluated at exchange rate at the year end. Realized or unrealized gain or loss is recognized in the separate income statement.

Swap contracts are commitments to settle in cash at a future date based on differences among specified exchange rates calculated on notional principal amount. Swap contracts are subsequently revaluated on the balance sheet date; the difference on revaluation is recognized in the separate income statement.

*(ii) Commitments and contingent liabilities*

The Bank has credit commitments arising from its regular lending activities. These commitments are unutilized loans and overdraft facilities which are approved. The Bank also provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Many of the contingent liabilities and commitments will expire without any advanced payment, in whole or in part. Therefore these commitments and contingent liabilities do not represent expected future cash flows.

**(u) Other receivables**

The Bank has provided provision for overdue receivables in accordance with the Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 07 December 2009. Accordingly, receivables are subject to review for impairment based on overdue periods of the receivables or estimated loss arising from undue debts of which the indebted economic organizations fall bankrupt or are undergoing dissolution procedures; debtors are missing, have fled, are prosecuted, detained or on trial by law enforcement bodies, are serving sentences or have deceased...

<i>Overdue period</i>	<i>Provision rate</i>
From six (06) months to less than one (01) year	30%
From one (01) year to less than two (02) years	50%
From two (02) years to less than three (03) years	70%
Over three (03) years	100%

**(v) Offsetting**

Financial assets and liabilities are offset and the net amounts are reported in the separate balance sheet if, and only if, the Bank has currently enforceable legal rights to offset the recognized amounts and the Bank has an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### **3. Presentation of financial instruments in accordance with Circular No. 210/2009/TT-BTC**

During its business operation, the Bank regularly enters into contracts which give rise to financial assets, financial liabilities and equity instruments.

Financial assets of the Bank mainly include:

- Cash;
- Balances with the State Bank of Vietnam;
- Balances with and loans to other credit institutions;
- Loans and advances to customers;
- Trading securities;
- Investment securities;
- Other long-term investments;
- Financial derivative assets; and
- Other financial assets.

Financial liabilities of the Bank mainly include:

- Amounts due to the Government and the State Bank of Vietnam;
- Deposits and borrowings from other credit institutions;
- Deposit from customers;
- Valuable papers issued;
- Financial derivative liabilities; and
- Other financial liabilities.

#### **(a) Classification of financial assets and liabilities**

For the disclosure purpose in the separate financial statements, the Bank appropriately classifies financial assets and financial liabilities in accordance with Circular No. 210/2009/TT-BTC.

Financial assets are classified as follows:

- Financial assets held for trading;
- Held-to-maturity investments;
- Loans and receivables; and
- Financial assets available-for-sale;

Financial liabilities are classified as follows:

- Financial liabilities held for trading; and
- Financial liabilities carried at amortized cost.

**3. Presentation of financial instruments in accordance with Circular No. 210/2009/TT-BTC (continued)**

**(b) Measurement and disclosures of fair value**

In accordance with Circular No. 210/2009/TT-BTC, the Bank has to disclose the fair value of financial assets and financial liabilities to compare with the book value of those financial assets and financial liabilities as in Notes 38.

The preparation and presentation of the fair value of the financial instruments are only for the purpose of presenting Note 38. The financial instruments of the Bank are still recognized and recorded 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 as described in the notes above.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the recognition date.

When an active market is available, the Bank measures the fair value of an instrument using the quoted price in the active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions.

If a market for a financial instrument is not active, the Bank establishes fair value using valuation techniques. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Bank, incorporates all factors that market participants would consider in setting prices, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs for valuation techniques reasonably represent market expectations and measures of the risk-returns factors inherent in the financial instrument.

In case there is not enough information for using valuation techniques, fair value of the financial instruments that do not have quoted market prices are deemed to be not reliably measured and therefore, not disclosed.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**4. Cash on hand, gold, silver and gemstones**

	<b>31/12/2012</b> <b>VND million</b>	<b>31/12/2011</b> <b>VND million</b>
Cash on hand in VND	4,067,743	3,470,069
Cash on hand in foreign currencies	1,518,038	1,326,795
Valuable papers in foreign currencies	6,830	8,714
Gold	-	587,919
	<b>5,592,611</b>	<b>5,393,497</b>

**5. Balances with the State Bank of Vietnam**

	<b>31/12/2012</b> <b>VND million</b>	<b>31/12/2011</b> <b>VND million</b>
Demand deposits in VND	7,203,533	5,410,454
Demand deposits in USD	8,528,526	5,206,269
	<b>15,732,059</b>	<b>10,616,723</b>

These consist of a compulsory reserve (“CRR”) for liquidity and current account.

The monthly average balance of the demand deposits of the Bank with the SBV must not be less than the monthly balance of CRR. The amount of monthly balance of CRR is calculated by the monthly average balances of deposits multiplied by preceding CRR rates.

The effective CRR rates at the year end were as follows:

<b>Type of deposits</b>	<b>31/12/2012</b>	<b>31/12/2011</b>
Deposits in VND with terms of less than 12 months	3%	3%
Deposits in VND with terms of and more than 12 months	1%	1%
Deposits in foreign currencies with terms of less than 12 months	8%	8%
Deposits in foreign currencies with terms of and more than 12 months	6%	6%
Deposits from overseas credit institutions in foreign currencies	1%	1%

The annual interest rates at the year end were as follows:

	<b>31/12/2012</b>	<b>31/12/2011</b>
Compulsory reserve in VND	1.2%	1.2%
Compulsory reserve in USD	0%	0%
Demand deposits in VND	0%	0%
Demand deposits in USD	0.05%	0.05%

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
for the year ended 31 December 2012 (continued)

**6. Balances with and loans to other credit institutions**

	<b>31/12/2012</b> <b>VND million</b>	<b>31/12/2011</b> <b>VND million</b>
<b>Balances with other credit institutions</b>		
Demand deposits in VND	13,923	11,518
Demand deposits in foreign currencies	44,150,015	18,747,289
Term deposits in VND	3,412,540	19,792,795
Term deposits in foreign currencies	13,016,991	33,074,092
	<b>60,593,469</b>	<b>71,625,694</b>
<b>Loans to other credit institutions</b>		
Loans in VND	5,946,915	20,874,004
Loans in foreign currencies	135,116	12,902,722
	<b>6,082,031</b>	<b>33,776,726</b>
Allowances for loans to other credit institutions	(159,434)	(18,893)
	<b>5,922,597</b>	<b>33,757,833</b>
	<b>66,516,066</b>	<b>105,383,527</b>

Allowances for loans to other credit institutions comprise of:

	<b>31/12/2012</b> <b>VND million</b>	<b>31/12/2011</b> <b>VND million</b>
General allowance	55,608	18,893
Specific allowance	103,826	-
<b>Closing balance</b>	<b>159,434</b>	<b>18,893</b>

Movements in general allowance for loans to other credit institutions were as follows:

	<b>Year ended</b> <b>31/12/2012</b> <b>VND million</b>	<b>Year ended</b> <b>31/12/2011</b> <b>VND million</b>
Opening balance	18,893	5,266
Allowance made during the year (Note 30)	36,715	13,627
<b>Closing balance</b>	<b>55,608</b>	<b>18,893</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
for the year ended 31 December 2012 (continued)

**6. Balances with and loans to other credit institutions (continued)**

Movements in specific allowance for loans to other credit institutions were as follows:

	<b>Year ended 31/12/2012 VND million</b>	<b>Year ended 31/12/2011 VND million</b>
Opening balance	-	4,490
Allowance made/(reversed) during the year (Note 30)	103,826	(4,490)
<b>Closing balance</b>	<b>103,826</b>	<b>-</b>

**7. Trading securities**

Issuer types and listing status of trading securities were as follows:

	<b>31/12/2012 VND million</b>	<b>31/12/2011 VND million</b>
<b>Debt securities issued by local credit institutions</b>		
Listed	509,670	509,955
	<b>509,670</b>	<b>509,955</b>

**8. Loans and advances to customers**

	<b>31/12/2012 VND million</b>	<b>31/12/2011 VND million</b>
Loans to local corporations and individuals	237,669,404	206,061,931
Discounted bills and valuable papers	1,957,783	1,470,746
Loans given to make payments on behalf of customers	17,822	425,005
Frozen loans	128,096	128,096
	<b>239,773,105</b>	<b>208,085,778</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**8. Loans and advances to customers (continued)**

Loan portfolio by loan group was as follows:

	<b>31/12/2012</b> <b>VND million</b>	<b>31/12/2011</b> <b>VND million</b>
Current	200,491,730	173,184,657
Special mentioned	33,554,313	30,726,379
Sub-standard	3,125,803	1,249,811
Doubtful	1,186,309	647,889
Loss	1,414,950	2,277,042
	<b>239,773,105</b>	<b>208,085,778</b>

Loan portfolio by term was as follows:

	<b>31/12/2012</b> <b>VND million</b>	<b>31/12/2011</b> <b>VND million</b>
Short-term	149,536,983	123,311,798
Medium-term	24,372,265	21,676,820
Long-term	65,863,857	63,097,160
	<b>239,773,105</b>	<b>208,085,778</b>

Loan portfolio by type of borrowers was as follows:

	<b>31/12/2012</b> <b>VND million</b>	<b>31/12/2011</b> <b>VND million</b>
State-owned enterprises	58,397,529	55,341,077
Limited companies	47,612,118	37,647,142
Foreign invested enterprises	13,145,268	12,839,195
Co-operative and private companies	5,338,899	4,385,945
Individuals	28,774,542	20,866,000
Others	86,504,749	77,006,419
	<b>239,773,105</b>	<b>208,085,778</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)**

**8. Loans and advances to customers (continued)**

Loan portfolio by industry sectors was as follows:

	<b>31/12/2012</b>	<b>31/12/2011</b>
	<b>VND million</b>	<b>VND million</b>
Construction	13,900,739	12,633,469
Electricity, gas, water processing and supplying	20,366,719	15,921,288
Processing and manufacturing	84,451,612	76,806,015
Mining	14,671,277	13,465,476
Agriculture, forestry and aquaculture	4,749,301	2,432,123
Transportation, logistics and communication	12,225,996	11,583,413
Trading and services	53,424,906	46,415,516
Hospitality	6,025,950	5,409,796
Other industries	29,956,605	23,418,682
	<b>239,773,105</b>	<b>208,085,778</b>

**9. Allowance for loans and advances to customers**

	<b>31/12/2012</b>	<b>31/12/2011</b>
	<b>VND million</b>	<b>VND million</b>
General allowance	1,724,691	1,455,530
Specific allowance	3,530,296	3,798,286
	<b>5,254,987</b>	<b>5,253,816</b>

Movements in general allowance for loans and advances to customers were as follows:

	<b>Year ended</b>	<b>Year ended</b>
	<b>31/12/2012</b>	<b>31/12/2011</b>
	<b>VND million</b>	<b>VND million</b>
Opening balance	1,455,530	1,270,797
Allowance made during the year (Note 30)	269,161	168,185
Foreign exchange difference	-	16,548
<b>Closing balance</b>	<b>1,724,691</b>	<b>1,455,530</b>



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)**

**9. Allowance for loans and advances to customers (continued)**

Movements in specific allowance for loans and advances to customers were as follows:

	<b>Year ended 31/12/2012 VND million</b>	<b>Year ended 31/12/2011 VND million</b>
Opening balance	3,798,286	4,227,472
Allowance made during the year (Note 30)	3,266,530	3,381,506
Allowance utilized for writing off bad debt	(3,534,520)	(3,814,168)
Foreign exchange difference	-	3,476
<b>Closing balance</b>	<b>3,530,296</b>	<b>3,798,286</b>

**10. Investment securities**

**(a) Available-for-sale securities**

	<b>31/12/2012 VND million</b>	<b>31/12/2011 VND million</b>
<b>Debt securities</b>		
Government bonds	15,682,696	10,119,416
Treasury bills	42,907,290	764,710
Securities issued by local credit institutions	13,927,565	13,649,833
Securities issued by local economic entities	700,000	1,309,997
	<b>73,217,551</b>	<b>25,843,956</b>
Allowance for diminution in value of available-for-sale securities	(210,323)	(271,379)
	<b>73,007,228</b>	<b>25,572,577</b>

Movements in allowance for diminution in value of available-for-sale securities were as follows:

	<b>Year ended 31/12/2012 VND million</b>	<b>Year ended 31/12/2011 VND million</b>
Opening balance	271,379	271,379
Allowance (reversed) during the year (Note 26)	(61,056)	-
<b>Closing balance</b>	<b>210,323</b>	<b>271,379</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
for the year ended 31 December 2012 (continued)

**10. Investment securities (continued)**

**(b) Held-to-maturity securities**

	<b>31/12/2012</b> <b>VND million</b>	<b>31/12/2011</b> <b>VND million</b>
Government bonds	3,823,990	2,437,741
Debt securities issued by local credit institutions	503,402	720,700
Investments trusted to local entities	515,711	592,007
	<hr/> <b>4,843,103</b>	<hr/> <b>3,750,448</b>
Allowance for diminution in value of investments trusted to local entities	(5,860)	(15,231)
	<hr/> <b>4,837,243</b>	<hr/> <b>3,735,217</b>

Movements in allowance for diminution in value of held-to-maturity securities were as follows:

	<b>Year ended</b> <b>31/12/2012</b> <b>VND million</b>	<b>Year ended</b> <b>31/12/2011</b> <b>VND million</b>
Opening balance	15,231	-
Allowance (reversed)/made during the year (Note 26)	(9,371)	15,231
<b>Closing balance</b>	<hr/> <b>5,860</b>	<hr/> <b>15,231</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**11. Long-term investments**

**(a) Investments in subsidiaries**

*As at 31 December 2012*

	<b>Business sector</b>	<b>% share- holding</b>	<b>At cost VND million</b>
Vietcombank Financial Leasing Company Limited	Financial leasing	100%	500,000
Vietcombank Securities Company Limited	Securities	100%	700,000
Vietnam Finance Company Limited	Financial services	100%	116,902
Vietcombank Tower 198 Company Limited	Office leasing	70%	197,652
Vietcombank Money Incorporation	Money remittance	75%	64,348
			<b>1,578,902</b>

*As at 31 December 2011*

	<b>Business sector</b>	<b>% share- holding</b>	<b>At cost VND million</b>
Vietcombank Financial Leasing Company Limited	Financial leasing	100%	500,000
Vietcombank Securities Company Limited	Securities	100%	700,000
Vietnam Finance Company Limited	Financial services	100%	116,902
Vietcombank Tower 198 Company Limited	Office leasing	70%	126,600
Vietcombank Money Incorporation	Money remittance	75%	45,569
			<b>1,489,071</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
for the year ended 31 December 2012 (continued)

**11. Long-term investments (continued)**

**(b) Investments in joint-ventures**

*As at 31 December 2012*

	<b>Business sector</b>	<b>% share- holding</b>	<b>At cost VND million</b>
Vietcombank – Bonday – Ben Thanh Company Limited	Office leasing	52%	351,615
Vietcombank Fund Management Company	Investment fund management	51%	28,050
Vietcombank – Cardif Life Insurance Company Limited	Life insurance	45%	270,000
			<b>649,665</b>

*As at December 2011*

	<b>Business sector</b>	<b>% share- holding</b>	<b>At cost VND million</b>
Vietcombank – Bonday – Ben Thanh Company Limited	Office leasing	52%	276,067
Vietcombank Fund Management Company	Investment fund management	51%	28,050
Vietcombank – Cardif Life Insurance Company Limited	Life insurance	45%	270,000
			<b>574,117</b>

The Bank owns 52% and 51% of the total capital of the Vietcombank – Bonday – Ben Thanh Company Limited and Vietcombank Fund Management Company respectively; however, these companies' charters require a consensus among related parties on all important decisions on the companies' operational and financial matters. Therefore, owning more than half of the companies' capital does not mean that the Bank has control over these companies. Therefore, the investments in these two companies are classified into "Investment in joint-ventures" rather than "Investment in subsidiaries".

The Bank owns 45% of the total capital of Vietcombank – Cardif Life Insurance Company Limited; however, this company's charter requires a consensus among related parties on all important decisions on the company's operational and financial matters. Therefore, the investments in the company is classified into "Investment in joint-ventures" rather than "Investment in associates".

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**11. Long-term investments (continued)**

**(c) Investments in associates**

*As at 31 December 2012*

	<b>Business sector</b>	<b>% share- holding</b>	<b>At cost VND million</b>
Vietcombank – Bonday Limited	Office leasing	16%	11,110
Vietcombank Partners Fund 1	Investment fund	11%	6,600
			<b>17,710</b>

*As at 31 December 2011*

	<b>Business sector</b>	<b>% share- holding</b>	<b>At cost VND million</b>
Vietcombank – Bonday Limited	Office leasing	16%	11,110
Vietcombank Partners Fund 1	Investment fund	11%	11,000
			<b>22,110</b>

The Bank has significant influence but limited control, through its participation in the Board of Directors and the Fund Representative Board respective of these parties, over the financial and operational policies of these companies. Therefore, the investments in the above companies are classified into “Investment in associates” rather than “Other long-term investments”.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**11. Long-term investments (continued)**

**(d) Other long-term investments**

*As at 31 December 2012*

	<b>Business sector</b>	<b>% share- holding</b>	<b>VND million</b>
Vietnam Export - Import Commercial Joint Stock Bank	Bank	8.19%	582,065
Saigon Bank for Industry and Trades	Bank	4.30%	123,452
Military Commercial Joint Stock Bank	Bank	9.79%	1,142,643
Orient Commercial Joint Stock Bank	Bank	5.06%	144,802
Central People's Credit Fund	Credit fund	0.25%	5,000
Small & Medium Enterprises Credit Guarantee Fund	Credit services	0.95%	1,864
SWIFT, MASTER and VISA	Card and settlement services	-	1,571
Petrolimex Insurance JSC	Insurance	10.04%	67,900
PV Drilling JSC	Drilling	2.56%	55,945
Gentraco JSC	Food services	3.76%	4,024
Ho Chi Minh City Infrastructure Investment JSC	Construction	1.78%	13,676
Nha Rong Insurance Company	Insurance	3.73%	12,540
PCB Investment Company	Credit information services	9.84%	7,962
Cement Financial JSC	Financial services	10.91%	70,950
Vietnam Infrastructure Development and Finance Investment JSC	Highway investment	1.50%	75,000
Viet Real Estate JSC	Real estate	11.00%	11,000
Smartlink Card	Card services	8.80%	4,400
			<b>2,324,794</b>
Allowance for diminution in the value of other long-term investments			(37,238)
			<b>2,287,556</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**11. Long-term investments (continued)**

**(d) Other long-term investments (continued)**

As at 31 December 2011

	Business sector	% share- holding	VND million
Vietnam Export - Import Commercial Joint Stock Bank	Bank	8.19%	582,065
Saigon Bank for Industry and Trades	Bank	5.26%	123,452
Military Commercial Joint Stock Bank	Bank	11.00%	966,642
Orient Commercial Joint Stock Bank	Bank	5.06%	144,802
Central People's Credit Fund	Credit fund	0.29%	5,000
Small & Medium Enterprises Credit Guarantee Fund	Credit services	0.92%	1,800
SWIFT, MASTER and VISA	Card and settlement services	-	761
Petrolimex Insurance JSC	Insurance	10.04%	67,900
PV Drilling JSC	Drilling	2.56%	55,945
Gentraco JSC	Food services	3.76%	4,024
Ho Chi Minh City Infrastructure Investment JSC	Construction	1.78%	13,676
Nha Rong Insurance Company	Insurance	3.73%	12,540
PCB Investment Company	Credit information services	9.84%	7,962
Cement Financial JSC	Financial services	10.91%	70,950
Vietnam Infrastructure Development and Finance Investment JSC	Highway investment	1.50%	75,000
Viet Real Estate JSC	Real estate	11.00%	11,000
Smartlink Card	Card services	8.80%	4,400
			<b>2,147,919</b>
Allowance for diminution in the value of other long-term investments			(203,175)
			<b>1,944,744</b>

Movements in allowance for diminution in the value of other long-term investments were as follows:

	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million
Opening balance	203,175	151,148
Allowance (reversed)/made during the year (Note 27)	(165,937)	52,027
<b>Closing balance</b>	<b>37,238</b>	<b>203,175</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

12. Tangible fixed assets

	Premises VND million	Office, furniture, fittings and equipment VND million	Motor Vehicles VND million	Others VND million	Total VND million
<b>Cost</b>					
Opening balance	491,583	2,422,234	371,370	315,909	3,601,096
Additions	739,613	472,602	63,231	67,053	1,342,499
- Purchases	739,606	466,034	62,643	67,019	1,335,302
- Others	7	6,568	588	34	7,197
Decreases	(355)	(44,690)	(3,758)	(16,149)	(64,952)
- Disposal	(321)	(44,224)	(3,758)	(10,157)	(58,460)
- Others	(34)	(466)	-	(5,992)	(6,492)
<b>Closing balance</b>	<b>1,230,841</b>	<b>2,850,146</b>	<b>430,843</b>	<b>366,813</b>	<b>4,878,643</b>
<b>Accumulated depreciation</b>					
Opening balance	126,797	1,862,232	193,602	182,399	2,365,030
Additions	30,022	350,717	52,190	49,809	482,738
- Charges for the year	30,022	346,475	51,850	49,765	478,112
- Others	-	4,242	340	44	4,626
Decreases	(246)	(44,535)	(3,761)	(13,549)	(62,091)
- Disposal	(221)	(44,204)	(3,761)	(9,767)	(57,953)
- Others	(25)	(331)	-	(3,782)	(4,138)
<b>Closing balance</b>	<b>156,573</b>	<b>2,168,414</b>	<b>242,031</b>	<b>218,659</b>	<b>2,785,677</b>
<b>Net book value</b>					
Opening balance	364,786	560,002	177,768	133,510	1,236,066
<b>Closing balance</b>	<b>1,074,268</b>	<b>681,732</b>	<b>188,812</b>	<b>148,154</b>	<b>2,092,966</b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

13. Intangible fixed assets

	Land use rights VND million	Copyrights & patents VND million	Others VND million	Total VND million
<b>Cost</b>				
Opening balance	981,169	300,436	76,883	1,358,488
Additions	172,318	116,991	-	289,309
- Purchases	172,318	116,991	-	289,309
Decreases	-	-	-	-
<b>Closing balance</b>	<b>1,153,487</b>	<b>417,427</b>	<b>76,883</b>	<b>1,647,797</b>
<b>Accumulated amortization</b>				
Opening balance	3,652	166,502	61,669	231,823
Additions	4,282	73,971	-	78,253
- Charges for the year	3,031	73,971	-	77,002
- Others	1,251	-	-	1,251
Decreases	(378)	-	-	(378)
<b>Closing balance</b>	<b>7,556</b>	<b>240,473</b>	<b>61,669</b>	<b>309,698</b>
<b>Net book value</b>				
Opening balance	977,517	133,934	15,214	1,126,665
<b>Closing balance</b>	<b>1,145,931</b>	<b>176,954</b>	<b>15,214</b>	<b>1,338,099</b>

14. Other assets

(a) Receivables

	31/12/2012 VND million	31/12/2011 VND million
Internal receivables	325,603	253,617
External receivables (i)	1,004,231	1,940,239
	<b>1,329,834</b>	<b>2,193,856</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**14. Other assets (continued)**

**(a) Receivables (continued)**

*(i) External receivables*

	<b>31/12/2012</b>	<b>31/12/2011</b>
	<b>VND million</b>	<b>VND million</b>
Advances for the purchase of fixed assets	234,157	280,016
Receivable from the State Budget in relation to the interest subsidy program	130,195	625,639
Advance for Corporate Income Tax (Note 33)	52	550
Advance for Value Added Tax (Note 33)	2,179	4,231
Advance for other taxes (Note 33)	61	-
Construction in progress (*)	579,848	937,339
Other receivables	57,739	92,464
	<b>1,004,231</b>	<b>1,940,239</b>

*(\*) Construction in progress*

	<b>31/12/2012</b>	<b>31/12/2011</b>
	<b>VND million</b>	<b>VND million</b>
<b>Construction in progress</b>	<b>579,848</b>	<b>937,339</b>
<i>In which, large constructions include:</i>		
- South Sai Gon Branch construction	-	397,367
- Soc Trang Branch construction	74,429	21,185
- Hung Yen Branch construction	49,759	32,845
- Thanh Cong Branch construction	48,064	48,005
- Ha Tinh Branch construction	-	21,636
- Da Nang Branch construction	9	31,674
- Quang Nam Branch construction	3,316	51,347
- Long An Branch construction	374	27,823
- Hai Duong Branch construction	21,577	10,316
- Quang Ninh Branch construction	35,834	28,135
- Gia Lai Branch construction	10,201	24,250
- Mong Cai Branch construction	-	59,251
- Bac Ninh Branch construction	45,152	16,648
- Hai Phong Branch construction	42,230	30,210
- Kien Giang Branch construction	28,188	12,840

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**14. Other assets (continued)**

**(b) Accrued interest and fee receivables**

	<b>31/12/2012</b>	<b>31/12/2011</b>
	<b>VND million</b>	<b>VND million</b>
From loans and advances to customers	1,022,379	1,355,933
From balances with and loans to other credit institutions	315,324	309,028
From investment securities	1,973,391	1,683,285
From derivatives transactions	92,097	6,522
	<hr/>	<hr/>
	<b>3,403,191</b>	<b>3,354,768</b>
	<hr/>	<hr/>

**(c) Other assets**

	<b>31/12/2012</b>	<b>31/12/2011</b>
	<b>VND million</b>	<b>VND million</b>
Prepaid expenses for office and fixed assets rental	214,012	312,530
Materials	52,585	59,335
Receivables relating to card transactions	399,116	149,550
Deposit for entrusting contract with Vietcombank Securities Company for purchase of securities	-	2,000,000
Other assets	165,028	15,483
	<hr/>	<hr/>
	<b>830,741</b>	<b>2,536,898</b>
	<hr/>	<hr/>

**15. Amounts due to the Government and the State Bank of Vietnam**

	<b>31/12/2012</b>	<b>31/12/2011</b>
	<b>VND million</b>	<b>VND million</b>
<b>Borrowings from the SBV</b>	<b>375,229</b>	<b>7,312,479</b>
Other borrowings	375,229	7,312,479
<b>Others</b>	<b>24,431,204</b>	<b>31,553,755</b>
Deposits from the State Treasury	23,695,375	20,238,318
Deposits from the SBV	735,829	11,315,437
	<hr/>	<hr/>
	<b>24,806,433</b>	<b>38,866,234</b>
	<hr/>	<hr/>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**16. Deposits and borrowings from other credit institutions**

	31/12/2012 VND million	31/12/2011 VND million
<b>Deposits</b>	<b>16,962,205</b>	<b>22,895,728</b>
Demand deposits in VND	1,879,604	2,183,637
Demand deposits in foreign currencies	15,061,461	14,862,771
Term deposits in VND	-	2,887,700
Term deposits in foreign currencies	21,140	2,961,620
<b>Borrowings</b>	<b>17,364,994</b>	<b>25,236,895</b>
Borrowings in VND	4,322,500	5,300,000
Borrowings in foreign currencies	13,042,494	19,936,895
	<hr/> <b>34,327,199</b> <hr/>	<hr/> <b>48,132,623</b> <hr/>

**17. Deposits from customers**

	31/12/2012 VND million	31/12/2011 VND million
<b>Demand deposits</b>	<b>67,547,573</b>	<b>57,413,728</b>
Demand deposits in VND	45,406,393	36,984,972
Demand deposits in gold, foreign currencies	22,141,180	20,428,756
<b>Term deposits</b>	<b>214,427,004</b>	<b>166,374,405</b>
Term deposits in VND	164,858,186	118,742,976
Term deposits in gold, foreign currencies	49,568,818	47,631,429
<b>Deposits for specific purposes</b>	<b>2,252,301</b>	<b>4,781,649</b>
<b>Margin deposits</b>	<b>869,695</b>	<b>1,143,379</b>
	<hr/> <b>285,096,573</b> <hr/>	<hr/> <b>229,713,161</b> <hr/>

Deposits from customers by type of customers were as follows:

	31/12/2012 VND million	31/12/2011 VND million
Economic entities	123,016,636	108,126,641
Individuals	162,079,937	121,586,520
	<hr/> <b>285,096,573</b> <hr/>	<hr/> <b>229,713,161</b> <hr/>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**18. Derivatives and other financial liabilities**

	31/12/2012		31/12/2011	
	Contract notional value VND million	Book value VND million	Contract notional value VND million	Book value VND million
<b>Derivatives</b>				
Currency swap contracts	11,506,397	(30,749)	2,678,869	28,760
Forward contracts	17,968,332	36,210	1,564,226	(17,286)
<b>Other financial liabilities</b>	<b>29,474,729</b>	<b>5,461</b>	<b>4,243,095</b>	<b>11,474</b>

**19. Valuable papers issued**

	31/12/2012 VND million	31/12/2011 VND million
<b>Certificates of deposits</b>	<b>20,329</b>	<b>42,600</b>
Short-term in VND	-	44
Short-term in foreign currencies	283	346
Medium-term in VND	2,805	4,068
Medium-term in foreign currencies	17,241	38,142
<b>Bonds and bills</b>	<b>2,007,238</b>	<b>2,028,783</b>
Short-term in VND	232	254
Short-term in foreign currencies	716	798
Medium-term in VND	2,006,278	2,015,820
Medium-term in foreign currencies	12	11,911
	<b>2,027,567</b>	<b>2,071,383</b>

**20. Other liabilities**

**(a) Accrued interest and fee payables**

	31/12/2012 VND million	31/12/2011 VND million
For deposits from customers	3,130,091	2,603,090
For deposits and borrowings from other credit institutions	304,166	284,378
For valuable papers issued	2,630	5,064
For derivative transactions	49,555	58,390
	<b>3,486,442</b>	<b>2,950,922</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

20. Other liabilities (continued)

(b) Deferred tax liabilities

	31/12/2012 VND million	31/12/2011 VND million
Deferred tax liabilities	40,523	-
<b>Deferred tax liabilities</b>	<b>40,523</b>	<b>-</b>

(c) Other liabilities

	31/12/2012 VND million	31/12/2011 VND million
Internal payables (i)	1,689,331	1,420,411
External payables (ii)	21,205,502	16,335,594
	<b>22,894,833</b>	<b>17,756,005</b>

(i) Internal payables

	31/12/2012 VND million	31/12/2011 VND million
Payables to employees	747,426	625,057
Bonus and welfare funds	765,934	583,625
Others liabilities	175,971	211,729
	<b>1,689,331</b>	<b>1,420,411</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**20. Other liabilities (continued)**

**(c) Other liabilities (continued)**

*(ii) External payables*

	<b>31/12/2012</b>	<b>31/12/2011</b>
	<b>VND million</b>	<b>VND million</b>
Tax payables (Note 33)	283,489	442,610
- Corporate Income Tax payables	190,767	356,482
- Value Added Tax payables	53,097	21,817
- Other tax payables	39,625	64,311
Interest income received in advance pending for allocation	590,597	46,840
Payables for construction and acquisition of fixed assets	427,006	306,104
Deposit in custody relating to pending payments	1,165,236	2,096,486
Other payables to customers	866,509	460,874
Other pending items in settlement	63,315	28,146
Other payables to the State relating to interest subsidy program	63,549	62,713
Provision for severance allowance	-	16,710
Fund received from other entities	17,500,000	12,600,000
Other payables	245,801	275,111
	<b>21,205,502</b>	<b>16,335,594</b>

**(d) Provision for contingent liabilities and off-balance sheet commitments**

	<b>Year ended</b>	<b>Year ended</b>
	<b>31/12/2012</b>	<b>31/12/2011</b>
	<b>VND million</b>	<b>VND million</b>
Opening balance	897,915	1,009,201
Provision (reversed) during the year (Note 30)	(320,967)	(111,286)
	<b>576,948</b>	<b>897,915</b>

**Joint Stock Commercial Bank for Foreign Trade of Vietnam**

**Form B05/TCCTD**  
(Issued in accordance with Decision  
No. 16/2007/QĐ-NHNN dated 18 April 2007  
of the Governor of the SBV)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**21. Capital and reserves**

**(a) Statement of changes in equity**

	Chartered capital	Share premium	Reserves		Total equity
	VND million	VND million	Supplement capital	Financial risk	
	VND million	VND million	VND million	VND million	VND million
<b>Balance as at 1/1/2012</b>	19,698,045	995,952	668,005	1,331,658	28,122,036
Net profit for the year	-	-	-	-	4,271,305
Increase in capital from the issuance of shares to foreign strategic shareholder (Mizuho Corporate Bank, Ltd., Japan)	3,476,126	-	-	-	-
Increase in share premium from the issuance of shares to foreign strategic shareholder (Mizuho Corporate Bank, Ltd., Japan)	-	8,342,702	-	-	-
Derived expenses directly related to the issuance of shares to foreign strategic shareholder (Mizuho Corporate Bank, Ltd., Japan)	-	(137,257)	-	-	(137,257)
Reserves appropriated from retained profit of 2010	-	-	3,363	6,725	(18,289)
Reserves temporarily appropriated from retained profit of 2012	-	-	213,565	427,131	(1,289,235)
Dividends of 2011 paid in cash during the year	-	-	-	-	(2,363,765)
Additional Value Added Tax and Corporate Income Tax of revenue of the year	-	-	-	-	(66,262)
Additional Corporate Income tax for the year 2011 under tax inspection minute	-	-	-	-	(6,881)
Utilization during the year	-	-	-	(1,584)	(1,584)
<b>Balance as at 31/12/2012</b>	<b>23,174,171</b>	<b>9,201,397</b>	<b>884,933</b>	<b>1,763,930</b>	<b>40,979,680</b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**21. Capital and reserves (continued)**

**(b) Details of shareholders of the Bank**

	31/12/2012 VND million	31/12/2011 VND million
<b>Ordinary shares</b>		
State	17,870,231	17,870,231
Strategic shareholder (Mizuho Corporate Bank, Ltd., Japan)	3,476,126	-
Other shareholders	1,827,814	1,827,814
	<u>23,174,171</u>	<u>19,698,045</u>

The Bank's authorized and issued share capital is:

	31/12/2012		31/12/2011	
	Number of shares	VND million	Number of shares	VND million
<b>Authorized share capital</b>	2,317,417,076	23,174,171	1,969,804,514	19,698,045
<b>Issued share capital</b>				
Ordinary shares	2,317,417,076	23,174,171	1,969,804,514	19,698,045
<b>Shares outstanding</b>				
Ordinary shares	2,317,417,076	23,174,171	1,969,804,514	19,698,045

The par value of each ordinary share is VND10,000.

On 09 January 2012, the Bank increased chartered capital from VND million 19,698,045 to VND million 23,174,171.

**22. Interest and similar income**

	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million
Interest income from loans and advances to customers	26,773,232	24,756,496
Interest income from balances with other credit institutions	748,008	4,916,416
Interest income from trading and investment debt securities	4,014,623	3,455,833
- <i>Interest income from investment securities</i>	4,014,623	3,455,833
Other income from credit activities	16,957	30,855
	<u>31,552,820</u>	<u>33,159,600</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**23. Interest and similar expenses**

	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million (Re-stated)
Interest expenses on deposits	(17,655,683)	(18,521,210)
Interest expenses on borrowings	(2,946,416)	(2,212,375)
Interest expenses on valuable papers issued	(241,755)	(266,265)
Others expenses on credit activities	(27,200)	(21,521)
	<u>(20,871,054)</u>	<u>(21,021,371)</u>

**24. Net fee and commission income**

	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million
<b>Fee and commission income</b>		
Settlement services	1,171,347	1,143,152
Cash services	122,412	130,306
Guarantee services	213,025	218,417
Trusted and agency activities	2,384	2,948
Other services	620,901	663,102
	<u>2,130,069</u>	<u>2,157,925</u>
<b>Fee and commission expenses</b>		
Settlement services	(677,293)	(555,708)
Cash services	(23,006)	(20,572)
Telecommunication services	(50,831)	(44,711)
Trusted and agency activities	(994)	(862)
Other services	(76,653)	(55,837)
	<u>(828,777)</u>	<u>(677,690)</u>
	<u>1,301,292</u>	<u>1,480,235</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**25. Net gain from trading foreign currencies**

	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million
<b>Gains from trading gold, foreign currencies</b>		
From foreign currencies spot trading	2,855,304	5,543,292
From currency derivatives	500,330	531,215
From gold trading	65,437	-
From revaluating trading foreign currencies	807	8,758
From revaluating gold	-	17,902
	<b>3,421,878</b>	<b>6,101,167</b>
<b>Losses from trading foreign currencies</b>		
From foreign currencies spot trading	(1,299,385)	(4,270,313)
From currency derivatives	(449,987)	(647,775)
From revaluating trading foreign currencies	(184,198)	(5,099)
	<b>(1,933,570)</b>	<b>(4,923,187)</b>
	<b>1,488,308</b>	<b>1,177,980</b>

**26. Net gain from investment securities**

	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million
Income from trading of investment securities	157,262	63,923
Cost of trading of investment securities	(1,010)	-
Allowance for diminution in the value of available-for-sale securities reversed during the year (Note 10(a))	61,056	-
Allowance for diminution in the value of held-to-maturity securities reversed/(made) during the year (Note 10(b))	9,371	(15,231)
	<b>226,679</b>	<b>48,692</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**27. Net other income/(expenses)**

	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million
<b>Other income</b>		
Income from interest rate swap transactions	1,238	-
Income from loans previously written off	365,682	211,929
Income from allowance reversed for diminution in the value of other long-term investments (Note 11(d))	165,937	-
Income from other activities	110,484	95,527
	<b>643,341</b>	<b>307,456</b>
<b>Other expenses</b>		
Expenses from interest rate swap transactions	(101,379)	(124,694)
Expenses from investment trust agreements	-	(1,487,091)
Other expenses	(26,596)	(4,433)
	<b>(127,975)</b>	<b>(1,616,218)</b>
	<b>515,366</b>	<b>(1,308,762)</b>

**28. Net income from investments in subsidiaries, associates and joint-ventures**

	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million
Dividends received from equity investments during the year	444,735	186,572
- <i>Dividends received from equity investments</i>	444,735	186,572
Income from disposal of equity investments	-	1,217,382
Income from other activities	71,053	-
	<b>515,788</b>	<b>1,403,954</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**29. Operating expenses**

	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million
Tax, duties and fees	(181,865)	(281,044)
Salaries and related expenses	(3,260,388)	(3,080,265)
<i>Of which:</i>		
- <i>Salary and allowance</i>	(2,631,490)	(2,670,886)
- <i>Additional expenses based on salary</i>	(366,660)	(283,887)
- <i>Other allowances</i>	(331)	(8,326)
- <i>Social activities expenses</i>	(208,322)	(117,166)
Expenses on assets	(1,311,867)	(1,146,062)
<i>Of which:</i>		
- <i>Depreciation of fixed assets</i>	(555,114)	(455,541)
Administrative expenses	(1,013,271)	(909,152)
Insurance expenses on deposit of customers	(135,588)	(86,361)
Allowance for diminution in the value of other long-term investments made during the year	-	(52,027)
	<b>(5,902,979)</b>	<b>(5,554,911)</b>

**30. Provisions and allowances for credits losses**

	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million
<b>General allowance for loans to other credit institutions</b> (Provided) during the year (Note 6)	(36,715)	(13,627)
<b>Specific allowance for loans to other credit institutions</b> (Provided)/Reversed during the year (Note 6)	(103,826)	4,490
<b>General allowance for loans and advances to customers</b> (Provided) during the year (Note 9)	(269,161)	(168,185)
<b>Specific allowance for loans and advances to customers</b> (Provided) during the year (Note 9)	(3,266,530)	(3,381,506)
<b>Provision for contingent liabilities and off-balance sheet commitments</b> Reversed during the year (Note 20(d))	320,967	111,286
	<b>(3,355,265)</b>	<b>(3,447,542)</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**31. Corporate income tax**

	Year ended 31/12/2012 VND million	Year ended 31/12/2011 VND million
Profit before tax	5,546,923	5,937,875
<i>(Less:) non-taxable income/ Add: non-deductible expenses</i>		
(Dividend) received in the year (Note 28)	(444,735)	(186,572)
Net (gain) from revaluation of gold	-	(17,902)
Non-deductible expenses	284	-
<b>Taxable income</b>	<b>5,102,472</b>	<b>5,733,401</b>
Applicable corporate income tax rate	25%	25%
<b>Corporate income tax - based on current corporate income tax rate</b>	<b>(1,275,618)</b>	<b>(1,433,350)</b>
<b>Corporate income tax - current</b>	<b>(1,275,618)</b>	<b>(1,433,350)</b>

Corporate income tax rate applied for the Bank is 25% of taxable income.

**32. Cash and cash equivalents**

	31/12/2012 VND million	31/12/2011 VND million (Restated)(*)
Cash on hand, gold, silver and gemstones	5,592,611	5,393,497
Balances with the SBV	15,732,059	10,616,723
Balances with and loans to other credit institutions due within three months	62,136,674	102,333,335
Trading securities	509,670	509,955
Investment securities	37,934,176	6,581,062
	<b>121,905,190</b>	<b>125,434,572</b>

(\*) The figures are restated due to the addition of "Trading securities" in "Cash and cash equivalents".

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**33. Obligations to State Budget**

	Balance as at 1/1/2012 VND million	Occurrence		Balance as at 31/12/2012		
		Payable VND million	Paid VND million	Payable VND million	Advances VND million	Total VND million
Value added tax	17,586	192,871	159,539	53,097	(2,179)	50,918
Current Corporate income tax	355,932	1,282,604	1,447,821	190,767	(52)	190,715
<i>Of which:</i>						
- Corporate income tax of the Bank	357,876	1,275,618	1,442,727	190,767	-	190,767
- Additional corporate income tax for the year 2011 under tax inspection minute	(1,889)	6,983	5,094	-	-	-
- Vinafico's tax obligation in the year 2008 paid to State Budget	(55)	3	-	-	(52)	(52)
Deferred Corporate income tax	-	40,523	-	40,523	-	40,523
Other taxes	64,311	361,294	386,041	39,625	(61)	39,564
	<b>437,829</b>	<b>1,877,292</b>	<b>1,993,401</b>	<b>324,012</b>	<b>(2,292)</b>	<b>321,720</b>

**34. Employee benefits**

	Year ended 31/12/2012	Year ended 31/12/2011
<b>Total number of employees (person)</b>	<b>13,251</b>	<b>12,181</b>
<b>Employees' income</b>		
Total salary and allowance (VND million) (Note 29)	2,631,490	2,670,886
<b>Monthly average income (VND million)</b>	<b>16.55</b>	<b>18.30</b>

### **35. Contingent liabilities and other commitments**

In the normal course of business, the Bank is a party to financial instruments which are recorded as separate off-balance sheet items. These financial instruments mainly comprise of financial guarantees and letters of credit. These instruments involve elements of credit risk in excess of the amounts recognized in the separate balance sheet.

Credit risk for off-balance sheet financial instruments is defined as the possibility of sustaining a loss because any other party to a financial instrument fails to perform in accordance with the terms of the contract.

Financial guarantees are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party including guarantees for borrowings, settlement, performing contracts and bidding. The credit risk involved in issuing guarantees is essentially the same as that involved in extending facilities to other customers.

Commercial at sight letters of credit represent a financing transaction by the Bank to its customers where the customer is usually the buyer/importer of goods and the beneficiary is typically the seller/exporter. Credit risk is limited as the imported merchandise serves as collateral for the transaction.

Deferred payment letters of credits represent the amounts at risk should the contract be fully drawn upon and the client defaults in repayment to the beneficiary. Deferred payment letters of credit that were defaulted by clients are recognized by the Bank as granting of a compulsory loan with a corresponding liability representing the financial obligation of the Bank to pay the beneficiaries and to fulfill the guarantor obligation.

The Bank requires margin deposits to support credit-related financial instruments when it is deemed necessary. The margin deposit required varies from nil to 100% of the value of a commitment granted depending on the creditworthiness of clients as assessed by the Bank.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**36. Significant transactions and balances with related parties**

**(a) Significant transactions with related parties**

	<b>Relationship</b>	<b>Year ended 31/12/2012 VND million</b>	<b>Year ended 31/12/2011 VND million</b>
<b>The State Bank of Vietnam</b>	Shareholder		
Interest income from deposits with the SBV		56,693	49,834
Interest expenses on deposits and borrowings from the SBV		200,863	664,542
<b>The Ministry of Finance (“the MoF”)</b>	Shareholder		
Interest income from loans to the MoF		120,998	135,349
Interest expenses on deposits from the MoF		39,056	19,236
Interest expenses on borrowings from the MoF		682	-
<b>Vietcombank Financial Leasing Company Limited</b>	Subsidiary		
Interest income from loans to VCB Leasing		71,715	70,205
Interest income from deposits with VCB Leasing		21,412	47,219
Interest expenses on deposits from VCB Leasing		1,774	39,513
Interest expenses on loans from VCB Leasing		21,588	-
Interest income from services		603	-
<b>Vietcombank Securities Company Limited</b>	Subsidiary		
Interest expenses on deposits from VCB Securities		6,827	11,880
Fee and commission income from remittance services		948	231
<b>Vietcombank Tower 198 Company Limited</b>	Subsidiary		
Interest expenses on deposits from VCB Tower		50,680	52,254
Office rental expenses		97,102	86,393
Dividend received from VCB Tower		48,128	33,199
<b>Vietnam Finance Company Limited</b>	Subsidiary		
Interest income from deposits with Vinafico		3,259	1,240

**36. Significant transactions and balances with related parties (continued)**

**(b) Significant balances with related parties**

	<b>Relationship</b>	<b>31/12/2012 VND million</b>	<b>31/12/2011 VND million</b>
<b>The State Bank of Vietnam</b>	Shareholder		
Deposits with the SBV		15,732,059	10,635,584
Deposits and borrowings from the SBV		1,111,058	18,627,916
<b>The Ministry of Finance</b>	Shareholder		
Loans to MoF		2,180,529	2,831,673
Deposits from MoF		23,695,375	20,238,318
Borrowings from MoF		37,781	-
<b>Vietcombank Financial Leasing Company Limited</b>	Subsidiary		
Loans to VCB Leasing		788,516	579,668
Financial lease		262,500	-
Deposits with VCB Leasing		184,245	184,245
Deposits from VCB Leasing		1,653	170,247
<b>Vietcombank Securities Company Limited</b>	Subsidiary		
Deposits from VCB Securities		426,833	2,382,561
Deposit for entrusting contract with VCB Securities for purchase of securities (Note 14(c))		-	2,000,000
<b>Vietcombank Tower 198 Company Limited</b>	Subsidiary		
Deposits from VCB Tower		310,338	375,485
Office rental fee in advance		58,748	144,121
<b>Vietcombank Fund Management Joint Venture Company</b>	Joint venture		
Trusted Investments to VCB Fund		515,711	592,007
<b>Vietnam Finance Company Limited</b>	Subsidiary		
Deposits with Vinafico		1,313,382	1,517,019

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**37. Geographical segment**

		The North VND million	The Middle and Tay Nguyen VND million	The South VND million	Elimination VND million	Total VND million
1	Interest and similar income	26,246,938	6,055,463	17,231,226	(17,980,807)	31,552,820
2	Interest and similar expenses	(23,743,023)	(4,234,690)	(10,874,148)	17,980,807	(20,871,054)
<b>I</b>	<b>Net interest income</b>	<b>2,503,915</b>	<b>1,820,773</b>	<b>6,357,078</b>	<b>-</b>	<b>10,681,766</b>
3	Fee and commission income	1,272,179	142,247	715,643	-	2,130,069
4	Fee and commission expenses	(782,473)	(12,460)	(33,844)	-	(828,777)
<b>II</b>	<b>Net fee and commission income</b>	<b>489,706</b>	<b>129,787</b>	<b>681,799</b>	<b>-</b>	<b>1,301,292</b>
<b>III</b>	<b>Net gain from trading foreign currencies</b>	<b>1,175,498</b>	<b>65,600</b>	<b>247,210</b>	<b>-</b>	<b>1,488,308</b>
<b>IV</b>	<b>Net gain from trading securities</b>	<b>75,968</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,968</b>
<b>V</b>	<b>Net gain from investment securities</b>	<b>226,679</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>226,679</b>
5	Other income	324,521	185,228	316,946	(183,354)	643,341
6	Other expenses	(310,754)	(455)	(120)	183,354	(127,975)
<b>VI</b>	<b>Net other income/(expenses)</b>	<b>13,767</b>	<b>184,773</b>	<b>316,826</b>	<b>-</b>	<b>515,366</b>
<b>VII</b>	<b>Net income from investments in subsidiaries, associates and joint-ventures</b>	<b>515,788</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>515,788</b>
<b>VIII</b>	<b>Operating expenses</b>	<b>(3,210,554)</b>	<b>(713,653)</b>	<b>(1,978,772)</b>	<b>-</b>	<b>(5,902,979)</b>
<b>IX</b>	<b>Profit before provisions and allowances for credit losses</b>	<b>1,790,767</b>	<b>1,487,280</b>	<b>5,624,141</b>	<b>-</b>	<b>8,902,188</b>
<b>X</b>	<b>Provisions and allowances for credit losses</b>	<b>(1,885,600)</b>	<b>(406,523)</b>	<b>(1,063,142)</b>	<b>-</b>	<b>(3,355,265)</b>
<b>XI</b>	<b>Profit before tax</b>	<b>(94,833)</b>	<b>1,080,757</b>	<b>4,560,999</b>	<b>-</b>	<b>5,546,923</b>
7	Current Corporate income tax expenses	188,503	(272,851)	(1,191,270)	-	(1,275,618)
<b>XII</b>	<b>Current Corporate income tax expenses</b>	<b>188,503</b>	<b>(272,851)</b>	<b>(1,191,270)</b>	<b>-</b>	<b>(1,275,618)</b>
<b>XIII</b>	<b>Net profit after tax</b>	<b>93,670</b>	<b>807,906</b>	<b>3,369,729</b>	<b>-</b>	<b>4,271,305</b>

### **38. Disclosure of financial instruments**

#### **(a) Disclosure of collaterals**

The Bank does not hold collaterals which it is permitted to sell or re-pledge in the absence of default by the owner of the collaterals.

#### **(b) Disclosure of fair value**

Circular No. 210/2009/TT-BTC requires the Bank to disclose the measurement method and related information of fair value of financial assets and financial liabilities for the purpose of comparing their book value and fair value.

The following table presents book value and fair value of the Bank's financial assets and liabilities as at 31 December 2012:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

38. Disclosure of financial instruments (continued)

(b) Disclosure of fair value (continued)

	Held for trading	Book value				Fair value
		Held-to-maturity	Loans and receivables	Available-for-sale	Recognized at amortized cost	
	VND million	VND million	VND million	VND million	VND million	VND million
<b>Financial assets</b>						
I Cash on hand, gold, silver and gemstones	5,592,611	-	-	-	-	5,592,611
II Balances with the SBV	15,732,059	-	-	-	-	15,732,059
III Balances with and loans to other credit institutions	-	-	66,675,500	-	-	66,675,500
IV Trading securities	509,670	-	-	-	-	509,670
VI Loans and advances to customers	-	4,843,103	239,773,105	-	-	239,773,105
VII Investment securities	-	2,324,794	-	73,217,551	-	78,060,654
VIII Long-term investments	-	-	-	-	-	2,324,794
X Other financial assets	-	-	4,315,845	-	-	4,315,845
	<b>21,834,340</b>	<b>7,167,897</b>	<b>310,764,450</b>	<b>73,217,551</b>	<b>-</b>	<b>412,984,238</b>
<b>Financial liabilities</b>						
I Deposits and borrowings from the SBV and other credit institutions	-	-	-	-	59,133,632	59,133,632
II Deposits from customers	-	-	-	-	285,096,573	285,096,573
III Derivatives and other financial liabilities	5,461	-	-	-	5,461	5,461
V Valuable papers issued	-	-	-	-	2,027,567	2,027,567
VI Other financial liabilities	-	-	-	-	23,145,051	23,145,051
	<b>5,461</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>369,402,823</b>	<b>369,408,284</b>

(\* ) Due to having not enough information for using valuation techniques, fair value of the financial assets and liabilities that do not have quoted market prices are deemed to be not reliably measured and therefore not disclosed.

### **38. Disclosure of financial instruments (continued)**

#### **(c) Risk management policy for financial instruments**

The Board of Directors has responsibility for the Bank's overall financial risk management framework to facilitate its business activities to thrive safely and sustainably.

Having taken that responsibility, the Board of Directors appropriately promulgates risk management policies and strategies for each period, establishes secured business limit, directly approves high-value business transactions in accordance with both legal and internal requirements, and determines organizational structure and key personnel positions.

Risk management strategies and policies are adhered to the Bank's charter and General Shareholders' Meeting resolution.

The Risk Management Committee was established by the Board of Directors to assist the Board of Directors in managing all risks that may arise from the Bank's day-to-day business.

The Asset and Liability Credit and Operational Risk Committee (ALCO) was established and chaired by the Chief Executive Officer. ALCO members are key personnel of the Bank being in-charge of risk management.

ALCO is responsible for comprehensively monitoring assets and liabilities in the consolidated and separate balance sheet of the Bank in order to maximize profit while minimizing losses arising from negative market trends, manage liquidity risk and appropriately direct interest and foreign exchange rate schemes.

In its authorized segregation, ALCO has the right to make decisions regarding risk management.

#### **(i) Credit risk**

The Bank is under exposure to credit risk, where the counterparty's default on its obligations will cause a financial loss for the Bank by failing to fulfill an obligation on time. Credit exposures arise mainly in lending activities relating to loans and advances to customers and investments in debt securities. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. The credit risk management and control are performed through issuance of related policies and procedures, including credit risk management policies, establishment of Credit Risk Management Committee and Credit Committee.

The Bank classifies loans and advances to customers and other credit institutions in accordance with Decision 493 and Decision 18 (Note 2(f)) and regularly assesses credit risks of non-performing loans in order to have appropriate resolutions.

In order to manage credit risks, the Bank has established policies and procedures relating to credit management; established credit manuals; performed credit risk assessment; set up credit rating systems and loan classification and decentralized authorization in credit activities.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**38. Disclosure of financial instruments (continued)**

**(c) Risk management policy for financial instruments (continued)**

*(i) Credit risk (continued)*

The Bank's maximum exposure amounts to credit risk as at 31 December 2012 as follows:

	Neither past due nor impaired VND million	Past due but not impaired VND million	Impaired and fully made allowance VND million	Total VND million
<b>Balances with and loans to other credit institutions – gross</b>	<b>65,817,758</b>	-	<b>857,742</b>	<b>66,675,500</b>
Balances with other credit institutions	60,593,469	-	-	60,593,469
Loans to other credit institutions	5,224,289	-	857,742	6,082,031
<b>Loans and advances to customers – gross</b>	<b>202,323,996</b>	<b>1,324,697</b>	<b>36,124,412</b>	<b>239,773,105</b>
<b>Investment securities – gross</b>	<b>77,707,713</b>	-	<b>352,941</b>	<b>78,060,654</b>
Available-for-sale securities	72,864,610	-	352,941	73,217,551
Held-to-maturity securities	4,843,103	-	-	4,843,103
<b>Other assets</b>	<b>5,563,766</b>	-	-	<b>5,563,766</b>
	<b>351,413,233</b>	<b>1,324,697</b>	<b>37,335,095</b>	<b>390,073,025</b>

Description of types and book value of collateral assets held by the Bank as at 31 December 2012 are as follows:

	VND million
Deposits	22,286,306
Valuable papers issued	2,032,876
Real estates	180,362,447
Others	100,588,469
	<b>305,270,098</b>

### **38. Disclosure of financial instruments (continued)**

#### **(c) Risk management policy for financial instruments (continued)**

##### *(ii) Interest rate risk*

Interest rate risk is the risk that the future cash flows of a financial instrument will unexpectedly fluctuate due to changes in market interest rates.

The real interest rate adjustment term is the remaining time starting from the date of the financial statements to the latest interest rate adjustment term of the items on the balance sheet.

The following assumptions and conditions have been adopted in the analysis of real interest rate adjustment term of the Bank's items on the balance sheet.

- Cash, gold and gemstones, long-term investments, and other assets (fixed assets, investment properties and other assets included) are classified as non-interest bearing items.
- The real interest rate adjustment term of trading securities and investments securities shall be subject to issuer's terms and conditions on interest rate of each security.
- The real interest adjustment term of balances with and loans to other credit institutions, loans to customers, amounts due to the Government and the State Bank of Vietnam, deposits and borrowings from other credit institutions and deposits from customers are identified as follows:
  - Items with fixed interest rate during the contractual term: the real interest adjustment term is based on the contractual maturity date starting from the date of the separate financial statements.
  - Items with floating interest rate: the real interest adjustment term is based on the latest adjustment term starting from the date of the separate financial statements.
- The real interest adjustment term of valuable papers issued is based on valuable papers' maturities and the Bank's interest rate for each issuance.
- The real interest adjustment term of other borrowed funds is from one to five years.
- The real interest adjustment term for other liabilities is from one to three months. In reality, these items shall have different interest rate adjustment terms.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**38. Disclosure of financial instruments (continued)**

**(c) Risk management policy for financial instruments (continued)**

**(ii) Interest rate risk (continued)**

	Overdue VND million	Free of interest VND million	Up to 1 month VND million	From 1 to 3 months VND million	From 3 to 6 months VND million	From 6 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million	Total VND million
<b>Assets</b>									
I	-	5,592,611	-	-	-	-	-	-	5,592,611
II	-	-	15,732,059	-	-	-	-	-	15,732,059
III	-	-	-	3,409,307	4,445,100	93,726	-	-	66,675,500
IV	-	-	-	-	-	-	509,670	-	509,670
V	10,961,918	-	79,507,716	89,283,215	46,293,808	10,469,261	3,063,400	193,787	239,773,105
VI	200,000	-	23,054,849	14,879,327	10,743,170	3,896,827	20,800,430	4,486,051	78,060,654
VII	-	-	-	-	-	-	-	-	4,571,071
VIII	-	-	-	-	-	-	-	-	3,431,065
IX	-	-	-	-	-	-	-	-	5,563,766
X	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>11,161,918</b>	<b>19,158,513</b>	<b>177,021,991</b>	<b>107,571,849</b>	<b>61,482,078</b>	<b>14,459,814</b>	<b>24,373,500</b>	<b>4,679,838</b>	<b>419,909,501</b>
<b>Liabilities</b>									
I	-	-	44,882,107	4,707,364	6,502,502	1,041,400	2,000,259	-	59,133,632
II	-	-	189,979,837	45,684,065	19,286,040	25,334,447	4,809,238	2,946	285,096,573
III	-	-	-	-	5,461	-	-	-	5,461
V	-	-	14,358	239	-	12,970	-	2,000,000	2,027,567
VI	-	9,448,746	10,500,000	5,700,000	1,350,000	-	-	-	26,998,746
<b>Total liabilities</b>	<b>-</b>	<b>9,448,746</b>	<b>245,376,302</b>	<b>56,091,668</b>	<b>27,144,003</b>	<b>26,388,817</b>	<b>6,809,497</b>	<b>2,002,946</b>	<b>373,261,979</b>
<b>Interest sensitivity gap</b>	<b>11,161,918</b>	<b>9,709,767</b>	<b>(68,354,311)</b>	<b>51,480,181</b>	<b>34,338,075</b>	<b>(11,929,003)</b>	<b>17,564,003</b>	<b>2,676,892</b>	<b>46,647,522</b>
<b>Cumulative interest sensitivity gap</b>	<b>11,161,918</b>	<b>20,871,685</b>	<b>(47,482,626)</b>	<b>3,997,555</b>	<b>38,335,630</b>	<b>26,406,627</b>	<b>43,970,630</b>	<b>46,647,522</b>	<b>46,647,522</b>

**38. Disclosure of financial instruments (continued)**

**(c) Risk management policy for financial instruments (continued)**

*(iii) Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to change in foreign exchange rates. The Bank was incorporated and operates in Vietnam, with VND as its reporting currency. The major currency in which the Bank transacts is VND. The Bank's loans and advances were mainly denominated in VND with the remainder mainly in USD. Some of the Bank's other assets are in currencies other than the reporting currency and USD. The Bank's management has set limits on positions by currency. Positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**38. Disclosure of financial instruments (continued)**

**(c) Risk management policy for financial instruments (continued)**

*(iii) Currency risk (continued)*

	VND million	USD VND million	EUR VND million	Other currencies VND million	Total VND million
<b>Assets</b>					
I	4,067,744	1,145,006	204,304	175,557	5,592,611
II	7,203,533	8,528,526	-	-	15,732,059
III	9,373,378	48,438,301	3,337,157	5,526,664	66,675,500
IV	509,670	-	-	-	509,670
VI	164,894,177	73,746,861	1,119,894	12,173	239,773,105
VII	78,022,200	38,454	-	-	78,060,654
VII	4,571,071	-	-	-	4,571,071
IX	3,431,065	-	-	-	3,431,065
X	18,559,982	288,953	(3,392,280)	(9,892,889)	5,563,766
<b>Total assets</b>	<b>290,632,820</b>	<b>132,186,101</b>	<b>1,269,075</b>	<b>(4,178,495)</b>	<b>419,909,501</b>
<b>Liabilities</b>					
I	6,592,152	47,696,917	1,759,118	3,085,445	59,133,632
II	211,433,118	55,615,066	6,307,399	11,740,990	285,096,573
III	(12,302,401)	25,756,731	(3,396,084)	(10,052,785)	5,461
V	2,009,314	17,942	311	-	2,027,567
VI	41,655,699	(15,636,844)	37,336	942,555	26,998,746
<b>Total liabilities</b>	<b>249,387,882</b>	<b>113,449,812</b>	<b>4,708,080</b>	<b>5,716,205</b>	<b>373,261,979</b>
<b>FX position on and off-balance sheet</b>	<b>41,244,938</b>	<b>18,736,289</b>	<b>(3,439,005)</b>	<b>(9,894,700)</b>	<b>46,647,522</b>

### **38. Disclosure of financial instruments (continued)**

#### **(c) Risk management policy for financial instruments (continued)**

##### *(iv) Liquidity risk*

Liquidity risk occurs when the Bank fails to fulfill its financial commitments with customers or counterparties due to unavailability of funds or liquidity.

The maturity of assets and liabilities represent the remaining terms of these assets and liabilities from the balance sheet date to the maturity date according to the underlying contractual agreements or term of issuance.

The following assumptions and conditions have been adopted in the preparation of the Bank's maturity analysis:

- Balances with the SBV are considered as current accounts including the compulsory deposits;
- The maturity of investment securities is based on redemption dates of each securities established by the issuers of these financial instruments;
- The maturities of amounts due from other banks and loans and advances to customers are based on the contractual maturity date. The actual maturity sometimes varies from the original contractual term when the contract is extended;
- The maturity of equity investments is considered to be over one year as equity investments have no stated maturity; and
- Amounts due to other banks and owed to customers are determined based on either the nature of the amount or their contractual agreements. For example, Vostro accounts and current accounts paid upon customers' demand are considered to be current, the maturity of term deposits and borrowings is based on the contractual maturity date. In practice, such items may be rolled over and maintained for longer period.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)

**38. Disclosure of financial instruments (continued)**

**(c) Risk management policy for financial instruments (continued)**

*(iv) Liquidity risk (continued)*

	Overdue over 3 months VND million	Overdue up to 3 months VND million	Up to 1 month VND million	From 1 to 3 months VND million	From 3 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million	Total VND million
<b>Assets</b>								
I	-	-	5,592,611	-	-	-	-	5,592,611
II	-	-	15,732,059	-	-	-	-	15,732,059
III	-	-	58,471,890	3,037,601	923,025	4,242,984	-	66,675,500
IV	-	-	509,670	-	-	-	-	509,670
V	6,271,274	4,690,644	20,529,431	51,452,086	93,154,478	45,645,271	18,029,921	239,773,105
VI	200,000	-	23,054,849	14,879,327	14,639,996	20,800,430	4,486,052	78,060,654
VII	-	-	-	-	-	-	4,571,071	4,571,071
VIII	-	-	-	-	-	2,285,134	1,145,931	3,431,065
IX	-	-	-	5,563,766	-	-	-	5,563,766
X	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>6,471,274</b>	<b>4,690,644</b>	<b>123,890,510</b>	<b>74,932,780</b>	<b>108,717,499</b>	<b>72,973,819</b>	<b>28,232,975</b>	<b>419,909,501</b>
<b>Liabilities</b>								
I	-	-	43,722,877	1,388,508	3,316,933	8,542,444	2,162,870	59,133,632
II	-	-	136,924,780	63,351,458	65,821,358	11,929,074	7,069,903	285,096,573
III	-	-	-	-	5,461	-	-	5,461
V	-	-	14,358	239	12,970	-	2,000,000	2,027,567
VI	-	-	10,500,000	15,148,746	1,350,000	-	-	26,998,746
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>191,162,015</b>	<b>79,888,951</b>	<b>70,506,722</b>	<b>20,471,518</b>	<b>11,232,773</b>	<b>373,261,979</b>
<b>Net liquidity gap</b>	<b>6,471,274</b>	<b>4,690,644</b>	<b>(67,271,505)</b>	<b>(4,956,171)</b>	<b>38,210,777</b>	<b>52,502,301</b>	<b>17,000,202</b>	<b>46,647,522</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)**

**39. Subsequent events**

On 08 February 2013, the Bank informed the final list of its shareholders eligible for advance of dividends of 2012 in cash with the pay-out ratio of 12% which is equivalent to VND1,200/share. Accordingly, the last day for registering is 28 February 2013 and the payment will be made on 28 March 2013.

**40. Approval of the separate financial statements**

The separate financial statements were approved by the Board of Management on 15 March 2013.

*Hanoi, 15 March 2013*

Prepared by:

Approved by:

Ms. Nguyen Thi Thu Huong

Ms. Phung Nguyen Hai Yen

Mr. Nguyen Danh Luong



*Deputy Director of  
Accounting Policy Department*

*Chief Accountant*

*Deputy CEO*