



Speed
Efficiency
Sustainability



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For more than a half century, Vietnam's revolutionary history as well as the process of recovery, establishment, protection and development of the country has not only created a strong and prestigious Vietcombank but also promoted a proud Vietcombank culture and human manner. The core values of Vietcombank which have been forged and gathered from traditional values are also the life blood which links many generations of Vietcombank's staff, and have created some distinctive personalities for Vietcombank brand such as: **"Creativity – Continuous development – Courteousness, Attentiveness– Extensive connectivity – Distinctiveness – Safety, security"** with the message as well as the commitment being demonstrated throughout the process of operation and development: **"Together for the future"**.

Tradition, culture and brand are the building blocks that make up the bank's strengths, help it overcome the ups and downs of history and reach new heights, as well as always being **"Speed – Efficiency – Sustainability"** for our continuous success.





CREATIVE BRANDING



Vietcombank's Profile

- Message from the Chairman of BoD and CEO
- General information of Vietcombank • Business scope and network
- Establishment and development history • Remarkable events in 2014
 - Corporate governance model • Management structure
 - Fundamental financial ratios from 2010 - 2014
- Development orientation • Domestic awards in 2014 • International awards in 2014



Going forward in 2015, the economy has seen some promising results while many challenges and difficulties still remain. This context requires Vietcombank to continue in its efforts, with the highest sense of responsibility, to strive for the planned objectives, to continue its breakthrough and to make new accomplishments in 2015 – a transitional year in completing the Restructuring Vietcombank scheme and implementing development strategies towards 2020. These objectives are a solid foundation to bring Vietcombank firmly on the path of becoming **the Number 1 bank in Vietnam** as well as cementing our reputation in the region, managing with the best standards and continuing to earn the trust of the authorities as well fulfilling the beliefs and the expectations of the investors and millions of customers.

TOTAL ASSETS IN 2014
576,989
BILLION VND



In 2014, the world economy showed promising signs of recovery. In Vietnam, inflation was maintained at a low rate (CPI saw an increase of only 1.84%); economic growth increased at a higher rate than that in recent years (GDP increased by 5.98%); The benchmark interest rate was adjusted to support enterprises' business activities; credit growth in the banking industry reached approximately 14.5%, higher than planned; exchange rate remained stable; foreign exchange reserve increased and the process of restructuring and solving the bad-debts of credit institutions represented significant achievements.

In the context of these many hardships that we face while exploiting our advantages, Vietcombank vigorously pioneered the implementation of Government policies as well as those of the State Bank of Vietnam. Our efforts positively contributed to stabilizing the macro economy and the monetary market, whilst making a major contribution to the state budget. Moreover, Vietcombank actively carried out positive social welfare and community activities while closely following the objectives of **"Vision, Determination, Unity"** in corporate governance as laid out at the General Shareholders' Meeting and with consideration towards market changes. Thus, Vietcombank's activities saw plenty of **"Renovation"** and **"Growth"** in every aspect whilst ensuring **"Quality"**.

The year of 2014 enjoyed many visible changes in the activities of Vietcombank: customer services, the processes of preparing, assigning, implementing and reviewing plans, the expansion of its branch network as well as achieving breakthrough results stemming from significant improvements in Vietcombank's procedures for raising working capital, bad debt collection and off-balance sheet debts. At the end of 2014, Vietcombank has accomplished all of the core objectives laid out by the Shareholders' General Meeting: total assets, credit availability, and capital mobilization at 22%, 18% and 25% respectively. The amount of off balance sheet debt collected was twice as much as the previous year and our pre-provision pre-tax profit increased by approximately 13%. In addition to this growth, Vietcombank carefully managed the quality of credit, focusing on review procedures and ensuring safe activities; profit ratio index is duly showing initial signs of improvements. Vietcombank implemented many projects to enhance its corporate governance competency in accordance with international standards. Marketing and investor relations activities continued to be properly carried out. At the closing the last session of the year, Vietcombank

shares were trading at 31,900 VND, an increase of 37% compared to that of 2013.

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Vietcombank has announced its 2015 motto, which is **"Speed – Efficiency – Sustainability"** and the corporate governance motto which is **"Determination – Unity – Responsibility"**. The major objective is to pursue the Strategy for the period of 2011 – 2020, the Restructuring scheme for the period of 2013 – 2015 with the aim of developing the scale and breadth of Vietcombank's operations, embracing the quality and efficiency as our core values and continuing the implementation of international management standards. The key objectives of 2015 include: (i) To continue reinforcing and developing our customer database, increasing market share; (ii) To tightly control asset quality; (iii) To assure operational security, and achieve growth rates at a higher level than those of 2014; (iv) To promote projects with the purpose of enhancing management competencies, forming a solid foundation for the new development stages; participating in the restructuring of credit institutions in accordance with the Government and State Bank's plan.

Despite numerous difficulties and challenges, there are still advantages such as Vietnam and world economy's tendency towards recovery; the trust and support of customers, partners and valued shareholders; the movement, dynamism, creativity, connection, and responsibility of our staff. Vietcombank will make the best efforts to overcome all difficulties, grasp new opportunities and maintain strong and sustainable development.

Chairman
NGHIEM XUAN THANH CEO
PHAM QUANG DUNG



Trading name

Name in Vietnamese:

NGÂN HÀNG THƯƠNG MẠI
CỔ PHẦN NGOẠI THƯƠNG VIỆT NAM.

Name in English:

JOINT STOCK COMMERCIAL BANK
FOR FOREIGN TRADE OF VIET NAM.

Trading name: VIETCOMBANK

Abbreviation name: VIETCOMBANK

License of establishment and operation No. 138/GP-NHNN
issued by State Bank of Vietnam, dated May 23, 2008;

Certificate of Business registration:

Tax code: 0100112437

Certificate of Business registration No. 0103024468
issued by Hanoi Department of Planning and Investment
dated June 02, 2008 (first registration).

11th Amendment issued on November 07, 2014.

Charter capital (Equity):

26,650,203,340,000 VND

In words: *Twenty six thousand six hundred and fifty
billion two hundred and three million three hundred and
forty thousand VND.*

Ticker symbol: VCB

Par value: 10,000 VND

Number of shares: **2,665,020,334**

Address: No. 198 Tran Quang Khai Str.,
Ly Thai To Ward, Hoan Kiem Dist., Hanoi, Vietnam

Tel: 84 - 4 - 3 934 3137

Fax: 84 - 4 - 3 824 1395

Website: www.vietcombank.com.vn

Business scope

Vietcombank's services:

- » Account services;
- » Funding services (deposits, bond, promissory note);
- » Loan services (short, medium, and long term);
- » Guarantee services;
- » LC negotiation services;
- » International payment services;
- » Remittance services;
- » Card services;
- » Collection services;
- » Foreign exchange trading services;
- » Correspondent banking services;
- » Factoring services;
- » Other services as indicated in Vietcombank's
Certificate of Business Registration.

1,853
CORRESPONDENT
BANKS
IN 176 DIFFERENT COUNTRIES
AND TERRITORIES ACROSS
THE WORLD

Business network

As of the end of 2014, in addition to its Headquarters, Vietcombank has 1 operation center, 89 branches, and 351 transaction offices spread over 46 of the 63 cities and provinces across the country. The network is distributed as follows: 8.9% on the North Central Coast, 8.9% in the Northeast, 26.7% in the Red River Delta (which includes Hanoi), 25.6% in the Southeast and Ho Chi Minh City, 11.1% on the South Central Coast, 14.4% in the Southwest, and 4.4% in the Central Highlands. Vietcombank also has 1,853 correspondent banks in 176 different countries and territories across the world.





ESTABLISHMENT AND DEVELOPMENT HISTORY



VIETCOMBANK'S PREDECESSOR

Vietcombank was originally established as the Foreign Exchange Control/Management Bureau under the National Bank of Vietnam on January 20, 1955, pursuant to Decree 443/TTg issued by the Prime Minister of Vietnam. In 1961, the Foreign Exchange Management Bureau was renamed as the Foreign Exchange Department under the State Bank of Vietnam according to Decree 171/CP dated October 26, 1961 by the Governmental Council. This institution had distinct responsibilities: Performing policy research on foreign exchange control, fulfilling its advisory capacity to the SBV and carrying out international banking operations.

Period of 1963 – 1975

Born in Wartime to Become an Active Participant in the Country's Resistance for Unification

Vietcombank officially came into operation on April 1st, 1963 following Decision 115/CP dated October 30th, 1962 of the Governmental Council on the basis of splitting banking functions from the Foreign Exchange Department under the State Bank of Vietnam. During the American War from 1963 to 1975, as the only authorized foreign trade bank in Vietnam, Vietcombank was charged with a historic mission, which involved making contributions to the construction and economic

development of North Vietnam but also provided major support for our battles raging in the South.

The Special Foreign Currency Fund

In April 1965, the Politburo ordered the State Bank of Vietnam to establish a Special Foreign Currency Fund at Vietcombank (code name: B29) to receive international aid and carry out special payments. The Politburo and the Southern Central Committee directly supervised this compact organization of merely a dozen people. In 10 years of top-secret operations, B29 had transported a large amount of foreign currency aid to support our battles in the South.

Period of 1976 – 1990

Growing Through Hardship

After 1975, Vietcombank inherited the old regime's banking infrastructure to become the only authorized foreign trade bank in Vietnam responsible for holding the country's foreign currency reserves, facilitating international payments and providing import-export credit. In addition, Vietcombank played a key role in the successful negotiations for the reduction and deferment of state debts which took place at the Clubs of Paris and London. Despite the trade embargo, Vietcombank was active within the international community in its search for aid and foreign currency loans, as well as in its efforts to promote payments and accelerate the country's post-war recovery and the construction of a socialist state.

Period of 1991 – 2007

Gaining Foothold in a Period of Integration and Innovation

This period saw Vietcombank's transformation from a specialized foreign trade bank into a state-owned commercial bank serving its clients through a wide network of branches across the country and representative offices all over the world. Vietcombank was also the first bank to complete the Restructuring Project for the Banking System (2000 – 2005), which focused on improving banks' financial capacity, management strength and technological base to develop better products and services. The Project had a two-fold goal: heightening banks' contribution to the economy's sustainable development and building their good reputation in the regional and global communities.

Period of 2007 – 2014

Pioneer in Privatization and the Leading Bank of Vietnam

Vietcombank successfully completed its IPO in 2007 and officially started to operate as a joint-stock commercial bank on June 2nd, 2008. After the listing of its shares on the Ho Chi Minh Stock Exchange (HOSE) on June 30th, 2009, Vietcombank became the first state-owned bank to complete the privatization process. September 2011 marked another milestone in the Bank's history with the finalization of the Strategic Partner Agreement with Mizuho Corporate Bank.

On April 1, 2013, Vietcombank celebrated its 50th Anniversary (1963 – 2013) and received the Independence Medal,

First Class awarded by the President of the Socialist Republic of Vietnam. On this occasion, Vietcombank also announced a new brand recognition system, along with a new motto: **"Together for the future"** – both of which represent the Bank's promise to customers, a promise of lasting friendship and partnership. In doing this, Vietcombank has virtually taken another step forward in its efforts towards sustainable development, which are shown not only through its change of public image but also through the continued improvements in the quality of services it provides. Vietcombank is now ready to reaffirm its position as the leading bank in Vietnam before reaching out to the world beyond.

Historical tradition, culture and the brand of

Vietcombank has been forged continuously through over half a century of operation. These have converged to further develop Vietcombank, and in 2014 resulted in a spectacular, comprehensive breakthrough with outstanding growth performance in key business areas in which the growth rate was higher than those of previous years, and much higher than the average growth rate of the whole industry: Vietcombank's credit balance reached over 300 trillion VND for the first time; capital mobilization reached over 400 trillion VND and total assets reached 500 trillion VND; pre-provision profit increased by 12.73%, increasing the risk reserve fund corresponding to the amount of bad loans balance; recovery of outstanding debts had some major accomplishments, contributing to one third of the total profits of Vietcombank. In addition, the Bank's governance gravitated towards modern banking, with many projects launched in 2014 to improve competitiveness and many continuing to deliver results in 2015, etc. which generates Vietcombank's solid momentum to reach the target confidently assigned to them by the BoD and the Governor of the State Bank, to become the **"No.1 Bank in Vietnam"**.



10 NOTABLE EVENTS OF VIETCOMBANK IN 2014

1

CHANGING, RECRUITING MORE SENIOR MANAGEMENT PERSONNEL

In 2014, the senior management of Vietcombank implemented some important changes and supplements, which brought the decisive direction of improving the quality of governance, thereby bringing efficiency to Vietcombank across many business areas. These changes included: Mr. Nghiem Xuan Thanh was elected as the new Chairman of the BoD; Mr. Pham Quang Dung was appointed as CEO; Mr. Nguyen Manh Hung was elected as a Member of the Board of Directors; Mr. Pham Manh Thang and Mrs. Nguyen Thi Kim Oanh were appointed as Deputy CEOs.



In addition, management at branches and subsidiary units were rotated and rearranged more suitably based on their competence and experience, which facilitated and increased productivity and efficiency for the whole system.

2

THE CHAIRMAN OF VIETCOMBANK'S BOD WAS ELECTED AS VICE CHAIRMAN OF THE ASIAN BANKERS ASSOCIATION (ABA)

At the 31st Annual Meeting of the Asian Bankers Association (ABA) which took place in Muscat - the capital of the Kingdom of Oman (In November, 2014), Mr. Nghiem Xuan Thanh - Chairman of Vietcombank's BoD was elected as the Vice Chairman of ABA. The success and results of the Meeting showed that Vietcombank has an increasingly important influence in regional financial market in particular, and the World in general.



3

IMPROVING CAPACITY OF MANAGEMENT, QUALITY OF WORK, QUALITY OF HUMAN RESOURCES

In 2014, Vietcombank implemented many projects to enhance its competitiveness such as: A project for analyzing the current situation and developing a roadmap for Basel II application; A project on modernizing the bank's information technology, KPI's project, etc. All of these projects were designed to contribute and support the work of international best practices governance.

In 2014, Vietcombank organized many training conferences in order to promote strength, the spirit of overcoming all limitations, as well as to connect the strengths of many business areas. Those conferences included specialized seminars such as: An FDI customer development conference, a retail conference, an international payment conference and trade support conference, an information technology conference, internal communications conference, capital construction conference. Thanks to these, crucial information was collected to which allowed us to refine and perfect rules and processes, enabling a smoother and more formal operation; coordination between the central and local level was improved, promoting higher efficiency in all business areas.

Training at Vietcombank underwent positive changes also, with the amount and quality of training courses being improved. In 2014, there were 89 Directors/Deputy Branch Directors in the system involved in training courses for the title of Branch Director; 104 training courses were organized with 5,104 employees trained, with the goal of improving the quality of human resources within Vietcombank.



4

PROACTIVELY LEADING THE MARKET IN REDUCING INTEREST RATES, FACILITATING LOWER INTEREST RATES FOR LOANS AND BUSINESS SUPPORT

In 2014, Vietcombank was proactive in reducing interest rates, maintaining the lowest interest rates available in the market, and actively promoting the disbursement of major credit programs based on the development orientation set forth by the Government and the State Bank; focusing on disbursement for loans in 5 priority areas with the typical VND lending interest rate of 7%/year; expanding the scale of some lending programs with incentive interest rates in order to maximize the support for customers; actively participating in connection programs between enterprises and banks which were organized by State Bank of Vietnam to support and facilitate enterprise access to capital; actively capturing and dealing with difficulties encountered by enterprises



6

EXPANDING THE BUSINESS NETWORK

In 2014, Vietcombank's network was expanded through the opening of 10 new branches and 17 new transaction offices. Vietcombank was the commercial bank with the largest number of new branches and transaction offices in 2014. Notably, some new branches reached over a trillion VND and became immediately profitable after just 8 months of operation.



5



STRENGTHENING AND DEVELOPING COOPERATION RELATIONSHIPS IN NATIONAL AND INTERNATIONAL AREAS

2014, Vietcombank took the initiative by identifying and approaching effective projects through officially signing contracts with the Central State Treasury and Provincial State Treasury in some provinces; opening payment deposit accounts for Vietnam Social Insurance, receivable accounts for the State Treasury and Social Insurance, opening a channel to capture major capital with low interest rates, bringing high business efficiency; signing a series of cooperation agreements/contracts with groups and corporations, such as Vietnam Airlines, VRG, EVN, EVN NPC, TKV, etc.

To contribute to the development of the infrastructure of the country, the Bank also agreed to participate in financing many key national projects such as: construction of a road from Tho Xuan airport to the Nghi Son economic zone - Thanh Hoa (10,413 billion VND); Investment in and construction of upgrade and improvement works on National Highway 1 from Hanoi to Bac Giang (3,658 billion VND).

Vietcombank continued to develop its foreign trade activities and other international relations. In 2014, Vietcombank's BoM attended many gatherings to meet and work with the senior leaders of international financial & banking institutions; They also joined the delegation of Prime Minister Nguyen Tan Dung in countries such as India, the Netherlands, Cuba and Haiti; developed collaborative relationships between Vietcombank and Vietnam as well as with international enterprises, to further promote economic partnerships, trade and investment cooperation between Vietnam and other countries and contributed to the economic achievements of the country in general.



7

PROMOTING BRAVERY, WISDOM AND CREATIVITY OF VIETCOMBANK'S YOUTH

In 2014, Vietcombank held the inaugural "Young people thinking and acting in the context of the innovation, development and integration of Vietcombank" contest. The competition attracted thousands of young people from all branches. Many initiatives and ideas from the contest were judged to have great potential and taken immediately for practical applications in business operations. The first prize winning idea was also honored at the national level during the Festival of "Young creativity".



8

VIETCOMBANK REACHED AND EXCEEDED MOST BUSINESS TARGETS; DEBT COLLECTION HAD MANY IMPORTANT BREAKTHROUGHS, SIGNIFICANTLY CONTRIBUTING TO PROFIT IN 2014

By the end of 2014, Vietcombank had reached and exceeded most business targets in all areas: raising capital; total assets; credit growth; import-export payment foreign currencies dealings; retailing, etc.

In particular, the work of collecting off-balance sheet bad debts, and the outstanding debts of Vietcombank had some important breakthroughs and achieved impressive results. In 2014, off-balance sheet debt collection realized an income of 1,776.5 billion VND, 14.7% of that planned for 2014; in which debt written off reached 1,420 billion VND; and debts sold to VAMC reached 356.5 billion VND. Thanks to the ability to control credit quality, Vietcombank's NPL ratio plummeted dramatically, as of December 31, 2014, Vietcombank's NPL ratio sat at 2.31%.

The growth towards the business targets brought impressive financial results. Vietcombank Profit before provision increased by 12.73%, causing

provision for risk to be increased by 29.7% compared to that of the previous year while Vietcombank still ensured pretax profit after provision reached 5,876 billion dongs, increased by 2.32% compared with 2013's.

The efficiency and security ratios of the bank in the previous year were significantly improved upon and progressively aligned with international practices. ROE reached 10.76%, ROA reached 0.88% and capital adequacy ratio (CAR) reached ~11.61% to in compliance with the regulations of the State Bank (minimum of 9%). The ratio for risk provision/bad debts remained at a high level (~94%).



9

ESTABLISHING THE LEADING POSITION - "THE BEST RETAIL BANK IN VIETNAM IN 2014"

In 2014, saw impressive growth in core areas of retail operations, such as: maintaining number 1 card service provider in the market; reaching 1.35 billion USD in remittance services, an increase of 5% compared with 2013's; SMS Banking, Mobile Banking and Internet Banking services showing strong growth compared to 2013's (respectively 31%, 70% and 24%), exceeding the plan in 2014 (respectively 123%, 116% and 113%), etc. Thus, Vietcombank was elected and awarded the prize "The Best Retail Bank in Vietnam" by Asian Banker Magazine.

10



MAINTAINING ITS POSITION IN THE TOP 10 LARGEST CORPORATE TAXPAYERS IN VIETNAM

In 2014, Vietcombank continued to be honored as one of the 10 largest corporate payers of corporate income tax in Vietnam. This result once again acknowledged the bank's enormous contribution to the state budget, while affirming its superior efficiency in business operations as well as demonstrating Vietcombank's commitment for maintaining and developing its position of the leading bank and to further develop Vietcombank towards becoming Bank No. 1 in Vietnam.

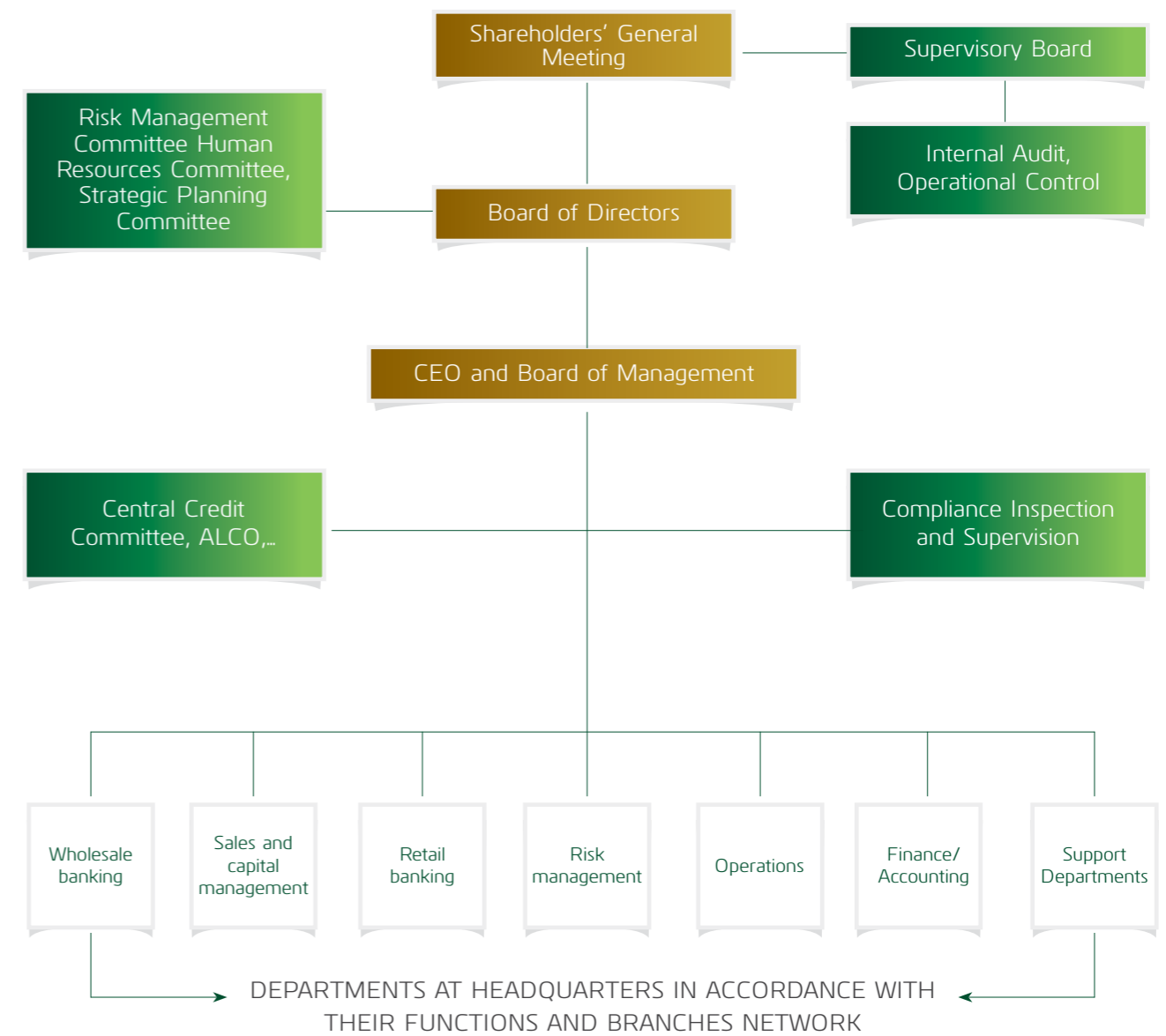
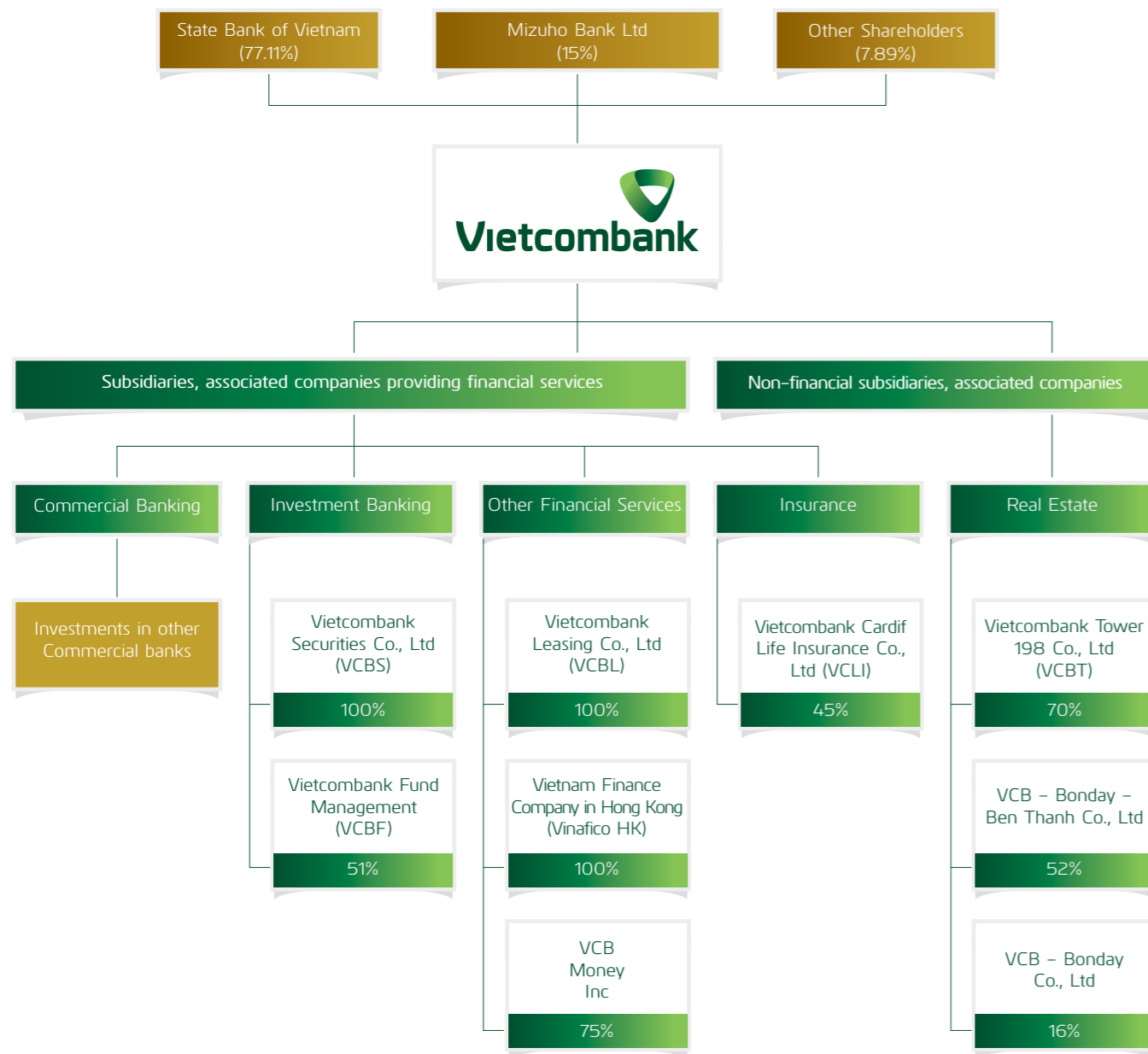


THE ASIAN BANKER® EXCELLENCE IN RETAIL FINANCIAL SERVICES INTERNATIONAL AWARDS 2014

BEST RETAIL BANK, VIETNAM

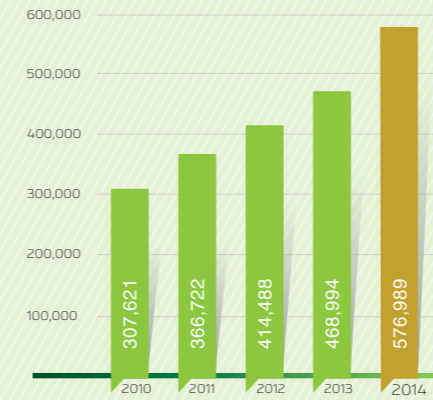
Vietcombank has been recognized as
**Best Retail Bank
in Vietnam 2014**
by The Asian Banker

www.vietcombank.com.vn

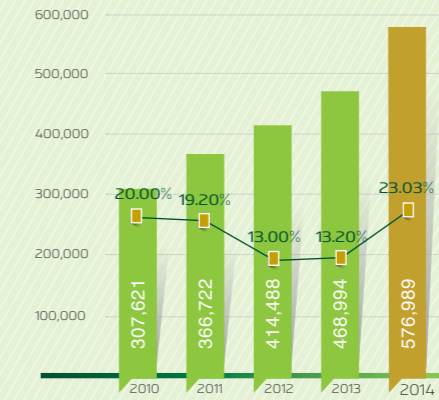




	Unit	2010	2011	2012	2013	2014
BUSINESS RATIOS						
Total assets	Billion VND	307,621	366,722	414,488	468,994	576,989
Shareholders' equity	Billion VND	20,737	28,639	41,547	42,386	43,351
Total outstanding credit over total assets	%	57.50	57.11	58.19	58.49	56.03
Net non-interest income	Billion VND	3,336	2,449	4,140	4,725	5,530
Operating income	Billion VND	11,531	14,871	15,081	15,507	17,304
Total operating expenses	Billion VND	(4,578)	(5,700)	(6,013)	(6,244)	(6,861)
Net profit from business activities before loan loss provision	Billion VND	6,953	9,171	9,068	9,263	10,442
Loan loss provision	Billion VND	(1,384)	(3,474)	(3,303)	(3,520)	(4,566)
Profit before tax	Billion VND	5,569	5,697	5,764	5,743	5,876
Corporate income tax	Billion VND	(1,266)	(1,480)	(1,343)	(1,365)	(1,265)
Profit after tax	Billion VND	4,303	4,217	4,421	4,378	4,612
Net profit after tax	Billion VND	4,282	4,197	4,397	4,358	4,592
KEY EFFICIENCY AND SECURITY RATIOS						
EFFICIENCY RATIOS						
NIM	%	2.83	3.41	2.93	2.55	2.35
ROAE	%	22.55	17.08	12.61	10.33	10.76
ROAA	%	1.50	1.25	1.13	0.99	0.88
SECURITY RATIOS						
Gearing ratio	%	84.88	86.68	79.34	80.50	75.92
Bad debts ratio	%	2.83	2.03	2.40	2.73	2.31
CAR	%	9.0	11.14	14.63	13.13	11.61
STOCK						
Common stock	Million stocks	1,322	1,970	2,317	2,317	2,665
Dividend yield	%/year	12.0	12.0	12.0	12.0	10.0
Stock price (as of Dec 31, 2014)	Dong	26,820	20,130	26,230	26,800	31,900
Market capitalization	Billion VND	35,466	39,652	60,786	62,107	85,014
EPS	Dong	2,315	1,789	1,909	1,878	1,543
DPS	Dong/share		Stock dividend, dividend yield 12%	1,200	1,200	1,000

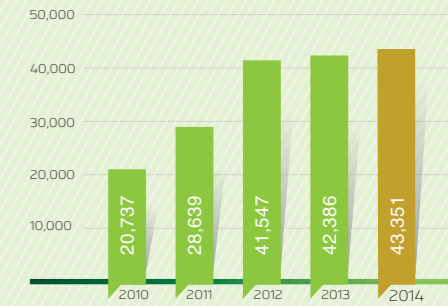


TOTAL ASSETS (BILLION VND)

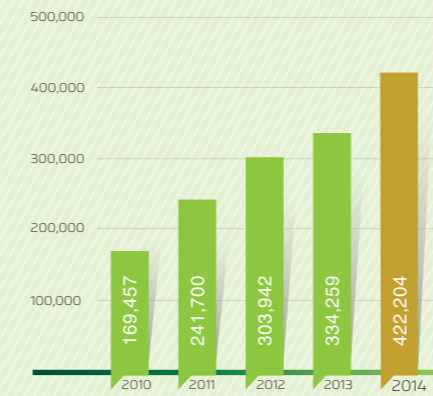


TOTAL ASSETS - GROWTH RATE (BILLION VND)

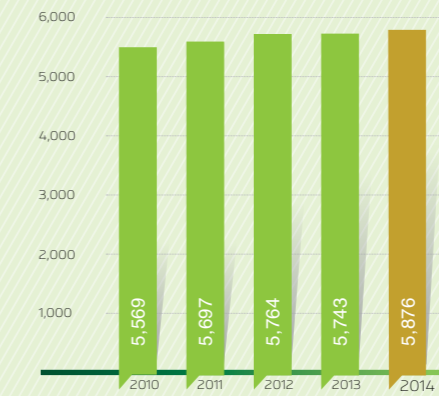
Total assets Growth rate



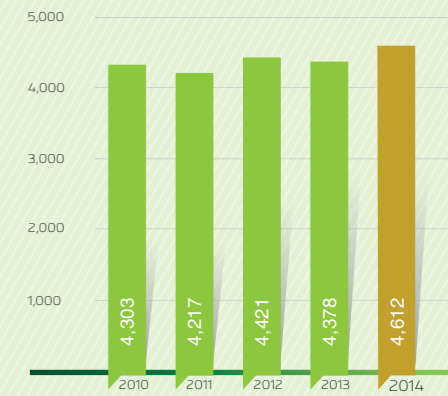
SHAREHOLDER'S EQUITY (BILLION VND)



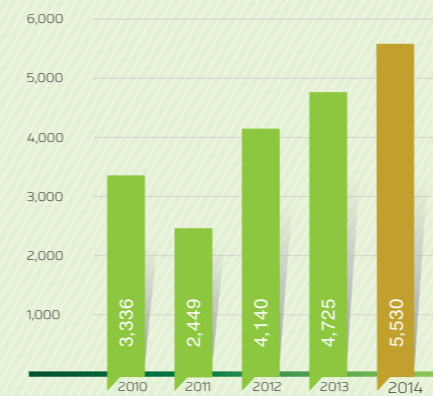
CAPITAL MOBILIZATION (BILLION VND)



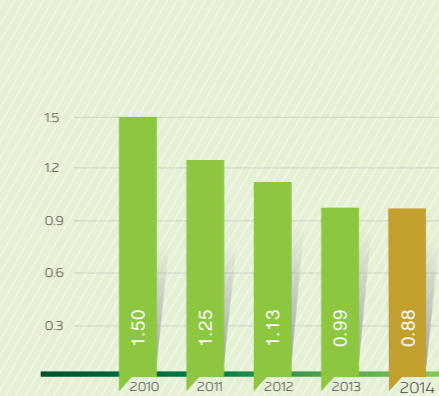
PROFIT BEFORE TAX (BILLION VND)



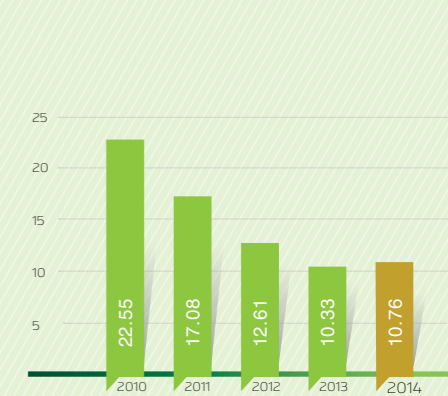
PROFIT AFTER TAX (BILLION VND)



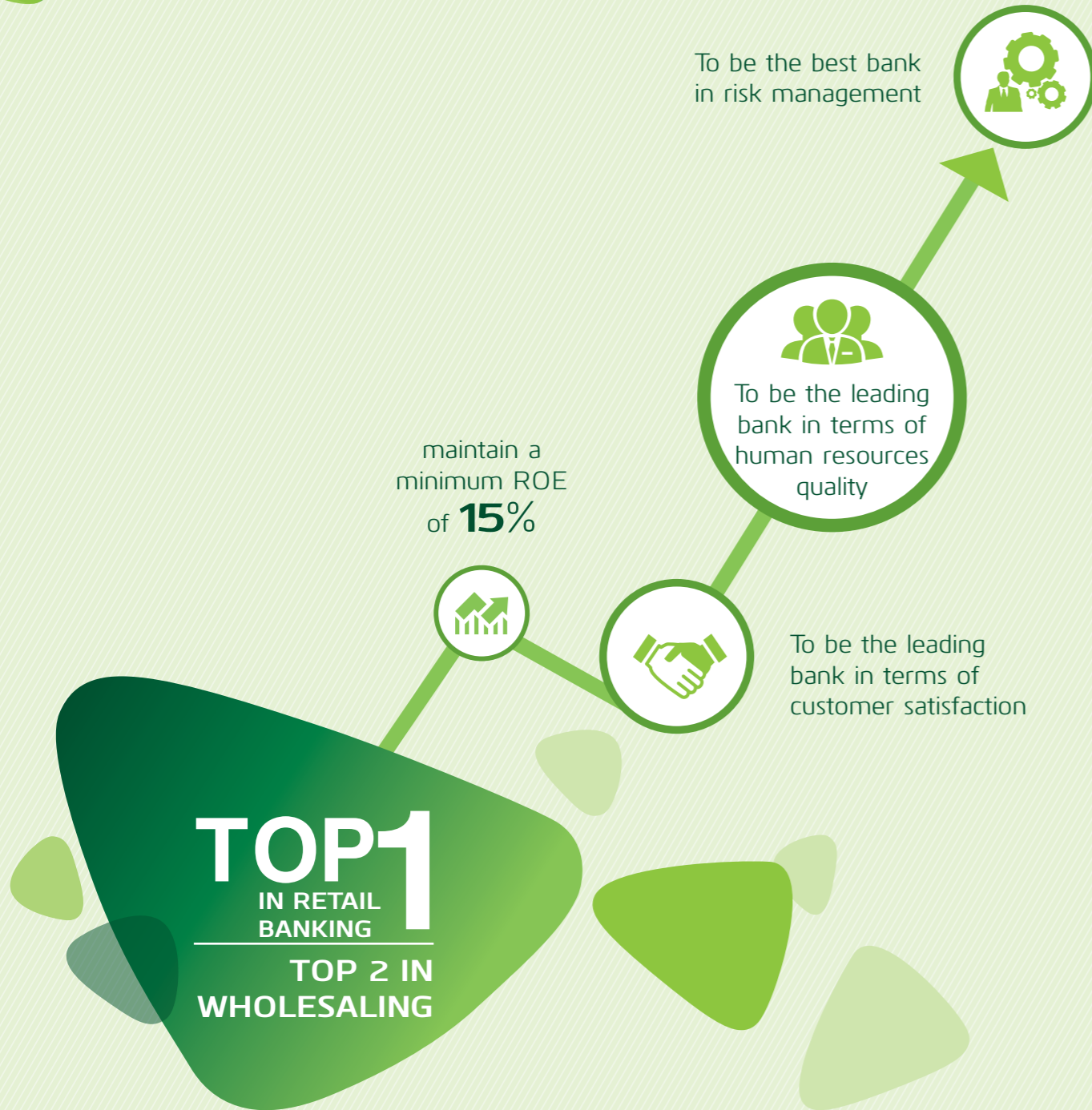
NET NON-INTEREST INCOME (BILLION VND)



ROAA (%)



ROAE (%)



OVERALL OBJECTIVE



Striving to elevate Vietcombank to Vietnam's leading bank with strong regional influence, and being ranked 400th in Top 1000 largest banking financial groups in the world, providing customers with best services, harmonizing interests of customers, shareholders and employees; commencing the application of international standards of Risk Management under Basel II in 2015.

MEDIUM AND LONG TERM STRATEGIC GOALS

- » To reach the position of Number 1 in Retail Banking and Top 2 in Wholesaling

Strengthening and developing wholesale and promoting retail as a fundamental basis for sustainable development. Maintaining and expanding the existing domestic market and further developing the overseas markets.

- » To be the Bank which achieves the highest profitability performance and maintain a minimum ROE of 15%

To make efforts to optimize operating cost ratio/return on sales, to improve the efficiency of managing & operating costs of the divisions: To restructure capital effectively through rational allocation of capital to VND/Foreign currency, to properly grow and balance credit, capital on maturity to minimize interest rate risk. To comply with security ratios regulated by the State Bank of Vietnam and according to Vietcombank's targets. To improve the quality of budget planning and monitoring according to advanced regulations, etc.

- » To be the leading bank in terms of customer satisfaction

To increase turnovers from customers with the emphasis on target customers, Vietcombank continues promoting product diversification and development of advanced banking services based on modern technologies, to meet the needs of customers at the highest level.

- » To be the leading bank in terms of human resources quality

To enhance the quality of human resources through innovation in recruitment, maintenance, training and staff rotation; to strengthen the culture of cooperation in the bank; to strengthen the cohesion and effectiveness of staff.

- » To be the best bank in risk management

To continue confirming its competitive advantage in core business areas which are based on modern technology and managed in accordance with international standards (implementing risk management under Basel II standards; improving the culture of risk management).

THE OBJECTIVES FOR SOCIETY AND COMMUNITY

Aside from strong and aggressive business orientations, Vietcombank still defines itself through admirable goals for its society and community:

- » That Vietcombank always strives for stable business activities, ensuring the financial lifeblood to continue flowing, contributing to the development of socio-economic background of Vietnam in general and the banking sector in particular.
- » That Activities of Vietcombank are always beneficial to the community & society,

contributing to a prosperous and happy country. Vietcombank always values "Humanity" greatly as a core cultural value, and remains ever ready to share not only with customers, clients, partners, but also support the poors, people living in minority areas, remote areas and minority ethnic groups who undergo many hardships. Caring and devoting significant resources for social security is one of the key objectives set by Vietcombank on an annual basis. Therefore, Vietcombank's brand value and reputation has nurtured and developed over the past 50 years.



 2014 WAS THE 4TH CONSECUTIVE YEAR IN WHICH VIETCOMBANK WAS RECOGNIZED AND AWARDED THE LOGO OF NATIONAL BRAND BY THE NATIONAL BRANDING COUNCIL.

 IN 2014, THE BANK CONTINUED TO MAINTAIN ITS POSITION IN TOP 10 "STRONG BRAND OF VIETNAM" IN 11 CONSECUTIVE YEARS (2003 - 2014).

TOP
10 LARGEST
CORPORATE
TAXPAYERS
IN VIETNAM

1

NATIONAL BRAND

The program is approved by the Prime Minister and assigned to the Ministry of Industry and Trade to implement in coordination with other ministries and departments to build the image of Vietnam. Taking place every two years, this is the only program executed by the Government of Vietnam with a view to promoting the national image and brands through product brands (goods and services), in association with 3 values of **Innovation - Creativity - Leadership**.

2

STRONG BRAND OF VIETNAM

The annual award is organized by Vietnam Economic Times to honor notable enterprises in business activities.

3

TOP 10 LARGEST CORPORATE TAXPAYERS IN VIETNAM

In 2014, Vietcombank was voted as one of the 10 largest enterprises to pay the largest corporate income tax in Vietnam. Results are voted and ranked by Vietnam Report, VNR500 Consultancy Council and General Department of Taxation.



4 TOP 50 COMPANIES DOING BUSINESS EFFECTIVELY IN VIETNAM (2013 - 2014)

In-depth survey results and annual corporate ranking by the Nhipcaudautu Magazine organized with the participation of Consultancy Council consisting of financial analysts from Harvard Business School (USA), Morgan Stanley, McKinsey & Company, etc.



5 NOTABLE EQUALIZATION COMPANY

This was awarded at the 2014 M&A Forum program, which was organized by the Ministry of Planning and Investment, the Vietnam Investment Review and the VMA. Vietcombank was the only bank to be honored amongst its peer equalization companies.



6 AWARDS FOR SERVICE QUALITY

- » Leading Electronic Banking services provider, Vietnam;
- » Leading Card services provider, Vietnam.

(This was awarded in 2014 as part of a program to survey and rate 100 tried & tested products and services through Vietnam. The survey is conducted by the Vietnam Economic Times every year, which honors the entities, companies and enterprises whose products and services are highly valued by consumers in terms of quality and reputation);

- » Ranked top 3 in popularity for electronic banking in Vietnam;
- » Ranked amongst the Top 5 for Internet Banking and Mobile Banking services.

(These were awarded as part of a program of recognition for popular electronic banks in Vietnam; the 'My EBank 2014' was performed by the VnExpress electronic newspaper).



Awarding organization	Name of award
The Banker	THE BANKER TOP 1000 WORLD BANKS (2013 - 2014) Vietcombank was ranked at 467/1,000 in the list of Top 1,000 World Banks.
Brand Finance®	BRAND FINANCE Banking 500 Top 500 Most Valuable Banking Brands
NIKKEI ASIAN REVIEW	NIKKEI ASIAN REVIEW TOP 100 BIGGEST PUBLICLY TRADED COMPANIES OF THE ASEAN BLOC Top 100 biggest publicly traded companies of the ASEAN bloc.
Forbes	FORBES TOP 50 BEST VIETNAMESE LISTED COMPANIES (2013 - 2014) Top 50 Best Vietnamese Listed Companies (2013 - 2014).
anphabe x nielsen	ANPHABE & NIELSEN TOP 10 BEST PLACES TO WORK IN VIETNAM Top 10 Best places to work in Vietnam.
THE ASIAN BANKER	THE ASIAN BANKER Best Retail Bank in Vietnam 2014.
FinanceAsia	FINANCEASIA Vietnam's Best Foreign Exchange Providers in 2014.
TRADE FINANCE EXCELLENCE	TRADE FINANCE Best Trade Bank in Vietnam for the seventh consecutive year (2008 - 2014).
Alpha Southeast Asia	ALPHA SEA Best bank in Vietnam in 2014; Best Trade Bank in Vietnam in 2014; Best Foreign Exchange Providers for enterprises and financial institution in 2014.
JPMorganChase	JP MORGAN CHASE Quality Recognition Award for Outstanding Achievement of Best-in-Class MT 103 straight through processing (STP) Rate 98.54% in 2014; Quality Recognition Award for Outstanding Achievement of Best-in-Class MT 202 straight through processing (STP) Rate 99.76% in 2014.
citibank®	CITIBANK STP Excellence Award 2014.
Deutsche Bank	DEUTSCHE BANK STP Excellence Award.



DEVELOPMENT

FOR BETTERMENT



Reports of BoM and BoD

- Financial situation in 2014
- Structure of shareholders
- Projects investment and implementation
- Assessment of the Board of Management
- Assessment of Board of Directors of Vietcombank's performance



SHAREHOLDING STRUCTURE AND CHANGES IN SHAREHOLDERS' EQUITY (AS AT 31 DECEMBER 2014)

Shares

Total shares	Type of share	Number of transferable shares	Number of restricted shares
2,665,020,334	Common shares	826,663,579	1,838,356,755

List of shareholders holding transfer-restricted shares

No.	Shareholder	Total shares	Number of restricted shares	Restriction period
1	State Bank of Vietnam (Representative of Government)	2,055,076,583	1,438,553,608*	According to the provisions of paragraph 1, Article 56, Law on Credit institutions No. 47/2010/QH12 states: "Individual and institutional shareholders who have representative(s) being member of Board of Directors, Supervisory Board, CEO (General Director) of the credit institution are restricted from transferring his/her shares during his/her terms."
	Internal shareholders	48,701	48,701	
	Board of Directors	38,599	38,599	
2	Supervisory Board	10,102	10,102	
3	Foreign strategic shareholder: Mizuho Corporate Bank Ltd	399,754,446	399,754,446	5 years starting from December 28, 2011
Total		2,454,879,730	1,838,356,755	

* According to Decision No. 2526/QĐ-NHNN on the appointment of representatives for the Government's shares at Vietcombank dated December 05, 2014 issued by State Bank of Vietnam, Mr. Nghiem Xuan Thanh – Chairman of Board of Directors of Vietcombank represents 40% of Government's shares, Mr. Pham Quang Dung – Member of Board of Directors, CEO of Vietcombank represents 30% of Government's shares.

Shareholders' structure

No.	Shareholders	Total shares	Holding ratio	Number of shareholders
I	State Bank of Vietnam (Representative of Government's shares)	2,055,076,583	77.11%	1
II	Foreign strategic shareholder Mizuho Bank Ltd	399,754,446	15.00%	1
III	Other shareholders	210,189,305	7.89%	20,114
1	Domestic individuals	41,143,594	1.54%	19,298
2	Domestic organizations	13,453,683	0.50%	157
3	Foreign individuals	8,299,029	0.31%	532
4	Foreign organizations	147,292,999	5.53%	127
Total		2,665,020,334	100.00%	20,116

Source: List of Vietcombank's shareholders as of December 31, 2014 provided by Vietnam Securities Depository.

Financial situation	Unit	2013	2014	
A FINANCIAL INDICATORS				
1	Total assets	Billion VND	468,994	576,989
2	Revenue	Billion VND	36,682	36,611
3	Taxes and other payable items	Billion VND	2,027	1,761
4	Profit before tax	Billion VND	5,743	5,875
5	Profit after tax	Billion VND	4,378	4,610
B KEY FINANCIAL INDICATORS				
1 Capital				
1.1	Charter capital	Billion VND	23,174	26,650
1.2	Total assets	Billion VND	468,994	576,989
1.3	Capital Adequacy Ratio	%	13.13	11.61
2 Business results				
2.1	Deposits volume	Billion VND	5,577,796	6,463,734
2.2	Loans volume	Billion VND	578,823	813,257
2.3	Debt collection volume	Billion VND	547,605	764,240
2.4	Bad debts	Billion VND	7,475	7,459
2.5	Loans/ total deposits (in VND)	%	80.50	75.92
2.6	Overdue guarantee balances/ total outstanding guarantees	%	6.10	7.00
2.7	Overdue loans/ total outstanding loans	%	3.39	2.97
2.8	Bad debts/ total outstanding loans	%	2.73	2.31
3 Liquidity indicator				
3.1	Quick payment ratio	%	32.97	32.20
3.2	Liquidity ratio within 7 days by currency (Minimum of 1)			
	- VND		2.11	3.30
	- EUR		1.64	1.50
	- GBP		2.16	5.20
	- USD and other foreign currencies converted into USD		1.47	1.60

INVESTMENT PROJECTS IN 2014

INVESTMENT PROJECTS IN 2014

In 2014, Vietcombank made the following investments and divestments:

Unit: billion VND

Name	Abbr. name	Field	Capital investment for advancing/ (divesting) in 2014
Vietcombank-Bonday-Ben Thanh Co., Ltd ⁽¹⁾	VBB	Office leasing	58.75
Vietnam Airlines Corporation	VNA	Aviation	499.60
Vietcombank Partners 1 Fund	VPF1	Investment funds	(6.60)
Gentraco Corporation	Gentraco	Foods and beverages	(4.02)
Other long-term investments by Vietcombank Securities Co., Ltd		Other	17.50

(1): The increase in Vietcombank's investment in VBB is due to the conversion of currency from USD into VND.



SUBSIDIARIES, JOINT-VENTURES AND ASSOCIATES

GENERAL INFORMATION OF SUBSIDIARIES

Unit: billion VND

Name	Short name	Business license	Sector	Capital investment as of 31/12/2014	Holding ratio
Vietcombank Securities Co., Ltd	VCBS	Business license No. 09/GPHDKD dated April 24, 2002. Last amendment in accordance with license No. 25/GPDC-UBCK dated June 11, 2013 issued by State Security Commission.	Security	700.00	100%
Vietcombank Leasing Co., Ltd	VCBL	Business license No. 05/GP-CTCTTC dated May 25, 1998 issued by State Bank of Vietnam	Financial leasing	500.00	100%
Vietnam Finance Company in Hong Kong	VFC	Business license No. 0226 issued by Hong Kong Monetary Authority dated March 07, 1978. First amendment dated November 03, 1992, second amendment date September 19, 1995.	Financial services	116.90	100%
VCB Money Inc.	VCBM	Business license No. E0321392009_6 issued by Nevada State Government dated June 15, 2009	Remittance services	84.86	75%
Vietcombank Tower 198 Co., Ltd	VCBT	Business license No. 1578/GP dated May 30, 1996 and No. 1578/GPDC1 dated April 18, 2006 issued by Ministry of Planning and Investment.	Office leasing	197.65	70%

BRIEF INTRODUCTION ON THE SUBSIDIARIES' OPERATION AND FINANCIAL SITUATION

VCBL: is a subsidiary 100% owned by Vietcombank, operating in the field of financial leasing. In 2014, VCBL implemented an active and flexible strategy, ensuring its operating stability. Outstanding loans of VCBL as of December 31, 2014 reached 2,004 billion VND, increased by 24.3% compared to 2013. In 2014, its profit after tax reached 41.62 billion VND, successfully achieved the 2014 revenue target (41.3 billion VND).

VCBS: is a subsidiary 100% owned by Vietcombank. In 2014, by exploiting positive changes of the stock market, the company achieved impressive results. Its 2014 profit after tax reached 95.78 billion VND, exceeding the target by 17% (81.5 billion VND).

VFC: is a subsidiary 100% owned by Vietcombank, operating on the field of financial services in Hong Kong. Its major services include: deposit, credit, payment, money transferring. In 2014, its profit after tax reached 6.08 billion VND, exceeding the target by 170% (3.58 billion VND).

VCBM: is a subsidiary with 75% of its charter capital owned by Vietcombank, operating in the field of money transferring from USA to Vietnam. The company is not profitable at the moment as it is in the development stage. In 2014, VCBM continued to expand its network by applying for business licenses in other states and increasing the number of agents. As of the end of 2014, the company had set up 2 stores and 87 agents throughout 09 states in USA. Its revenue reached 27.2 million USD, an increase of 2.7 times compared to 2013. It expects strong growth in 2015 after it completes the plan to increase charter capital.

VCBT: is a 70%:30% joint-venture between Vietcombank and FELS Property Holding Pte. Ltd. of Singapore. It operates on the field of office leasing at Vietcombank Tower locating at the address of No.198 Tran Quang Khai, Hoan Kiem, Hanoi. In 2014, by exploiting the advantage of location and customers, the company maintained stable revenue. Its profit after tax reached 77.94 billion VND, exceeding the target by 18.8% (65.67 billion VND).



Unit: billion VND

Name	Short name	Business license	Field	Capital investment as of December 31, 2014	Holding ratio
Vietcombank – Bonday – Ben Thanh Co., Ltd	VBB	Business license No. 2458/GP issued by Ministry of Planning and Investment with Amendment No. 2458/GCND1/41/1 dated October 26, 2011 and Amendment No. 2458/GCND2/41/1 dated December 28, 2012.	Office leasing	410.36	52%
Vietcombank Fund Management Company	VCBF	Business license No. 06/UBCK-GPHĐQLQ issued by State Security Commission dated December 02, 2005; last amendment No. 19/GPĐC-UBCK dated June 21, 2013.	Investment fund management	28.05	51%
Vietcombank Cardif Life Insurance Co., Ltd	VCLI	Business license No. 55/GP issued by Ministry of Finance dated October 23, 2008.	Life insurance	270.00	45%
Vietcombank Bonday Co., Ltd	VCBB	Business license No. 283/GP issued by Department of Planning and Investment dated December 05, 1991.	Office leasing	11.11	16%



BRIEF INTRODUCTION ON THE OPERATION AND FINANCIAL SITUATION OF JOINT-VENTURES AND ASSOCIATES



VBB: is the joint-venture between Vietcombank, HCM Commercial Services JSC. (Setra Corp.) and Bonday Investment Ltd. (Hong Kong) with contribution ratio of 52%, 18% and 30% respectively. It operates on the field of luxury (class A) office leasing. It is also responsible for providing office for Vietcombank's branches and subsidiaries. Currently, the tower is under construction and it is expected to put on operation in mid-2015.

VCBF: is a joint venture between Vietcombank and Franklin Templeton with contribution ratio of 51% and 49% respectively. VCBF operates in the field of securities investment funds management and portfolio management.

In 2014, due to the liquidation of VPF1 and VPF2 fund, the company no longer had any revenue from these funds. On August 2014, VCBB received the License to establish an open investment fund, VCBF- Blue Chip Fund or VCBF-BCF. Its revenue mainly comes from the assets management activities (portfolio management fee and bonus). For the financial year 2014, its profit after tax was negative 6.39 billion VND. This loss was expected by the company.



VCLI: is a joint venture between Vietcombank, BNP Paribas Cardif and SeAbank with contribution ratio of 45%, 43% and 12% respectively. VCLI provides life insurance products via partner banks (bancassurance). Currently, VCLI's life insurance products portfolio includes: personal credit insurance, group credit insurance, credit insurance for co-borrowers, death insurance, mixed purpose insurance...etc.

In 2014, VCLI's profit after tax reached 13.13 billion VND.



VCBB: is a joint venture between Vietcombank, Sai Gon Real Estate Corporation and Bonday Investments Ltd., Hong Kong. It operates on the field of in office leasing. VCBB manages the Harbour View Tower locating at the address of No. 35 Nguyen Hue St, District 1, Ho Chi Minh City.

In 2014, VCBB still maintained stable performance with profit after tax reached 25.41 billion VND.

BUSINESS PERFORMANCE IN 2014



Under the mission of **Renovation – Growth – Quality** and the business mindset being **Vision – Determination – Unity** introduced at the beginning of 2014, Vietcombank continued to fulfill its leading roles in complying with the monetary policies of the State Bank, improving the efficiency of business activities as well as actively engaging in social welfare activities. Stemming from the right mindset in operational guidelines and executive viewpoints, in 2014 Vietcombank has successfully completed and even exceeded the business indicator targets set forth by the Shareholders' General Meeting and the Board of Directors.

TOTAL SHAREHOLDERS' EQUITY



Total assets and Total shareholders' equity

As of December 31st, 2014, total assets reached 576,989 billion VND, an increase of 23.03% compared with the end of 2013.

In 2014, total shareholders' equity reached 43,351 billion VND up 2.28% from the previous year, among which retained earnings reached 6,627 billion VND.

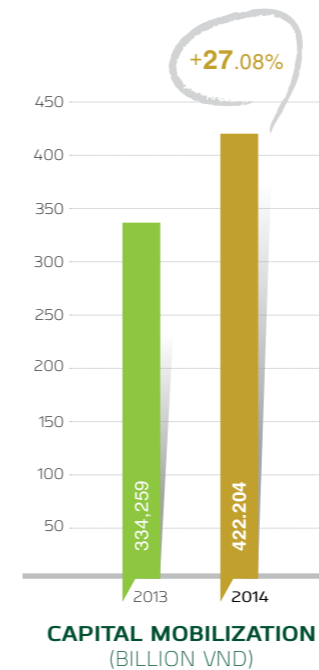


With strong growth in capital mobilization; interest rates were adjusted flexibly and maintained at the lowest percentage; and capital structure moved in the right direction.

In 2014, Vietcombank was a pioneer in reducing interest rates and maintained them at the lowest percentage of the market. It also actively relocated capital structure towards attracting low cost sources and increasingly provided services specialized in issuing/collecting payments for State Treasury and Social Insurance with the aims of attracting resources from those institutions.

Capital mobilization in 2014 reached 422,204 billion VND, up 27.08% from 2013, which was higher than the average growth rate of the entire industry (~15.8%). Capital mobilization has steadily increased in both corporates (23.18%) and individuals (30.66%). Current capital structure of corporates and individuals are 46% – 54% respectively, consistent with Vietcombank's strategy of promoting retail business.

Credit growth increased from the beginning of the year, the credit growth rate was higher than the industry average; Credit structure shifted in the right direction; "Outstanding loans were targeted towards prioritized industries and upcoming projects of large enterprises."



Outstanding loans reached 323,332 billion VND, up 17.87% from 2013. Vietcombank's credit growth rate continued to surpass the growth rate of the entire industry (14.5%).

Credit increased modestly in wholesale (13.32%) and SME (19.5%) but significantly improved in the personal banking sector (38.88%). Credit structure continued shifting toward the aim of Vietcombank. Accordingly, the individual outstanding loan ratio was maintained at 16%, the ratio of outstanding loan to SMEs was at 15.02% and outstanding loans to corporates were at 68.98% of total outstanding loans. The structure of outstanding periodic loans remained as stable as that in 2013.

Bad debt is controlled, security indicators remain stable

Credit risk management became a core focus. Outstanding loans category 2 as of December 31, 2014 were 17,347 billion VND, a decrease of 5,412 billion VND compared with 2013 (down approx. 23.78%). The debt ratio for category 2 was 5.36%, down 2.94% from 2013. Bad debt as of December 31, 2014 was 7,459 billion VND, with a bad debt ratio of 2.31%, down 0.42% from 2013 and below the planned allowance (3%). In 2014, Vietcombank recovered 2,460 billion VND in bad debt, up 39% from 2013; of which, bad debts in category 5 amounted to 40% of the total bad debt recovered.



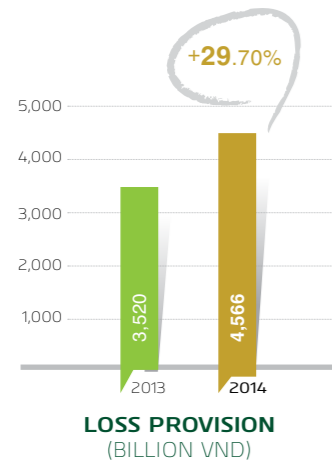
THE VOLUME OF IMPORT-EXPORT PAYMENTS



FOREIGN EXCHANGE REVENUE



THE PRE-TAX PRE-PROVISION PROFIT



Capital adequacy ratio (CAR) was approx. 11.61%, in compliance with the regulations of the State Bank (minimum of 9%). The ratio of loss provision over bad debt was maintained at a high level (approx. 94%).

Positive changes in recovering bad debt were implemented with provisions and bad debt sold to VAMC, with breakthrough progress in the last period of the year due to drastic action in operation

In 2014, recovery of off-balance sheet debts for recording in operational revenue was 1,776.5 billion VND, accounting for 14.7% of the 2014's plan. In particular, recovery of written-off bad debts reached 1,420 billion VND, recovery of debts sold to VAMC reached 356.5 billion VND.

Significant improvement in services and targets fulfilled

The volume of import-export payments reached 48.14 billion USD, increased by 15.79% from 2013. The market share of import-export rose to 16.32%, increased by 0.7% from 2013.

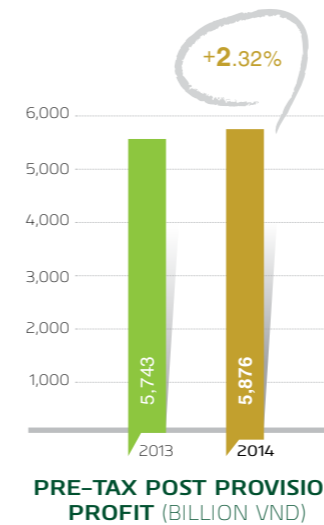
Foreign exchange revenue (not including interbank transactions) reached 28.9 billion USD, increased by 9.8% from 2013, contributing significantly to the bank's performance.

Remittance services from overseas in 2014 reached 1.35 billion USD, increased by 5% from 2013; Vietcombank's card business continued its outstanding performance with positive growth rates in its payment, issuance and usage services, compared to 2013. Many target areas achieved a strong growth rate and exceeded the 2014 Plan; SMS Banking, Mobile Banking and Internet Banking services saw robust growth compared with 2013 (31%, 70% and 24% respectively), exceeding the 2014 plan (123%, 116% and 113% respectively).

International credit activities continued to be one of the main focuses for development and marketing activities were strengthened accordingly, effectively creating the push to promote the scale, revenue and improve the operational efficiency. In 2014, the total value of international credit projects of which Vietcombank was in charge reached 1.55 billion USD.

Pre-tax pre-provision profit increased strongly compared to the previous year, exceeding the plan; loss provision increased by 29% compared to last year.

The Pre-tax pre-provision profit of Vietcombank reached 10,442 billion VND in 2014, an increase of 12.73% compared with 2013. Vietcombank committed 4,566 billion VND to loss provision, up 29.7% from 2013.



Pre-tax post provision profit reached 5,876 billion VND in 2014, up 2.32% from 2013. Net interest income increased by 9.20%, net fee and commission income increased by 9.32%.

Employees' lives were assured with approved salary at 350 VND per 1,000 VND difference in total revenue minus total expenses (compared with the rate of 330 VND per 1,000 VND in 2013).

Profitability ratios also saw improvement

The profitability ratio of ROAA and ROAE reached 0.88% and 10.76% respectively.

NIM was maintained at 2.35% in 2014, a slight decrease from 2013.



MANAGEMENT PERFORMANCE IN 2014



To strictly adhere to and follow the plans, guidelines and policies of the Government and the State Bank of Vietnam; To undertake and successfully complete all the assigned missions, so that contributing to the macroeconomic stability and the promotion of economic growth.



In 2014, Vietcombank took innovative steps and pioneered in reducing interest rates and maintaining the lowest rates in the market, in order to reduce lending rates. This measure was taken to reduce difficulties for corporates in their business. Vietcombank also focused on implementing preferential loan packages for 5 priority areas including social housing loans in accordance with the outlook of the Government and the State Bank of Vietnam. Total outstanding loans to these priority areas reached over 40% of the total outstanding loans.

To actively implement many solutions to support and assist corporates in their difficult times as well as to promote economic development



In the past year, Vietcombank actively disbursed major credit programs in accordance with the development outlook of the Government and the State Bank of Vietnam, increased the scale of some preferential loan programs to better support corporates as well as participate in the Business-Bank Interconnecting Program operated by the State Bank of Vietnam. Vietcombank also took the initiative in solving corporate customers' difficulties and assisting them in restructuring debts and payment in order to help the clients restore production, as stated in the Decision 780/QĐ-NHNN and Decree 09/2014/TT-NHNN.

To strictly implement the outlook of the Party and Government regarding the restructuring, acquisitions and innovations of Vietcombank



Vietcombank completed the Vietcombank Restructuring scheme up to 2015 which was approved by the State Bank of Vietnam according to the Decision No. 39/QĐ-NHNN. Building upon that, Vietcombank developed and vigorously implemented its restructuring solutions & scheme. It also actively reviewed and restructured the branch network in order to improve operational efficiency. In 2014, 10/13 branches that were restructured had reduced their bad debts in both amounts and ratio. 8 out of 11 branches improved their market share in their assigned areas.

To improve the procedures for establishing and managing plans to closely reach the targets; Regular and strict review of those plans; promptly recognize and handle issues arising from the branches

In 2014, the Board of Management regularly organized task groups to review and supervise the implementation of plans in 7 key economic zones. Vietcombank also took preliminary steps towards establishing the procedures for developing and implementing plans at its branches as well as subsidiaries, departments and divisions at the Headquarter.

To promote the quality of customer service and coordinate with the Ministries, Departments and local authorities in implementing the Resolutions of the Government as well as initiating conditions for supporting the business activities of Vietcombank

Vietcombank has signed multiple partner contracts with other large corporations to enhance its reputation as well as to develop business activities. It also coordinated with the Ministries, Departments and local authorities in implementing the Resolutions of the Government and Department's programs as well as utilising the assistance of local authorities in Vietcombank's activities.

To promote credit growth along with credit quality

In order to achieve the target of credit growth, Vietcombank regularly reviewed and evaluated large customers, especially customers with short-term outstanding loans and customers with reduced outstanding loans during the year to implement timely and prompt solutions. It also actively reviewed its branches in order to evaluate the credit risk of customers, industries and proposed plans to promote credit growth in a variety of economic zones. Vietcombank carried out risk assessment reports for each customer and industry in order to determine the key industries in which it needs to maintain and increase market share.

To closely coordinate departments and divisions involving debt recovery, create a positive shift in the debt recovery activities

Vietcombank regularly reviewed and comprehensively evaluated its bad debt portfolio. It aimed to determine the expected recovery amount, the progress of the recovery and responsibility for the recovery. Vietcombank also requested the branches to focus their efforts on recovering bad debts as well as supporting them in difficult cases.

To actively strengthen relations with State Treasury and Social Insurance agency

In 2014, Vietcombank opened assigned accounts and checking accounts for State Treasury and Social Insurance

agency at various branches. Accordingly, Vietcombank had opened 20 accounts for State Treasury network (17 in operation and 3 in implementation) and 52 assigned accounts for Social Insurance agency.

The inspection and auditing activities covered the entire area of operation and they were carried out with focus on key criteria. The quality of suggestions and recommendations were improved

Vietcombank approved the auditing procedure for departments and divisions at its Headquarters and branches. It also performed other inspections as required and through these activities, it made suggestions and recommendations to ensure the sustainable operation of Vietcombank.

Human resources management activities witnessed positive changes, the quality and number of training courses were improved

During the last year, Vietcombank organized 104 training courses (an increase of 92.5% compared with the same period in the previous year) with 5,104 employees attending (an increase of 30.07% compared with the same period in the previous year). Its aims were improving the quality of human resources for Vietcombank systems in accordance with the training framework. Staff rotations were carried out regularly at Headquarters and branches to motivate staffs and improve work efficiency. In 2014, the plan to build a new building for the Training center was approved by the Board of Management, as it was determined to focus on the training activities and development of human resources for Vietcombank.





MANAGEMENT PERFORMANCE IN 2014 (Cont.)

To promote construction activities and other activities

In 2014, activities of searching for and investing in locations for branches saw many positive changes. 13 construction projects were completed. 14 renovation and repair projects were completed and put into operation. Vietcombank also deployed a Video conferencing system and took advantage of this system to help the Board of Management and its Headquarters in managing the operation of Vietcombank's branches. In 2014, Vietcombank also successfully organized the General Shareholders' Annual Meeting and Extraordinary General Shareholders' Meeting.

To refine the organization structure, developing branches network and promoting human resources management

In 2014, Vietcombank hired several senior managers to strengthen the governance capability of the bank. It also completed the organization structure at Headquarters and put 10 new branches into operation in Hanoi, Lang Son, Lao Cai, Binh Duong and Dong Nai, effectively increasing the total number of branches to 90 across the country. Vietcombank also implemented many measures in its human resources management: strongly renovating the personnel management, employing and assigning personnel reasonably, limiting any increase in employees as well as promoting training courses and staff rotation.

To accelerate the deployment of projects in order to enhance governance capability

In 2014, Vietcombank actively implemented the Basel II project to change the governance structure in accordance with international standards and to meet the requirements of the Vietcombank Restructuring scheme approved by the State Bank of Vietnam. It also deployed MIS project and garnered positive initial results in administering and managing the Retail division, paving the way for deployment across the system. Vietcombank also successfully set up a KPIs project to develop a system for measuring the efficiency of work for each employee and unit, which formed the basis for developing remuneration policies to better motivate staff.

Many plans were carried out, such as the development of new salary policies, the deployment of KPIs for each employee at Headquarters and the development of a plan to deploy KPIs for the branches. Based on the results of the deployment of KPIs at Headquarters, Vietcombank

will proceed in setting up target plans for departments and divisions in 2015.

Vietcombank concentrated its efforts in the project of changing wholesale credit model. It has moved to the phase of hiring consultants for implementation. Additionally, Vietcombank also prepared the necessary steps for the implementation of ALM-FTP-MPA Project with the aim of enhancing capital management. It also pioneered in signing FATCA and started the implementation in Vietcombank's own system.

To promote cooperation and technical assistance with Mizuho

Vietcombank maintained technical assistance activities with Mizuho through its periodic and required working sessions. Notable activities included: Surveying and exchanging experience on Anti-Money laundering, human resources training and management, management of FI customers, analysis of business credit. Vietcombank also held discussion sessions for information on PD/LGD, VAR model. In the past year, Vietcombank has actively cooperated with Mizuho in the development of the FDI customers, including the enhancement of trading services and expansion of retail services for Japanese FDI corporates.

To actively engage in social welfare activities to demonstrate its responsibility to the community; brand reputation is widely recognized and highly appreciated

In 2014, Vietcombank actively engaged in social welfare activities with total spending up to 148 billion VND. Some of the notable activities included: donating to "Day for the Poor" fund; funding the "Joining hands" program; supporting areas suffering from poverty, funding the Disaster prevention fund, donating loudspeakers to the Vietnam Coast Guard, supporting "To Truong Son with hearts", donating to Northwestern, Western Highlands and Southwestern hardship areas; funding electricity projects at Co To island; funding a cancer research hospital at Da Nang city; funding a nursing center for orphans and elders in An Giang province; funding schools and health clinics in Ninh Binh province as well as 6 schools in Hue city; awarding 1,000 scholarships in the "Dream comes true, let's go to school 2013 - 2014" program.

BUSINESS ORIENTATION IN 2015

The motto of 2015 is **SPEED – EFFICIENCY – SUSTAINABILITY**, and its corporate governance motto is **DETERMINATION – UNITY – RESPONSIBILITY**. Accordingly, Vietcombank's main objective in 2015 is to closely follow the Strategy for period 2011 – 2020 and the Restructuring scheme for period 2013 – 2015. It aims at developing Vietcombank in depth, focusing on quality and efficiency and applying international standards of corporate governance.

The objectives of 2015 are defined as follows: (i) Maintaining and developing a strong customer base, improving market share; (ii) Exercising controls over asset quality; (iii) Ensuring operational safety, maintaining and improving growth rate of Vietcombank's activities in all aspects relative to 2014; (iv) Implementing projects to improve corporate governance capability for a new development period.

Business performance indicators:

+11.5%
TOTAL
ASSETS

+13.0%
CREDIT

+12.0%
FUNDS
MOBILIZATION

<2.5%
NPL
RATIO

5,900
(BILLION VND)
PROFIT BEFORE TAX



Identifying customer service as a key focus and promoting it to form the basis for business development in 2015 and subsequent years

Improving Customer service is considered to be a fundamental task in 2015. Vietcombank aims at maintaining and steadily increasing its market share of traditional customers. One of the new targets is to focus on new clients with stable financial capability and

TARGETS OF CREDIT GROWTH

>30%

NPL RATIO

<2.5%

good sustainability against risks by providing suitable products or programs. Vietcombank also plans to approach listed companies with high operational efficiency as well as FDI clients.

Boosting credit growth along with control of credit quality on the basis of maintaining loans requirements

Vietcombank plans to increase credit growth above the industry average by focusing on customer service and products. An important aspect of the plan is to maintain loans requirements and concentrate on consistent credit growth throughout the period rather than at the end. Targets of credit growth are set at a minimum of 30% for both wholesale customers and retailers, closely following the plan to become the Retail Bank No.1 in Vietnam.

Actively taking measures to recover bad debts, written-off debts and debts sold to VAMC

Vietcombank continues to review and evaluate credit quality at each branch and across the entire system. It also supervises branches with low credit quality to focus on recovering bad debts, written-off debts and debts sold to VAMC.

Vietcombank plans to regularly analyze the results of loans classification as well as fund loss provisions in accordance with the regulations. On that basis, Vietcombank will propose plans to control the credit quality and ensure that the bad debt ratio is kept below 2.5%.

Implementing integrated and effective solutions to mobilize funds; actively balancing sources and usage of capital to maintain liquidity and achieve efficient operation; shifting capital structure toward a higher proportion of low-cost capital

Vietcombank aims to maintain a reasonable deposit rate and capital usage ratio in compliance with the provisions of law and regulations of the State Bank of Vietnam. It also plans to flexibly adjust the interest rate for long term demand deposit accounts in order to shift the capital structure toward stable and low-cost capital.

Vietcombank continues to promote itself to sponsors, project management committee as well as authorities as being a better candidate for new projects funded by international credit in 2015.

Promoting the development of retail and card services with the aim of becoming a leading bank in the retail banking market by 2018

Vietcombank plans to rapidly increase the revenue of key products in 2015, including personal credit, electronic banking and domestic cards. It also promotes sales through the Business development department and continues to experiment with telesales through its VCC sales network. Additionally, Vietcombank aims to enhance its operational governance in the retail banking market through the following proposals: Increasing sale staffs, reducing admin work, renovating the methods and the spaces where transactions are taking place (branch concept) and reducing credit approval time.

Creating breakthroughs in the trading activities of capital and foreign exchange; improving the quality of services and import-export market share

In 2015, related departments at Headquarters and branches will closely follow the plan and ensure that they meet the proposed objectives of foreign exchange trading activities. Vietcombank intends to promote trading activities in order to maintain a leading position in markets. Additionally, Vietcombank will also actively implement measures to stabilize, strengthen and improve the market share of trade finance and international payment activities. Retail banking and card services are two priorities in order to develop the products of the modern banking model, with the aim of slowly increasing the proportion of non-interest revenue and sustainably increase the revenue from retail banking activities.

Reviewing and enhancing the activities of subsidiaries, improving the efficiency of investment

Vietcombank aims to manage its investment portfolio actively and efficiently focusing on industries with a fast and stable growth trend. Additionally, Vietcombank also would like to coordinate its investment and wholesale

credit activities. Furthermore, to improve the efficiency of its investment, Vietcombank plans to restructure Vietcombank Leasing toward a higher efficiency of performance and prepares to restructure other subsidiaries, including the option of selling shares to foreign investors.

Developing a M&A plan in accordance with the outlook approved in the Shareholders' General Meeting, participating in the restructuring of banking system to increase the scale and operational efficiency, with the aim of becoming the No.1 Bank in Vietnam

Concentrating human resources in order to successfully implement projects for enhancing the corporate governance capability

In 2015, Vietcombank will take integrated measures to implement the Vietcombank Restructure scheme as approved by the State Bank of Vietnam according to Decision No. 39/QĐ-NHNN. It will focus on enhancing corporate governance capability and achieving international standards through: (i) implementation of MIS project; (ii) application of the results from Basel II project; (iii) expansion of remuneration policies and performance measurement system (KPIs). Currently, KPIs project has progressed to the step of completing individuals' KPIs at Headquarters and developing KPIs for divisions and individuals at branches. Vietcombank also plans to complete the policies on salary and other remunerations, and proceed to apply the KPIs model when assigning plans for divisions and branches.

Vietcombank will steadily standardize the management of internal capital, capital trading, cost-revenue distribution per product and per customer, as well as the procedures for developing plans in accordance with international practices. All of these will be achieved through the implementation of the ALM-FTP-MPA project in 2015.

In 2015, Vietcombank will review Core Banking project and apply a new risk management system for card services as well as several technology information systems to support business activities. Vietcombank will also replace the V-treasury system, complete and implement a new trade finance system under the scope of a centralised trade finance activity project.



Improving its operating model, consolidating the organization and developing its network

In 2015, Vietcombank will standardize organizational structures of both its Headquarters and branches and complete their roles and responsibilities. It will implement a centralized model for credit management, trade finance and internal control activities. Vietcombank will also develop plans and prepare for new branch offices in some areas as well as establish FDI divisions and units in areas with a large number of FDI companies such as Ho Chi Minh City, Binh Duong province.

Vietcombank will promote the allocation of staffs toward an increase in sale staffs. It will complete a guideline documentation system as well as upgrade evaluating, planning, training and rotating activities in order to ensure quality human resources for future development.

Completing internal procedures and regulations toward the development of legal basis and enhancement of business efficiency

Vietcombank will review and complete its structure, regulations and procedures regarding credit activities. It will also complete and issue procedures regarding human resource management and incentives policies.

Vietcombank plans to document procedures and regulations for developing, implementing and evaluating annual business plans.

Other activities

Vietcombank's employees will closely follow the management and leadership of the Party Committee and the State Bank of Vietnam with regards to the organization of Party conventions at all levels for the term of 2016 - 2020. Vietcombank will also instruct, manage and supervise its Party's divisions to successfully organize Party conventions at the division level.



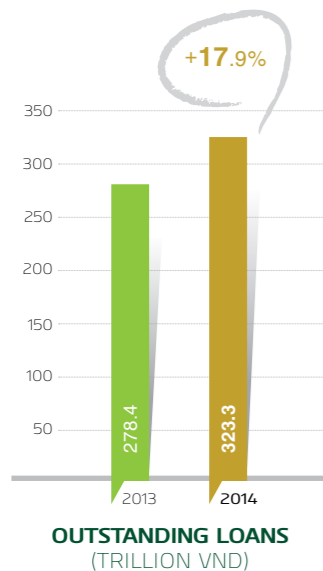
In 2015, Vietcombank will promote construction projects, IT investment and fixed assets purchase to ensure a smooth and efficient implementation and to create favorable conditions for business activities. It will also enhance communication activities toward the innovation in branding, improvement in efficiency and focus on internal communication. Vietcombank aims at creating a spirit of cooperation, interconnecting, sharing and responsibilities among divisions and employees in order to unify the company and increase its competitiveness in the market.



ASSESSMENT OF BOARD OF DIRECTORS OF BUSINESS ACTIVITIES



While we watched 2014 pass by, many changes occurred within both the economy and the politics of the region as well as the globe. These events brought major challenges to the Vietnamese economy and the banking industry as well. In that context, Vietcombank has maintained its vision when seizing opportunities, its determination to promote any aspect of its activities as well as its unity when managing and administering in compliance with the outlook of Board of Directors and Board of Management. In addition to the successful realization of 2014's motto (**Renovation – Growth – Quality**), Vietcombank has well fulfilled its role of being a cornerstone of the financial system, contributing to the stability of macro-economy as well as completing key tasks set for the industry.



In 2014, Vietcombank saw many changes to its business activities as well as to its governance and administration. In particular, these included customer service improvements, procedures for developing, assigning and implementing plans and performance measurement systems. Capital mobilization, credit and other services achieved good growth rates. Vietcombank has focused on the recovery of bad debts and in that area has delivered outstanding results. The branch network was also expanded. At the conclusion of its performance in 2014, Vietcombank had successfully exceeded all of the key targets assigned by the Shareholders' General Meeting.

Review by the Shareholders' General Meeting on the achievement of targets:

BUSINESS ACTIVITIES

Total assets as of December 31, 2014 reached 576.9 thousand billion VND, up approximately 23.0% from December 31, 2013 and exceeded the plan by 11%.

Outstanding loans reached 323.3 trillion VND, an increase of 17.9% compared to December 31, 2013 and exceeded the plan by 13%. Loan structure was moving forward to the direction that Vietcombank had planned and the proportion of SME and personal loans rose sharply compared to 2013.

Deposits and promissory notes issuance as of December 31, 2014 reached 424.4 trillion VND, an increase of 27% compared

to December 31, 2013 and exceeded the plan by 13%. Vietcombank actively relocated capital mobilization toward an increase in the proportion of low-cost capital. It also pioneered the reduction of the interest rate in order to reduce the loan interest rate.

In 2014, Vietcombank also focused on controlling the quality of credit. Bad debt ratio as of December 31, 2014 was controlled at 2.31%, achieving the target approved by Shareholders' General Meeting (under 3%) and below the average of the industry.

Import-export payment volume reached 48.14 billion USD in 2014, an increase of 15.79% in comparison to the previous year. After years of decline, the market share of import-export payment volume of Vietcombank rebound, reaching 16.32% in 2014, up 0.7% compared to 2013.

Foreign exchange trading volume reached 29 billion USD, up 9.8% from 2013.

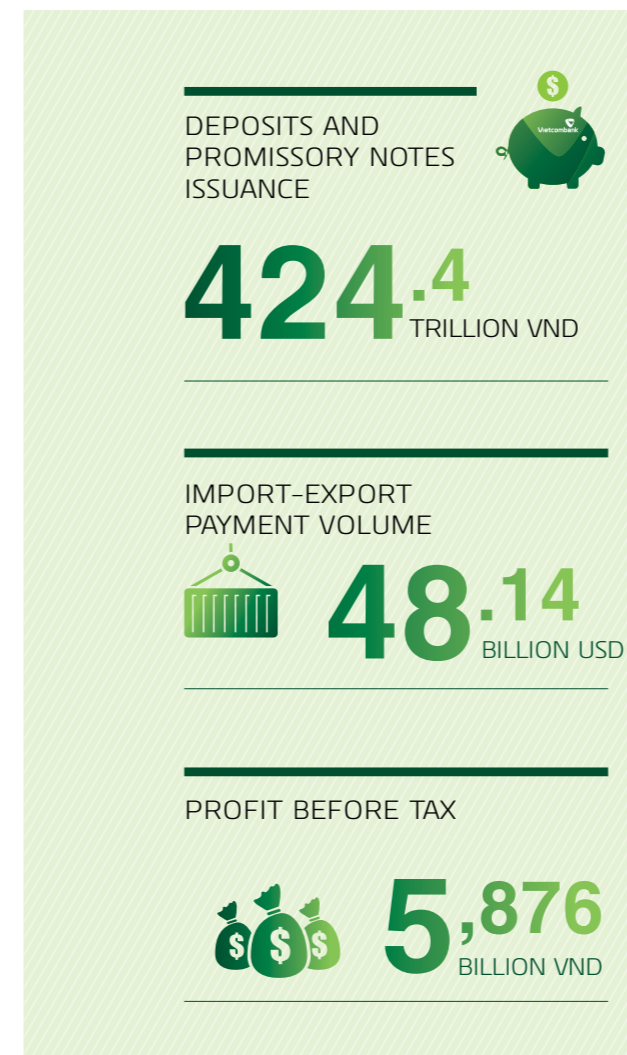
Vietcombank observed good growth in card and payment services compared to 2013. Many indicators such as the number of debit and credit cards issuance, as well as volume from card payments grown dramatically.

In 2014, Vietcombank also focused on recovering written-off debts and debts sold VAMC. It has taken creative and sometimes drastic measures and delivered breakthrough results. Revenue from the recovery of written-off debts reached approx. 1,420 billion VND and to VAMC reached 356.5 billion VND.

The Pre-provision difference between Vietcombank's income and expenditure in 2014 rose sharply at the rate of 12.7% compared to 2013. In 2014, the provision was 4,565.7 billion VND, an increase of 29.7% compared to 2013. With this increase, the provision is currently approx. 94% of total bad debts.

For 2014's fiscal year, profit before tax reached 5,876 billion VND, up 2.3% compared to 2013 and exceeding the target set by the Shareholders' Committee by 6.8%. The proportion of non-interest revenue increased by 1.5% compared to 2013. This change proved that Vietcombank's revenue structure is steadily diversifying, consistent with its vision.

Performance indicators such as the profitability ratio of ROAA and ROAE reached 0.88% and 10.76% respectively in 2014. CAR was maintained at 11.61%, in compliance with the regulations of the State Bank of Vietnam (minimum of 9%).





CORPORATE GOVERNANCE AND ADMINISTRATION

ADMINISTRATIVE STRUCTURE AND BUSINESS NETWORK

In compliance with regulations, Vietcombank has completed an orderly transition to a new President after former President Nguyen Hoa Binh retired.

In 2014, Vietcombank has completed the planned organizational restructure for the period of 2013 - 2015 (approved by State Bank of Vietnam). It has assigned the plans and proceeded to actively implement them.

Fulfilling the target of expanding its network, Vietcombank has put 10 new branches into operation and opened 17 new transaction offices.

Vietcombank continued to review the overall function and mission of the departments and divisions under the administration of its Headquarters and branches. It also organized and established several units at its Headquarters to enhance the specialization and centralization. As part of its restructure scheme, Vietcombank has established new ALM division, merged the Financing division and corporate customer division as well as established the Trade finance Center...

CUSTOMER SERVICE

In 2014, Vietcombank has expanded its customer base and strengthened its partnership with large corporations such as Vietnam Aviation Corporation, Vietnam Oil and Gas Group, Petrovietnam Exploration Production Corporation, Viettel Group, Vietnam National Petroleum Group, Vietnam Electricity, Vietnam National Coal - Mineral Industries Group, General Import Export Van Xuan Corporation... In addition, Vietcombank also signed partnership contracts with Social Insurance and the State Treasury regarding the collection of tax and insurance payments.

Vietcombank also focused on developing its FDI and its retail banking sector.

In the past year, Vietcombank successfully organized a variety of Client conferences at its Headquarters and branches with the aim of strengthening cooperation and creating opportunities for Vietcombank's foreign and domestic customers.

RISK MANAGEMENT

Vietcombank always fully complied with all of SBV's regulations on prudential ratios.

Vietcombank also continued to improve its risk management policies as well as key parameters of its risk management framework such as probability of default (PD), loss given default (LGD).

In 2014, inspecting, supervising and auditing continued to be three major activities. Vietcombank focused on detecting errors and taking measures to prevent them as well as sending warnings and recommendations to ensure the risk management compliance within its operations.

PUBLIC RELATIONS AND COMMUNICATION ACTIVITIES

In the past year, Vietcombank's communication activities had made a significant changes in quality and brought positive results. In particular, it made significant contributions to society through its social welfare programs, with total 148 billion VND worth of social welfare projects in 2014. Some of the notable activities included: donating to **'Day for the Poor'** fund; funding the **'Joining hands'** program; supporting areas impacted by poverty, funding the Disaster prevention fund, donating loudspeakers to the Vietnamese Coast Guard, supporting **"To Truong Son with hearts"**, donating to the North-western, Western Highlands and South-western hardship areas; funding electricity projects at Co To island; funding a cancer research hospital at Da Nang city; funding a nursing center for orphans and elders in An Giang province; funding schools and clinics in Ninh Binh province as well as funding 6 schools in Hue city; awarding 1,000 scholarships in the **"Dream comes true, let's go to school 2013 - 2014"** program.

Through promoting marketing activities and participating in social welfare programs, Vietcombank hopes to build up its brand's popularity and enhance itself as a reputable and socially responsible organization.

Vietcombank also focused on attending conferences, events and annual meetings in Vietnam and abroad to enhance its position as well as develop business partnerships (WB-IMF conference, ADB annual meeting, ABA annual convention..).

DEVELOPMENT OF REGULATIONS

In 2014, related departments regularly reviewed regulations in order to promptly comply with changes as well as to issue and supplement new policies. Notable policies included: The Charter of Vietcombank, Structure and mission regulations of the Board of Directors, Regulations relating to dealers and brokers' commissions, Regulations on credit granted to financial institutions, Regulations on uses of Vietcombank's branding, Regulations on management of subsidiaries, Wages policies, Regulations on debt trading, Underwriting regulations, Regulations on organizing and operating Vietcombank's corporate governance enhancement project.

Through the implementation of changes and new policies, Vietcombank aims to complete its legal framework, ensuring its safety and operational efficiency.



ASSESSMENT OF BOARD OF DIRECTORS OF VIETCOMBANK'S PERFORMANCE (Cont.)

PROJECTS TO ENHANCE CORPORATE GOVERNANCE CAPABILITY

As part of its mission to become the financial institution with best corporate governance standards, Vietcombank has implemented several projects to enhance its administration and operating capability. In the past year, Vietcombank has analysed the current situation and developed a roadmap to enhance its risk management capability in accordance with the Basel II accord. It also successfully set up a KPIs project to develop a system for measuring the work efficiency for each employee and unit. In addition, Vietcombank also prepared the necessary steps for the implementation of the ALM-FTP-MPA Project, which has the aim of enhancing capital management. It also was a pioneer in signing FATCA and started the implementation in Vietcombank's own system.

Vietcombank also began to prepare the implementation of a project to transform its wholesale credit model and centralize the supervising and monitoring activities.

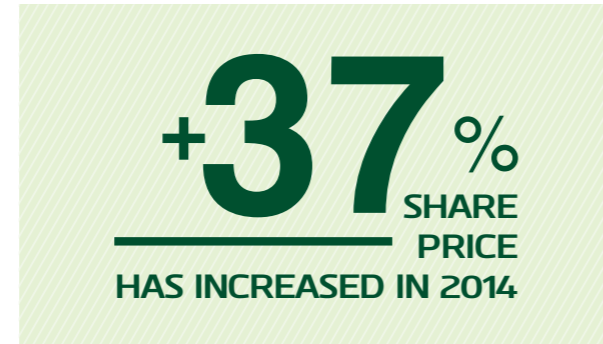
INFORMATION DISCLOSURE AND INVESTOR RELATIONS

On April 23, 2014, Vietcombank successfully organized its 7th Annual General Meeting and, subsequently, the Extraordinary General Meeting 2014 on December 26, 2014.

In 2014's fiscal year, Vietcombank completed its 2013 dividend payout plan and issued 2014 bonus shares to shareholders. It also finalized other paperwork required to increase its charter capital which included: an application to list and trade shares, an application to amend its business registration, license of establishment and operation, as well as its Charter.

Additionally, Vietcombank successfully fulfilled its responsibility to disclose periodical and extraordinary information while ensuring the standards of transparency, promptness and publication were met. Some significant communications included: annual

financial reports, semi-annual financial reports, changes in senior management, pre-AGM information as well as information following the completion of the AGM...



In 2014, investor relations continued to be one of Vietcombank's priorities with the aim of expanding its relations with shareholders, domestic and foreign investors. As part of that mission, Vietcombank has vigorously carried out many activities with improved quality. Through 2014, it has organized nearly 50 client conferences with shareholders and over 100 investors. The quality and transparency of information disclosure has brought much positive feedback from shareholders and investors. As a result, Vietcombank's share price has increased by approx. 37% in 2014; the volume of net purchase from foreign investors reached 27.3 million shares and the holding ratio of foreign investors (excluding Mizuho Bank) increased from 4.7% to 5.9%.

STRATEGIC PARTNERSHIP

In 2014, Vietcombank has actively cooperated with Mizuho Bank in order to establish and expand its customer base, in particular, in the FDI sector and other organizations as well as personal customers in FDI companies.

Vietcombank also focused on technical assistance with participation of specialists from Mizuho Bank in the areas of management, human resources management, anti-money laundering.

EVALUATION OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT

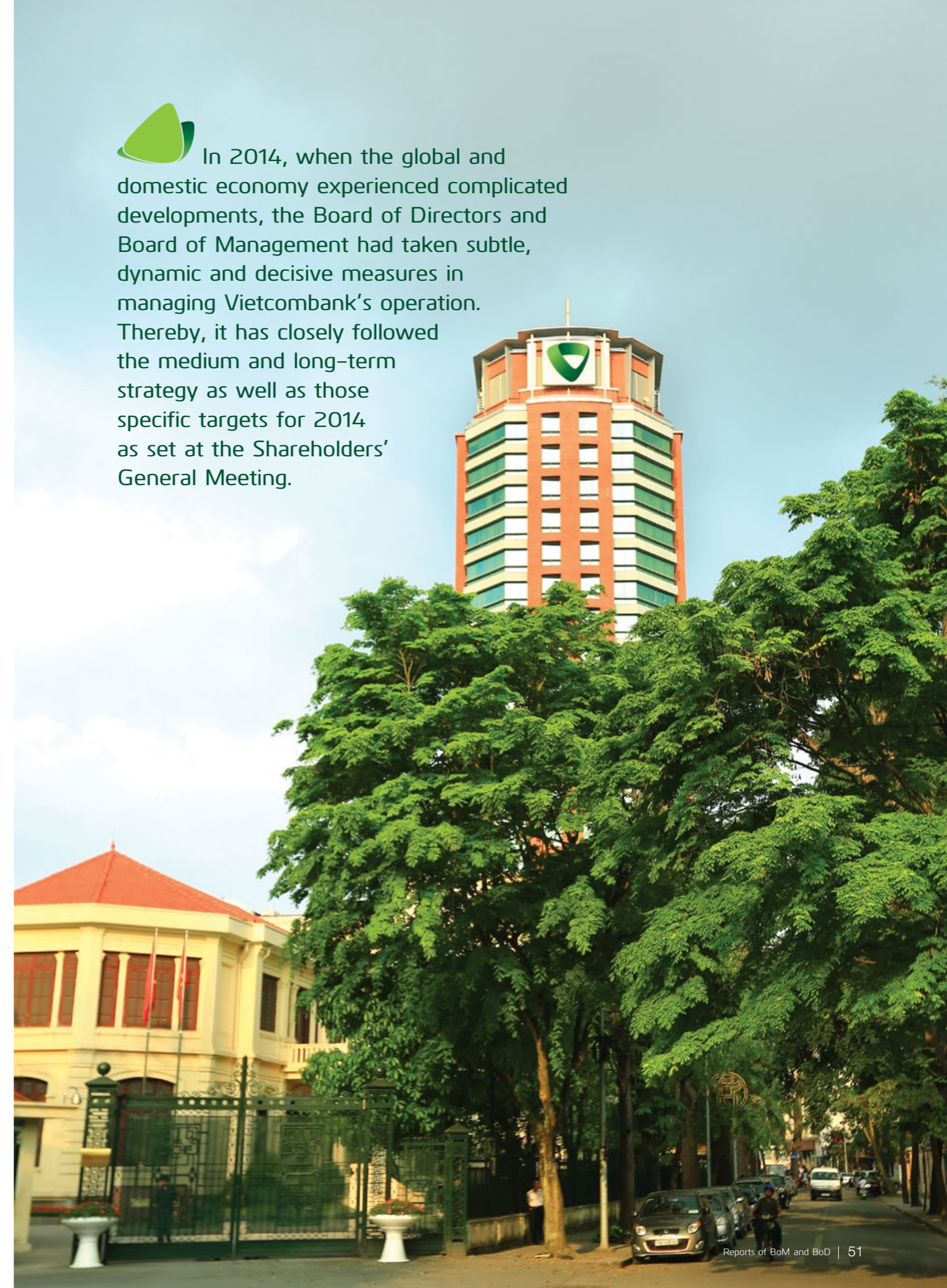
In 2014, when the global and domestic economy experienced complicated developments, the Board of Directors and Board of Management had taken subtle, dynamic and decisive measures in managing Vietcombank's operation. Thereby, it has closely followed the medium and long-term strategy as well as those specific targets for 2014 as set at the Shareholders' General Meeting. The cooperation between its Headquarters, branches, subsidiaries, customers and strategic partners has brought positive results to Vietcombank's operation.

Under the strict management of and regular coordination between the Board of Directors and Board of Management, Vietcombank has achieved many notable results, and continued to affirm its position as one of the leading commercial banks in the Vietnamese economy.

Members of Board of Directors and Board of Management have fulfilled their assigned responsibility and missions admirably as they have always considered the interests of shareholders, the Government and Vietcombank to be their operating objectives.



In 2014, when the global and domestic economy experienced complicated developments, the Board of Directors and Board of Management had taken subtle, dynamic and decisive measures in managing Vietcombank's operation. Thereby, it has closely followed the medium and long-term strategy as well as those specific targets for 2014 as set at the Shareholders' General Meeting.





OPERATIONAL ORIENTATION FOR 2015

Macro-economic and External Environmental Forecast

- » The Global economy will continue its trend of slow recovery and complicated development. The Domestic economy will show positive signs: GDP growth will be approx. 6.2%, higher than 2014; inflation will be controlled below 5%; supervising public funded projects to improve its efficiency of capital usage.
- » Banking industry continues to perform its roles of supporting trade and commerce as well as stabilizing the macro-economy. Its missions include: promoting the progress of bad debt recovery, enhancing the control of bad debt, aligning credit growth with the development of various economic sectors to better motivate healthy economic growth, implementing restructure schemes to improve the operating efficiency of the system.

MOTTO AND LEADERSHIP VIEWPOINTS

With the successful achievement of the past year, Vietcombank is determined to focus its entire sources to accomplish targets set out for 2015, as part of the mission to realize its 2020 strategic targets. The 2015 motto is **Speed – Efficiency – Sustainability**, and its corporate governance motto is **Determination – Unity – Responsibility**. Accordingly, Vietcombank's main objective for 2015 is to closely follow the 2011 – 2020 plan and the Restructuring scheme for period 2013 – 2015. The main tasks of 2015 are: (i) Continue to strengthen and develop customer base, increase market share; (ii) well control asset quality; (iii) ensure safe operation and maintain the growth rate higher than those of the year 2014; (iv) Continue to promote deployment of Projects to enhance corporate governance capability, paving the way for a new development phase.

The main orientation on some specific areas as follows:

BUSINESS ACTIVITIES

Identifying customer service as a key factor and promoting it to form the basis for business development in 2015 and subsequent years.

- » Vietcombank aims to maintain and steadily increase its market share among traditional customers; focus on developing new customer. It also plans to

constantly improve its quality of customer service to enhance its competitiveness in the market.

- » Pay attention to develop cooperative relations with FDI clients, public companies with high operational efficiency, SMEs and the retail banking sector.

Boosting credit growth along with credit quality management on the basis of maintaining loans requirements

- » Vietcombank plans to develop a specific loans program tailored for each customer with the aim of improving credit growth above the average of the industry. An important aspect of this plan is to maintain loans requirements and to increase credit growth by focusing on customer service, products,....
- » Vietcombank will propose plans to control the credit quality and ensure that the bad debt ratio is kept below 2.5%.

- » Additionally, Vietcombank will promote the recovery of bad debts throughout its system by taking effective and decisive measures. It aims to reach a higher amount of bad debt recovery on off-balance sheet than that of 2014.

Reallocating the structure of capital mobilization

- » Vietcombank plans to implement integrated and effective solutions for the mobilization of funds in accordance with market changes and its capital demands. It also intends to maintain stable liquidity and achieve greater efficiency of operation.
- » One of the objectives is to attract low-cost capital through its pricing model and marketing activities.

Promoting capital trading activities and capital contribution investment

- » Vietcombank aims to improve its efficiency of capital usage through trading securities activities, inter-bank market and restructuring portfolio in accordance with market forecasts.
- » Additionally, Vietcombank also promotes the restructure schemes of its subsidiaries as well as reviews of long-term investment portfolio in order to adjust it with market changes and protect its investment efficiency.

- » As approved at the Shareholders' General Meeting, Vietcombank is currently speeding up its search for a bank to negotiate with a view towards potential merger.

Diversifying products and improving service revenue

- » Vietcombank plans to focus its resources on the research and development of customer products, services as well as marketing activities. Thereby, it hopes to enhance the quality of its products and improve the proportion of service revenue in its revenue structure.
- » Payment, forex trading and card services are three priority areas where Vietcombank aims to maintain and steadily regain its market share.

IN 2015, PROFIT
BEFORE TAX

 **5,900**
BILLION VND

IN 2015, ENSURE
MAKING PROVISION

 **~5,500**
BILLION VND

- » Vietcombank also plans to boost its retail banking, transform its sales model and focus on the products of a modern banking model. Its mission is to fulfill the strategic target being the first retail bank in Vietnam by 2018.

Business indicators

- » Vietcombank aims to reach 5,900 billion VND in profit before tax and ensure making provision of 5,500 billion VND.
- » A major objective is to strictly control its profitability ratio, in particular, NIM and LDR, to ensure stable liquidity and capital efficiency.

CORPORATE GOVERNANCE AND ADMINISTRATION

Network development

- » Vietcombank's highest objective is to closely follow the restructuring scheme for the period of 2013 – 2015. It aims to achieve the proposed targets and strengthen the organizational structure as planned.
- » In 2015, Vietcombank will continue to standardize its organizational structure toward a centralized model. It will also focus on reviewing and improving the functions of each department and division at its Headquarters.
- » Vietcombank will prepare for new branches and offices as approved by the State Bank of Vietnam.

Human resources management

- » In 2015, based on the results of KPIs project, Vietcombank will implement a system for measuring the efficiency of work for each employee and unit. This step will form the basis for developing remuneration policies to better motivate staff.
- » Vietcombank also implemented many measures in its human resources management: strongly renovating the personnel management, promoting staff rotation and improving the quality of staff training. It plans to standardize the procedure of evaluating, planning, training, assigning and rotating staff with the aim of ensuring quality human resources and better adaptation to the demands of development.

Risk management

- » Vietcombank will continue reviewing its procedures and adjusting exist regulations as well as issuing new policies, in compliance with laws and its operation.
- » In addition, inspection, supervision and auditing are three major objectives to ensure Vietcombank can detect errors in time and take prompt measures.

Investor relations

- » Vietcombank aims to fulfill its responsibility to disclose information in accordance with regulations. It will also enhance its relations with shareholders and investors to improve the level of interaction and the quality of information.
- » Additionally, Vietcombank plans to maintain a good system of information exchange with its large investors (State Bank of Vietnam, Mizuho Bank and other large investors).

Other transform projects

- » In 2015, Vietcombank will focus on implementing projects and deliver them on schedule. It will ensure the integration between the projects: application of the results from the Basel II project; implementing the planned expansion of remuneration policies and performance measurement system (KPIs), the Core-banking project, the project to build a centralized TF building, the implementation of the ALM-FTP-MPA project as well as the project to transform the credit model.



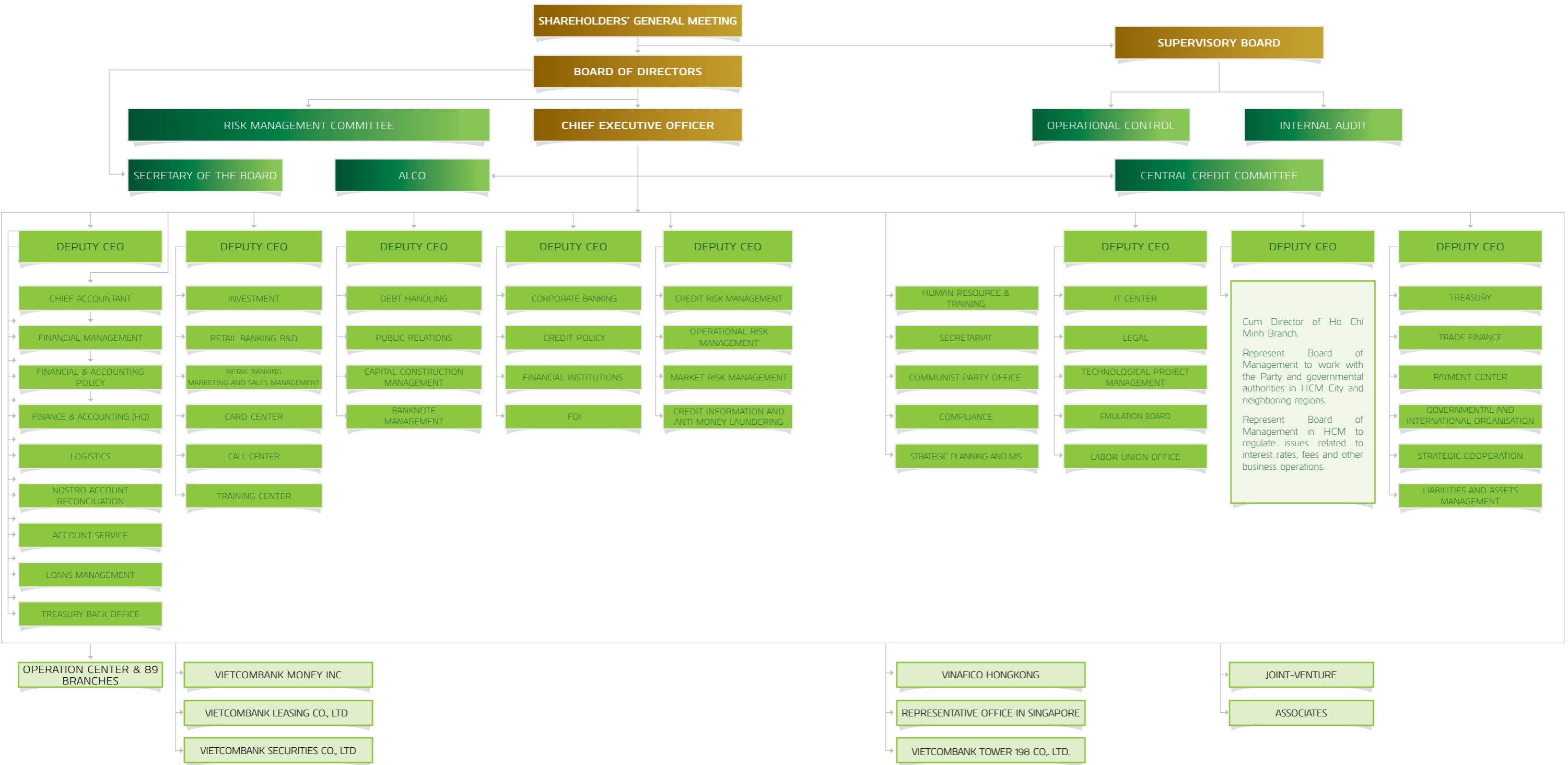

DISTINCTIVENESS
FOR UNIQUENESS

 **Organization
and Human resources**

- Organization structure • Organization and Human resources
- Introduction of Board of Directors
- Introduction of Board of Management • Introduction of Supervisory Board



ORGANIZATION STRUCTURE
JSC BANK FOR FOREIGN TRADE OF VIETNAM (as at 31 December 2014)





HUMAN RESOURCES



Vietcombank's total number of employees as at Dec 31, 2014 reached 14,099. Vietcombank's Board of Management always places emphasis on developing human resources, and regards it as key to the bank's success and efficiency.

The staff quality is controlled from the start with serious recruitment policy, thus officers are employed for suitable position.

- » Domestic and overseas training programs are organised frequently in order to improve the quality of human resources. In 2014, 89 Directors/Deputy Directors participated in a training course that prepared for becoming a Branch Director; 104 training courses were organized for 5,104 employees to enhance the personnel quality of the whole Vietcombank.
- » Salary and bonus payment policies are designed performance wise, which create incentives to employees, and results in higher efficiency.
- » Personnel preparation for management positions are made regularly and seriously with the aim of building a team of leaders who have the modern knowledge and experience in executive management.
- » Vietcombank will continue to boost human resource development, improve policies on the recruitment, training, compensation and personnel preparation which are closely linked with the employees' rights and obligations to get the best working efficiency.

CHANGES IN THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

In 2014, there were some changes among the Board of Directors: Mr. Nguyen Hoa Binh resigned on November 1, 2014 as part of an official leave; Mr. Nguyen Dang Hong resigned on July 21, 2014; Ms. Nguyen Thi Kim Oanh resigned from her position as Member of the BOD in order to be appointed as Deputy CEO; Mr. Nguyen Manh Hung appointed as a member of BOD from December 26, 2014.

Changes in BOM as follows: Mr. Nghiem Xuan Thanh resigned as CEO in order to be appointed as Chairman of the BOD; Mr. Pham Quang Dung - Deputy CEO was appointed to the position of CEO; Ms. Nguyen Thi Kim Oanh was appointed to the position of Deputy CEO from December 26, 2014.

14,099

EMPLOYEES
TOTAL NUMBER OF EMPLOYEES
AS AT DEC 31, 2014



VIETCOMBANK BRANCH NETWORK AND ORGANIZATION STRUCTURE

In 2014, Vietcombank established 10 new branches and brought into operation 17 new transaction offices in Hanoi, raising the number of the transaction offices to 351 offices as at Dec 31, 2014.

As at Dec 31, 2014, Vietcombank's branch network includes:

- » Head Office.
- » Operation center.

- » 89 branches.
- » 351 transaction offices.
- » 3 subsidiaries in Vietnam.
- » 1 Representative office in Singapore and 2 overseas subsidiaries.
- » 4 joint-venture and associated companies.



Mr. **NGHIEM XUAN THANH**
Chairman of the BoD

Education
Master of Economics;
Banking Academy.



Ms. **LE THI HOA**
Member of the BoD

Education
Master of Economics (CFVG),
National Economics University

Mr. **PHAM QUANG DUNG**
*Member of the BoD
cum CEO*

Education
National Economics University;
Master of Banking and Finance -
Birmingham University (UK).



Ms. **NGUYEN THI DUNG**
Member of the BoD

Education
Moscow Institute of Economics and Finance (Russia);
PhD in Economics - National Economics University



Mr. **NGUYEN DANH LUONG**
*Member of the BoD
cum Deputy CEO*

Education
Banking Academy;
PhD in Economics - Banking Academy



Mr. **YUTAKA ABE**
*Member of the BoD
cum Deputy CEO*

Education
Hitotsubashi University (Tokyo, Japan)
Master of Administrative Science - Stanford
University (California, USA).

Mr. **NGUYEN MANH HUNG**
Member of the BoD

Education
National Economics University
Master of Economics - Vietnam-Netherlands Master's
Programme, National Economics University





Mr. **PHAM QUANG DUNG**
Chief Executive Officer

Education
National Economics University;
Master of Banking and Finance,
Birmingham University (UK).



Mr. **NGUYEN VAN TUAN**
Deputy CEO

Education
Hanoi University;
Master of Business Administration, Affiliate program between National
Economics University, Vietnam and Solvay Brussels School of Economics
and Management, Belgium.

Mr. **NGUYEN DANH LUONG**
Deputy CEO

Education
Banking Academy;
PhD in Economics - Banking Academy.



Mr. **DAO MINH TUAN**
Deputy CEO

Education
Hanoi University of Science and Technology
National Economics University;
Master of Economics- Banking Academy



Mr. **YUTAKA ABE**
Deputy CEO

Education
Hitotsubashi University (Tokyo, Japan);
Master of Administrative Science - Stanford
University (California, USA).



Mr. **DAO HAO**
Deputy CEO

Education
Ho Chi Minh Economics University;
Hanoi Law University.



Mr. **PHAM THANH HA**
Deputy CEO

Education
National Economics University;
Master of Business Administration -
George Washington University (USA).





Ms. **TRUONG THI THUY NGA**
Deputy CEO

Education
Da Nang University of Science and Technology
(Major in Accounting).
Law University
Master of Business Administration- Impac University.



Ms. **TRUONG LE HIEN**
Head of Supervisory Board

Education
Banking Academy;
Master of Development Economics - Vietnam-
Netherlands Master's Programme.

Mr. **PHAM MANH THANG**
Deputy CEO

Education
Banking Academy;
Master - Banking Academy;
PhD- Banking Academy.



Ms. **LA THI HONG MINH**
Member of Supervisory Board

Education
Banking Academy;
Master of Economics - National Economics University.



Ms. **NGUYEN THI KIM OANH**
Deputy CEO

Education
National Economics University;
Master of Banking and Finance - New South Wales University.



Ms. **DO THI MAI HUONG**
Member of Supervisory Board

Education
Foreign Trade University;
Master of Economics - Foreign Trade University.



Ms. **PHUNG NGUYEN HAI YEN**
Chief Accountant

Education
Banking Academy;
Master of Economics - Banking Academy - CPA Australia.



Ms. **VU THI BICH VAN**
Member of Supervisory Board

Education
Banking Academy;
Master of Economics - National Economics University.





 **UNITY**
FOR EXPANSION

 **Corporate
governance**

- Corporate governance
- Risk management • Business network



BOARD OF DIRECTORS

BOARD OF DIRECTORS STRUCTURE

No.	Full Name	Position	VCB shares owned		Notes
			Number of shares	Holding ratio	
1	NGHIEM XUAN THANH	Chairman of Board of Directors	11,500	0.00043%	Elected as member of the Board by Shareholders' General Meeting on April 25, 2013. Elected as Chairman of the Board by Shareholders' General Meeting on November 1, 2014. A non-executive member.
2	PHAM QUANG DUNG	Member of BoD, CEO	2,431	0.00009%	Elected as member of the Board as of April 25, 2013. Appointed CEO by the Board of Directors as of November 1, 2014.
3	NGUYEN DANH LUONG	Member of BoD, Deputy CEO	16,009	0.00060%	Elected as member of the Board by Shareholders' General Meeting as of April 25, 2013.
4	YUTAKA ABE	Member of BoD, Deputy CEO	0	0.00000%	Elected as member of the Board by Shareholders' General Meeting as of April 25, 2013.
5	NGUYEN THI DUNG	Member of BoD	2,300	0.00009%	Elected as member of the Board by Shareholders' General Meeting as of April 25, 2013. An independent member.
6	LE THI HOA	Member of BoD	4,677	0.00018%	Elected as member of the Board by Shareholders' General Meeting as of April 25, 2013. A non-executive member
7	NGUYEN MANH HUNG	Member of BoD	1,682	0.00006%	Elected as member of the Board by Shareholders' General Meeting as of December 26, 2014. A non-executive member.

Note: In 2014, changes in membership of the Board as of follows:

- » Mr. Nguyen Dang Hong was no longer member of the Board as of July 21, 2014 and the representative of 30% shares owned by the State Bank of Vietnam in accordance with Decision No. 1435/QĐ-NHNN dated July 21, 2014.
- » Mr. Nguyen Hoa Binh, former Chairman of the Board, retired as of November 1, 2014.
- » Mr. Nghiem Xuan Thanh, former member of the Board cum CEO, was appointed Chairman of the Board of Directors as of November 01, 2014
- » Mr. Pham Quang Dung, former member of the Board cum Deputy CEO, was appointed CEO by Board of Directors as of November 01, 2014
- » Ms. Nguyen Thi Kim Oanh, retired her position as a member of the Board as of December 26, 2014, was appointed Deputy CEO by Board of Directors as of December 26, 2014
- » Mr. Nguyen Manh Hung was appointed member of the Board at the Extraordinary General Meeting

ACTIVITIES OF THE BOARD OF DIRECTORS

In 2014, the Board of Directors of Joint Stock Commercial Bank for Foreign Trade of Vietnam – Vietcombank (VCB) organized 70 Meeting sessions (15 plenary sessions and 55 regular sessions) to direct Vietcombank's operation in each period, make decisions on matters within the authority of the BOD, and discuss on some certain other topics. Additionally, the Board and its Permanent members resolved other issues via the voting method (24 times). Details of the meetings are of follows:

From January 01, 2014 to October 31, 2014

No.	Member of the Board of Directors	Position	Numbers of attending meetings	Attendance ratio	Reasons for absence
1.	Nguyen Hoa Binh	Chairman of the BoD	55/55	100%	
2.	Nghiem Xuan Thanh	Member of BoD, CEO	55/55	100%	
3.	Nguyen Dang Hong	Deputy Chief Inspector in charge of inspecting banks.	3/3	100%	
4.	Nguyen Danh Luong	Member of BoD ⁽¹⁾	5/5	100%	
5.	Yutaka Abe	Member of BoD ⁽¹⁾ , Deputy CEO	4/5	80%	On business trip
6.	Pham Quang Dung	Member of BoD ⁽¹⁾ , Deputy CEO	4/5	80%	On business trip
7.	Le Thi Hoa	Member of BoD	55/55	100%	
8.	Nguyen Thi Kim Oanh	Member of BoD	55/55	100%	
9.	Nguyen Thi Dung	Independent member of BoD ⁽²⁾	5/5	100%	

Notes:

(1): Mr. Nguyen Dang Hong, Mr. Nguyen Danh Luong, Mr. Pham Quang Dung and Mr. Yutaka Abe are concurrent members of BoD. Therefore, only their attendances of plenary sessions were counted. Additionally, depending on different issues, Mr. Nguyen Danh Luong and Mr. Pham Quang Dung may be invited to attend the meeting but their attendances were not counted in the above table.

(2): Ms. Nguyen Thi Dung is an independent member of Board of Directors, therefore, she only attended regular sessions.

**From November 01, 2014 to December 31, 2014**

No.	Member of the Board	Position	Number of attending meetings	Ratio	Reasons for absence
1.	Nghiem Xuan Thanh	Chairman of BoD	14/15	93%	Other activities
2.	Pham Quang Dung	Member of BoD, CEO	14/15	93%	Other activities
3.	Nguyen Danh Luong	Member of BoD ⁽³⁾ , Deputy CEO	10/10	100%	
4.	Yutaka Abe	Member of BoD ⁽³⁾ , Deputy CEO	07/10	70%	Other activities
5.	Le Thi Hoa	Member of BoD	14/15	93%	Other activities
6.	Nguyen Manh Hung	Member of BoD	03/03	100%	
7.	Nguyen Thi Dung	Independent member of BoD ⁽⁴⁾	10/10	100%	

Notes:

(3): Mr. Nguyen Danh Luong and Mr. Yutaka Abe are concurrent members of BoD. Therefore, only their attendance of plenary sessions was counted. Additionally, depending on different issues, Mr. Nguyen Danh Luong may be invited to attend the meeting but his attendance was not counted toward the above table.

(4): Ms. Nguyen Thi Dung is an independent member of Board of Directors, therefore, she only attended regular sessions.

COMMITTEES UNDER BOARD OF DIRECTORS**Structures of the Committees**

Currently, Vietcombank has 3 Committees under the administration of Board of Directors: Risk Management Committee, Human Resource Committee and Strategic Planning Committee. These committees operate with their own regulation on organization and operation issued by Board of Directors.

Risk Management Committee including members:

1. Mr. Nguyen Manh Hung, Member of BoD – Head of committee.
2. Ms. Nguyen Thi Dung, Independent member of BoD – Member.
3. Mr. Yutaka Abe, Member of BoD, Deputy CEO – Member.
4. Mr. Dao Hao, Deputy CEO – Member.
5. Ms. Nguyen Thi Kim Oanh, Deputy CEO – Member.
6. Ms. Nguyen Thi Lan Phuong, Deputy head of credit policy department, Secretary of Committee.

Human Resource Committee consists of Chairman of Board of Directors, CEO and other managers. Chairman of BoD is also the Head of this Committee.

Strategic Planning Committee consists of Chairman of Board of Directors, CEO and other managers. Chairman of BoD and CEO are the Head and Deputy Head of this Committee, respectively.

The Risk Management Committee assists Board of Directors in managing risks arising from Vietcombank's operating and investing activities, including but not limited to credit risks, operating risks, market risks. The Committee periodically reports to Board of Directors on the risk assessment in any aspects of Vietcombank's activities and proposes prompt measures. After the Annual General Meeting, the Committee was restructured. In 2014, it coordinated with other departments and divisions to develop

regulations and consult BoD on risk management policies, covering every aspect of Vietcombank's activities. The Committee also reviewed its performance and planned changes to meet the requirements of Basel II project and better assist BoD in managing Vietcombank's risks.

Human Resource Committee consults BoD on matters involving human resource management. It also consults the Board on related policies such as: salaries, remuneration packages, staff recruitment, staff training and other issues. Human Resource Committee also consults the Board and develops Vietcombank's strategic human resource management. In 2014, the Committee consulted the Board over the appointment of senior managers as well as their salaries and remuneration packages.

Strategic Planning Committee is responsible for consulting the Board on the development of business plan. Their responsibility also covers areas such as assessment of current situation, overall objectives, long-term outlook, strategic orientation, business objectives for each period, solutions and roadmaps. In 2014, the Committee consulted the Board on the implementation of the Restructure scheme for 2015 after State Bank of Vietnam approved it. The scheme is expected to enhance Vietcombank's operating and governance capability.

MEMBERS OF BOARD OF DIRECTORS ATTENDED ALL THE TRAINING COURSES REGARDING THE CORPORATE GOVERNANCE.

SUPERVISORY BOARD**STRUCTURE OF THE BOARD**

As of December 31, 2014, Supervisory Board consisted of 4 members, of which, 3 were regular and 1 was con-current. Compared to December 31, 2013, the Board had 1 member fewer due to his/her transferring. Below are the details of the member of the Board and their holding ratio as of December 31, 2014:

No.	Full name	Position	Number of shares	Holding ratio
1.	Truong Le Hien	Head of Supervisory Board	3,742	0.00014%
2.	Vu Thi Bich Van	Member	0	0.00000%
3.	La Thi Hong Minh	Member	2,431	0.00009%
4.	Do Thi Mai Huong	Member	3,929	0.00015%





ACTIVITIES OF SUPERVISORY BOARD

Assessment of the Board's performance

Supervisory Board directly administers two departments, Operational Control and Internal Audit. Their major responsibility is to monitor the Vietcombank's compliance with provisions of laws and regulations of State Bank of Vietnam and the Government as well as the Charter of Vietcombank. Their activities cover the areas of administration and corporate governance, evaluation of financial reports, internal auditing and other issues to ensure the safety, stability and efficiency in Vietcombank's operation.

A majority of the Board are regular members to ensure that the Board can carry out its responsibilities throughout the year. To secure Vietcombank's objectives set out by Shareholders' General Meeting, the Board periodically evaluates the results and develops business plans for subsequent periods. In 2014, Supervisory Board held 04 meeting sessions of its own and attended all of plenary and regular meeting sessions of BoD. It also held meetings with Operational Control and Internal Audit.

In the past year, the Board evaluated the semi-annual and annual financial reports. It also supervised the implementation of the Resolutions and Decisions issued by Shareholders' General Meeting and Board of Directors. Additionally, the Board performed holding ratio check on member of Board of Directors, Supervisory Board, CEO and his relates as well as shareholders with holding ratio of a minimum of 5% voting shares.

The supervising activities were carried out methodically from Headquarter to branches and subsidiaries. The Board focused on supervising comprehensive administration and risk management of the Bank. It also directed its attention toward important areas with underlying risks. Additionally, it supervised and evaluated Vietcombank's compliance with operating safety requirements and the Law on credit institutions.

In 2014, the Board conducted 56 internal auditing sessions, including 50 sessions at the branches and 06 specialized audit sessions, and evaluation of 12 projects of office construction after they were approved by Board of Directors.



The auditing activities were conducted on the basis of risks orientation, activities rated as risks and auditing as requirements, as stated in Decree No. 44/2011/TT-NHNN.

By performing operational control and internal auditing, Supervisory Board promptly issued risks cautioning and detected problems in Vietcombank's operation and its regulations. It then proposed appropriate measures to Board of Directors, Board of Management and other managers to correct errors, supplement new policies and enhance internal

auditing procedure. Under the mission of ensuring operating safety, the Board successfully completed its duties in accordance with the outlook set out by the Shareholders' General Meeting.

In 2014, regarding the implementation of minimum capital adequacy requirement to comply with Basel II accords, Supervisory Board organized training courses to prepare the staff with risks management standards, evaluation of current situation and develop plans toward the implementation of subsequent requirements in according with Basel II accords at Vietcombank.



List and contents of the meetings of Supervisory Board

Date	Number of members attending	Contents
03/03/2014	5/5	<ul style="list-style-type: none"> » Summarizing the activities of the Board in 2013 and proposing plans for 2014. » Reviewing the draft evaluation of 2013 financial statements of Vietcombank. » Reviewing draft reports of Supervisory Board to announce on 2014 Annual General Meeting.
19/03/2014	5/5	<ul style="list-style-type: none"> » Planning membership of Supervisory Board for period of 2011-2016 and 2016-2021.
26/03/2014	5/5	<ul style="list-style-type: none"> » Approving the results of evaluation of 2013 financial statements. » Approving the reports of Supervisory Board for 2014 Annual General Meeting.
24/07/2014	5/5	<ul style="list-style-type: none"> » Summarizing activities of the Board in the first six months of 2014. » Proposing activities plan for the last 06 months of 2014.

SALARIES, REMUNERATION PACKAGES AND OTHER BENEFITS FOR MEMBERS OF BOARD OF DIRECTORS AND SUPERVISORY BOARD

At the 7th Annual General Meeting on April 23, 2014, the meeting approved the total salaries of Board of Directors and Supervisory Board in 2014 shall be equal to 0.35% of profit after tax.

In fact, members of Board of Directors and Supervisory Board received salaries and other remuneration packages in accordance with Regulations on salaries and other policies of Vietcombank. The total expenditure of the Bank toward the members of Board of Directors and Supervisory Board in 2014 did not exceed the amount approved by Shareholders' General Meeting.

TRADING OF INTERNAL SHAREHOLDERS AND RELEVANT PEOPLE

In 2014, Chairman of Board of Directors authorized a transaction. Details as of follows:

Trading individual	Position	Date	Transaction details
Mr. Nghiem Xuan Thanh	Chairman of Board of Directors	10/02/2014	Bought 10,000 Vietcombank shares

RISKS



To improve the effectiveness of its risk management policies, Vietcombank has implemented comprehensive, scientific and systemic risk management to identify, control, prevent and minimize the damage, loss and adverse effects of risk.

CREDIT RISK

Vietcombank has adopted a centralised credit risk management system which is structured upon procedure, risk management, sales and operation functions. The objective of separating the three functions is to minimize risks and take advantage of credit officers' expertise.

Vietcombank strictly controlled risks under customer and industry category in accordance with improving the quality of assessment to prevent credit risk from evaluation, disbursement, enhancing the effectiveness of examination that implemented before, during and after the loans. In addition, the Head Office has strengthened the distant supervision on activities of its branches, subsidiaries and provided warning signals to prevent risks and conducted the post-examination on several credit programs to detect transactions not complying with the bank's conditions and procedures. In 2014, Vietcombank continued to improve its industry reports and periodically update its banking orientation in line with current trends. The Bank also implemented projects to shift the credit structure toward a more centralized model. It aims to centralize credit assessment and credit grading procedures at its Headquarter. Vietcombank also organizes training courses and conferences to further strengthen its staff's credit assessment and customer service.





MARKET RISK

Vietcombank has been proactive in adopting flexible interest rate policy, thereby narrowing the average maturity gap between assets and liabilities and selectively utilizing derivative products.

The Asset-Liabilities management committee (ALCO) which operates in collaboration with other departments following international risk management models enhanced the effectiveness of interest rate risk management.

To manage foreign currency risk, Vietcombank has implemented a centralized foreign currency positions management policy at the Head Office. Vietcombank has also concentrated on foreign currency trading, derivatives instruments mainly spot and forward contracts to minimize adverse effects of fluctuation in exchange rates to the bank's operation.

In 2014, Vietcombank continued to cooperate with foreign partners to implement projects and models on market risk management. In addition, it developed several market risk management models such as: trading market risk measurement model, a model to measure interest rate risk in the banking book. The Bank also developed GAP analysis for trading market risk. This included qualitative GAP, GAP management model and GAP data analysis under Basel II framework.



LIQUIDITY RISK

Vietcombank's liquidity risk management complies with the following principles

Strictly complying with SBV's regulations on capital ratios and liquidity ratios in banking operations;

Monitoring, evaluating assets and liabilities based on real maturity;

Complying with liquidity limits set by ALCO;

Evaluating and forecasting cash flow regularly for liquidity backup plan in normal business conditions or sudden events affecting depositors' behaviours;

Properly allocating assets in terms of cash, valuable papers investment and loans to respond to inadequate liquidity circumstances.



OPERATIONAL RISK

To prevent and minimize operational risks, Vietcombank's internal control and audit division regularly assesses the appropriateness and compliance of operational processes and regulations and provides warning signals.

To prevent ethical risks, Vietcombank has continued to educate, organize regular training courses to its staff in order to enhance their knowledge and expertise on the Bank's operational risk management.

In 2014, Vietcombank implemented several projects to analyze its current situation and develop a roadmap to achieve Basel II accords. This roadmap includes projects with the mission of completing management models, regulations and policies and implementing operating risks management in accordance with Basel II accords. Vietcombank also carried out basic training activities to enhance employees' awareness of operational risk management. These courses include the concept of operational risks and the practices of operating risk management such as incident reports, risk self-assessment.



 **ATTENTIVENESS**
FOR COMMITMENT

 **Community
& Society**

• Social security activities



50 YEARS Vietcombank
**TOWARDS
SUSTAINABLE
DEVELOPMENT FOR THE
WHOLE COMMUNITY**



With more than half a century of operation, in parallel with the revolutionary and economic development history of the country, Vietcombank remains proud of its original and special purpose. During the war, Vietcombank was created to facilitate the transportation of "army money" to the South, which provided support for the war, fed the revolution, and made an important contribution to the greatest victory in the history of our nation on April 30, 1975, when the South was liberated, and the nation was reunited, creating the 5th trail – **The legendary Ho Chi Minh trail** – in history.

760

**(BILLION VND)
PROVIDING SOCIAL SECURITY IN THE
PAST 5 YEARS (2010 – 2014)**

From this glorious spring, Vietcombank continued with its mission, through the many ups and downs of history, and has continued to contribute to the economic development of the country, from economic recovery after the war to the stability, development and integration of Vietnam with the world economy. Besides this, Vietcombank has always been able to take many practical actions which contributed to the overall development of the society through its wide variety of meaningful social security programs.

This chain of social security activities, which has been implemented by Vietcombank for many years now, spanning from national mainstream programs to regional development programs such as the Northwest, the

Central Highlands, the Southwest; the development of many sectors such as health; education; supporting the construction of social housing; supporting the Disaster Prevention Fund of the Central areas and in many other fields, such as caring for families under preferential treatment; assisting the poor, the disabled, children and the elderly with difficult circumstances and many more meaningful programs. The objective of these activities is to share the burden and to improve quality of life for poor people in some of the most difficult localities across the country.

In 2014, Vietcombank spent more than 148 billion VND providing social security. In the past 5 years (2010 – 2014), the amount spent on this operation exceeding 760 billion VND.

THE MAJOR PROGRAMS FOR THE DEVELOPMENT OBJECTIVE, RELATED TO **NATIONAL SECURITY AND SOVEREIGNTY**



- » Dismantling and destroying postwar bombs and mines as part of the program "Green message from the earth" – a national action program by the State's Steering Committee;
- » Presentation of a special propaganda speaker system for the Vietnamese Coast Guard, contributing to and strengthening the coast guard force in their task of maintaining security and protecting national maritime sovereignty;
- » Financing a construction project which connected Co To Island to the electricity grid.

Cost of social security programs, regional development and development of key areas of the country, improving people's quality of life.

Unit: million VND

NO.	CONTENT OF SOCIAL SECURITY PROGRAMS	In 2014
1	Northwest region	32,931
2	Central Highlands	17,407
3	Southeast region	34,841
4	Central Areas Disaster Prevention Fund	7,000
5	Health sector	19,022
6	Education sector	75,344
7	Construction of social housing	21,279
8	Other sectors	32,418

Some typical social security programs/works implemented and completed in 2014

NO.	NAME OF PROGRAM	VALUE
1	Building a kindergarten for Son Quang commune, Huong Son district, Ha Tinh province.	3 billion VND
2	Building a kindergarten for An Minh Bac commune, U Minh Thuong district, Kien Giang province.	7.2 billion VND
3	Building the Thach Quoi kindergarten, Can Tho city.	8 billion VND
4	Building a secondary school in Trung Chinh ward, Kon Tum city.	10 billion VND
5	Building a primary school in Dam Doi town, Dam Doi district, Ca Mau province.	10 billion VND
6	Building a secondary school in Khanh Hai commune, Yen Khanh district, Ninh Binh province.	7 billion VND
7	Building a variety of social security related construction works in the province of Nghe An: Multi-functional classrooms at the cost of 2.45 billion VND (in Dien Chau district); A kindergarten in Tam Thai commune at the cost of 3.38 billion VND; Tam Thai primary school, at the cost of 1.19 billion VND; Yen Thang I primary school, at the cost of 3.49 billion VND and Tam Dinh primary school, at the cost of 940 million VND (in Tuong Duong district); a clinic in Dien Phu commune (Dien Chau) at the cost of 2.3 billion VND.	Total nearly 14 billion VND
8	Building a health clinic in Quang Trach commune – Thanh Hoa province.	3 billion VND
9	Building schools for the communes of Trinh Xa (Phu Ly city), Chau Giang and Hoa Mac town (Duy Tien district) in Ha Nam province.	8 billion VND
10	Funding a social security program for health and education in Gia Lai province.	7 billion VND
11	Building eight new classrooms in the Ban Qua commune, Bat Xat district, Lao Cai province.	2.4 billion VND
12	Building a secondary school for the Phuoc Vinh Tay commune – Can Giuoc district – Long An province.	10 billion VND
13	Building a 3-classroom kindergarten in Dong Cam commune, Cam Khe, Phu Tho.	1 billion VND
14	Participating in the program "Together with the Central area to overcome flood and storm" – supporting the Central disaster prevention fund.	7 billion VND
15	Building six kindergartens in areas of Thua Thien Hue province which included: Sao Mai 2, Quang Cong (Quang Dien); Loc An, Loc Dien (Phu Loc); Phu Thuan 2 (Phu Vang); Dien Huong (Phong Dien).	10 billion VND
16	Providing equipment and facilities for the National Pediatrics Hospital.	2.95 billion VND
17	Building a primary school in Quang Ngoc commune, Quang Xuong district, Thanh Hoa province.	4 billion VND
18	Funding the bright eye program for the elderly.	1 billion VND
19	Funding the program "Doing good things for poor farmers on the occasion of Tet" of the City in 2014 (HCMC).	4 billion VND
20	Providing funding the Northwest provinces of Lang Son, Lao Cai, Ha Giang, Cao Bang, Lai Chau to help build gratitude houses.	Over 10 billion VND
21	Donating 1,000 cows (equal to 15 billion VND) to 10 poor households in 10 mountainous districts bordering the Central Highlands.	15 billion VND



Education and health are two key areas which Vietcombank is particularly concerned with, and the social security activities invested for these two areas have been deployed predominantly by Vietcombank in many of the poorest regions of the country during recent times.

EDUCATIONAL DEVELOPMENT

Every year, Vietcombank also donates tens of billion VND worth of scholarships to students with outstanding academic achievements, or those who demonstrate great strength in difficult conditions.



For the education sector: Not only has Vietcombank built new schools, but it is also always at the forefront in financing learning, teaching facilities and upgrading parts of operating schools, such as providing tables and chairs, libraries, computer rooms, or simply fresh water tanks, garages, sports grounds, etc. All of these are simple but very are of very practical help to many schools who are experiencing difficulties. They contribute to improving and enhancing the quality of teaching and learning for teachers and students alike. In addition, Vietcombank also encourages poor students to keep their peace of mind and stay firmly on the road to the school by donating over 10 thousand lifeline bags for poor students

in floodplains and wetlands; donating many bicycles to poor pupils and students who are eager to learn, etc.

Every year, Vietcombank also donates tens of billion VND worth of scholarships to students with outstanding academic achievements, or those who demonstrate great strength in difficult conditions, through scholarship funds and study encouragement funds at the localities, as well as study encouragement fundraising programs at the national level. Through these activities, the Bank wishes to contribute to creating trust with children of less fortunate circumstances, thereby creating the passion and traditional hospitality within the newest generation of Vietnam.

SUPPORT HEALTHCARE

Vietcombank cares and shares the difficulties of patients too with programs such as financing surgeries, visiting patients, particularly poor children in difficult circumstances.

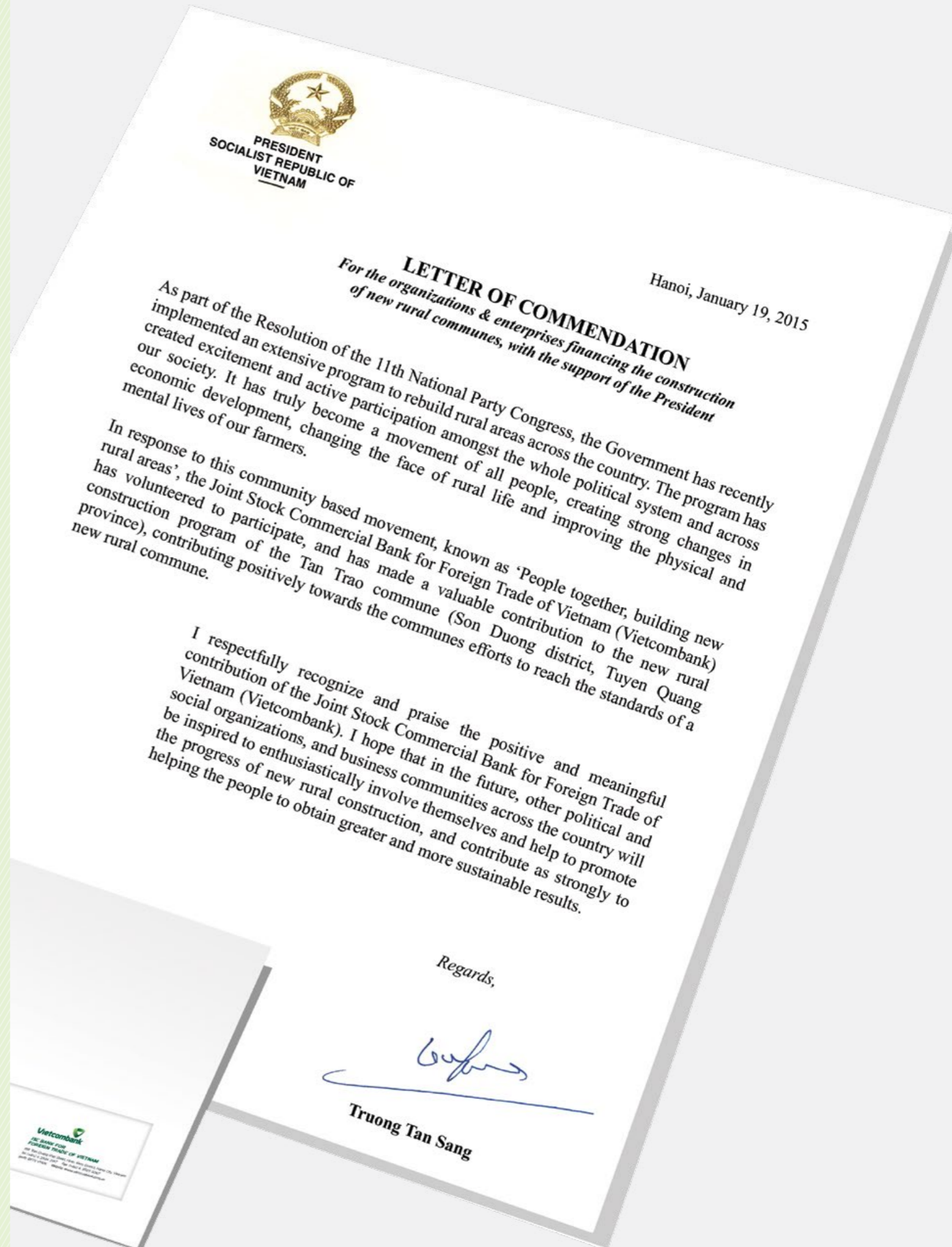


In the sector of health: Vietcombank's activities are not limited to financing the construction of hospitals, clinics, equipping them with the necessary equipment for examination and treatment, etc. Vietcombank cares and shares the difficulties of patients too with

programs such as financing surgeries, visiting patients, particularly poor children in difficult circumstances. Programs which provide food rations for patients are also often implemented by Vietcombank groups and unions in many localities.



IN ADDITION TO PLACING SAFETY AND EFFICIENCY IN BUSINESS AS A TOP TARGET, VIETCOMBANK ALSO ALWAYS GREATLY VALUED "HUMANITY"; IT IS THE CORE VALUE OF VIETCOMBANK CULTURE; CARING FOR AND DEVOTING SIGNIFICANT RESOURCES TO SOCIAL SECURITY IS ONE OF THE KEY OBJECTIVES SET OUT ANNUALLY BY VIETCOMBANK. THEREFORE, IN BUSINESS, VIETCOMBANK ALWAYS CONSIDERS "TRUST" AS THE GUIDING PRINCIPLE; IN SOCIAL ACTIVITIES, VIETCOMBANK ALWAYS CONSIDERS THE WORD OF "MIND" AS THE FOUNDATION, AND STRIVES TO BRING PRACTICAL, LONG-TERM OUTCOMES IN THE AREAS OF DEVELOPMENT AND CARE FOR THE COMMUNITY IN ORDER TO IMPROVE THE QUALITY OF LIFE FOR POOR PEOPLE. THAT IS NOT ONLY THE MESSAGE BUT ALSO THE COMMITMENT OF "TOGETHER FOR THE FUTURE" THAT VIETCOMBANK WISHES TO PROMOTE TO ALL CUSTOMERS AND ALL VIETNAMESE PEOPLE.





THE PRESIDENT OF VIETNAM **TRUONG TAN SANG**

WITNESSED THE HAND-OVER OF 8 FUNCTIONAL CLASSROOMS OF VIETCOMBANK FOR A POOR COMMUNE IN BAT XAT DISTRICT (LAO CAI PROVINCE)

 Vietcombank's timely support is a great source of encouragement for the poorest pupils of the community to continue their schooling, and has made teachers more comfortable with their vocation through improvements in facilities, all of which creates favorable conditions for the community education sector to contribute to the completion of the new rural program in 2014.

*Bui Huu Loi - Member of the Provincial Party Committee,
Secretary of Bat Xat District Party Committee*

February 3, 2015, on the occasion of the 2015 Lunar New Year, in Ta Ngao hamlet, Ban Qua commune, Bat Xat district, Lao Cai province, the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) coordinated with the local authority to handover eight completed classrooms to the Primary and Secondary School in Ta Ngao hamlet. The project had been financed by Vietcombank with the total budget of 2.4 billion VND. The handover meeting was honored by the attendance of Mr. Truong Tan Sang - Member of the Politburo, and President of the country.

Ban Qua commune, Bat Xat district (Lao Cai province) is a low-lying commune surrounding Bat Xat town with some unique characteristics such as rather large area, many ethnic groups, varied educational level, and many difficulties in people's living situations, as well as poor education facilities. The commune was selected by the Committee of Secretaries of the Central Union as the location to implement the construction of a "New rural area", in response to the campaign "The whole country joins together to build new rural areas" and the movement "Young people join together to build new rural areas". In recent times, the living standards of the people in Ban Qua hamlet have been improved, and the rate of households in poverty has rapidly decreased, from 43.7% in 2010 to 3.26% in 2013; health and education have been developed, contributing to

ensuring security and national defense, and developing the regional economy at the border regions.

The Ta Ngao Primary and Secondary School was built in 2009, and is the only school in Bat Xat district. It is comprised of the primary level and secondary level. Until now, the facilities could not fully meet the education demands of the community. Pursuant to the proposal of the Central Union, Central Enterprise Division Union and Lao Cai Provincial Union, Vietcombank invested in the construction of 8 functional classrooms with a total budget of 2.4 billion VND, and assigned Vietcombank Youth Union and Lao Cai Branch to implement the project together. The work commenced on August 9, 2014, lasted for 5 months, and finished right on the new spring day of 2015. This celebration brought joy and happiness to teachers, pupils and local people.

To mark the occasion, President Truong Tan Sang gave the school 50 million VND and granted 20 scholarships, each which was worth 3 million VND, to 20 of the poorest but most excellent pupils of the school.

At the handover meeting, on behalf of Vietcombank, Mr. Pham Manh Thang - Deputy CEO also gave 10 computers to Ta Ngao Primary and Secondary School (worth 80 million VND) to provide the school with additional facilities for teaching and learning.



Photo 1: President Truong Tan Sang grants scholarships to disadvantaged but deserving students at the Ta Ngao Primary and Secondary School.

Photo 3: On behalf of Vietcombank, Mr. Pham Manh Thang - Deputy CEO presents 10 computers to Ta Ngao Primary and Secondary School.

Photo 2: President Truong Tan Sang and delegates witness the handover of completed classrooms to Ta Ngao Primary and Secondary School, as financed by Vietcombank.

Photo 4: Mr. Pham Manh Thang - Deputy CEO and delegates have their picture taken with the teachers and pupils of Ta Ngao Primary and Secondary School.



SECURITY[🔒]

FOR TRUST



Consolidated financial statements

- General information
- Report of the Board of Management
- Independent auditors' report
- Consolidated balance sheet
 - Consolidated income statement
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JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

Consolidated financial statements for the year ended 31 December 2014

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GENERAL INFORMATION

Banking Licence for Establishment and Operation No. 138/GP-NHNN dated 23 May 2008 issued by the State Bank of Vietnam ("the SBV") and Decision No. 2719/QĐ-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 2 June 2008 issued by Hanoi Authority for Planning and Investment was renewed for the first time on 6 September 2010 and for the eleventh time on 7 November 2014.

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

Mr. Nghiem Xuan Thanh	Chairman	Appointed on 1 November 2014
Mr. Nguyen Hoa Binh	Former Chairman	Retired on 1 November 2014
Ms. Le Thi Hoa	Member	Reappointed on 25 April 2013
Mr. Nguyen Danh Luong	Member	Reappointed on 25 April 2013
Mr. Yutaka Abe	Member	Reappointed on 25 April 2013
Mr. Pham Quang Dung	Member	Appointed on 25 April 2013
Ms. Nguyen Thi Dung	Member	Appointed on 25 April 2013
Mr. Nguyen Manh Hung	Member	Appointed on 26 December 2014
Mr. Nguyen Dang Hong	Member	Resigned on 21 July 2014
Ms. Nguyen Thi Kim Oanh	Member	Resigned on 26 December 2014

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

Mr. Pham Quang Dung	Chief Executive Officer	Appointed on 1 November 2014
Mr. Nghiem Xuan Thanh	Chief Executive Officer	Appointed on 26 July 2013 Resigned on 1 November 2014
Mr. Dao Minh Tuan	Deputy CEO	Reappointed on 15 June 2012
Mr. Nguyen Danh Luong	Deputy CEO	Reappointed on 2 October 2014
Mr. Dao Hao	Deputy CEO	Appointed on 1 August 2010
Mr. Pham Thanh Ha	Deputy CEO	Appointed on 1 August 2010
Mr. Yukata Abe	Deputy CEO	Appointed on 30 September 2012
Ms. Truong Thi Thuy Nga	Deputy CEO	Appointed on 1 December 2012
Mr. Pham Manh Thang	Deputy CEO	Appointed on 10 March 2014
Ms. Nguyen Thi Kim Oanh	Deputy CEO	Appointed on 26 December 2014
Mr. Nguyen Van Tuan	Deputy CEO	Resigned on 5 March 2015

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

Ms. Truong Le Hien	Head of the Board	Reappointed on 25 April 2013
Ms. La Thi Hong Minh	Member	Reappointed on 25 April 2013
Ms. Do Thi Mai Huong	Member	Reappointed on 25 April 2013
Ms. Vu Thi Bich Van	Member	Reappointed on 25 April 2013
Mr. Lai Huu Phuoc	Member	Appointed on 25 April 2013 Resigned on 26 December 2014



Chief Accountant	Ms. Phung Nguyen Hai Yen	Appointed on 16 June 2011
Legal Representative		From 26 July 2013 to 24 April 2014
	Mr. Nghiem Xuan Thanh	Title: Chief Executive Officer
		From 25 April 2014 to 31 October 2014
	Mr. Nguyen Hoa Binh	Title: Chairman of the Board of Directors
		Since 1 November 2014
	Mr. Nghiem Xuan Thanh	Title: Chairman of the Board of Directors

The Bank's Head Office 198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam

The Bank's auditors Ernst & Young Vietnam Limited



The Board of Management of Joint Stock Commercial Bank for Foreign Trade of Vietnam ("the Bank") is pleased to present this report and the consolidated financial statements of the Bank and its subsidiaries for the financial year ended 31 December 2014.

The Board of Management's responsibility in respect of the consolidated financial statements

The Board of Management is responsible for ensuring that the consolidated financial statements of each financial year give a true and fair view of the consolidated financial position of the Bank and its subsidiaries, and of the consolidated results of their operations and their consolidated cash flows for the year. In preparing those consolidated financial statements, the Board of Management is required to:

- » Select suitable accounting policies and then apply them consistently;
- » Make judgments 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 consolidated financial statements; and
- » Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank and its subsidiaries will continue their business.

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

The Board of Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

Statement by the Board of Management

The Board of Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2014, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements stipulated by the State Bank of Vietnam relevant to preparation and presentation of consolidated financial statements.

For and on behalf of the Board of Management:

Mr. **Nguyen Danh Luong**
Deputy CEO

Hanoi, 30 March 2015



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

We have audited the accompanying consolidated financial statements of Joint Stock Commercial Bank for Foreign Trade of Vietnam ("the Bank") and its subsidiaries, as prepared on 30 March 2015 and set out on pages 100 to 171, which comprise the consolidated balance sheet as at 31 December 2014, the consolidated income statement and the consolidated statement of cash flows for the year then ended and the notes thereto.

The Board of Management's responsibility

The Board of Management of the Bank is responsible for the preparation and fair presentation of the consolidated financial statements of the Bank and its subsidiaries in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements stipulated by the State Bank of Vietnam relevant to preparation and presentation of consolidated financial statements, and for such internal control as the Board of Management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express our opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Bank and its subsidiaries are free from material misstatement.

An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the consolidated financial statements in order to design appropriate audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present truly and fairly, in all material respects, the consolidated financial position of the Bank and its subsidiaries as at 31 December 2014, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements stipulated by the State Bank of Vietnam relevant to preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited



Mr. Nguyen Xuan Dai
Deputy General Director
Audit Practicing Registration
Certificate No. 0452-2013-004-1

Ho Chi Minh City, Vietnam

30 March 2015

Ms. Dang Phuong Ha
Auditor
Audit Practicing Registration
Certificate No. 2400-2013-004-1



CONSOLIDATED BALANCE SHEET
as at 31 December 2014

Form B02/TCTD-HN
(Issued in accordance with Decision No. 16/2007/QĐ-NHNN
dated 18 April 2007 of the Governor of the SBV)

	Notes	31/12/2014 VND million	31/12/2013 VND million
A ASSETS			
I Cash on hand, gold, silver and gemstones	4	8,323,385	6,059,673
II Balances with the State Bank of Vietnam	5	13,267,101	24,843,632
III Balances with and loans to other credit institutions	6	146,066,919	91,737,049
1 Balances with other credit institutions		88,909,474	83,810,806
2 Loans to other credit institutions		57,189,924	7,992,267
3 Allowance for loans to other credit institutions		(32,479)	(66,024)
IV Trading securities	7	10,122,143	195,270
1 Trading securities		10,126,592	196,158
2 Allowance for diminution in the value of trading securities		(4,449)	(888)
V Derivatives and other financial assets	18	-	136,725
VI Loans and advances to customers		316,289,043	267,863,404
1 Loans and advances to customers	8	323,332,037	274,314,209
2 Allowance for loans and advances to customers	9	(7,042,994)	(6,450,805)
VII Investment securities		67,103,565	64,463,096
1 Available-for-sale securities	10(a)	49,197,775	47,127,209
2 Held-to-maturity securities	10(b)	18,180,227	17,360,833
3 Allowance for diminution in the value of investment securities		(274,437)	(24,946)
VIII Long-term investments		3,546,171	3,041,790
1 Investments in joint-ventures	11(a)	693,144	707,078
2 Investments in associates	11(b)	9,773	14,986
3 Other long-term investments	11(c)	2,869,095	2,356,016
4 Allowance for diminution in the value of long-term investments	11(c)	(25,841)	(36,290)
IX Fixed assets		4,445,613	4,085,686
1 Tangible fixed assets	12	2,811,969	2,556,047
<i>a Cost</i>		6,537,338	5,769,752
<i>b Accumulated depreciation</i>		(3,725,369)	(3,213,705)
2 Intangible fixed assets	13	1,633,644	1,529,639
<i>a Cost</i>		2,136,008	1,948,036
<i>b Accumulated amortization</i>		(502,364)	(418,397)
XI Other assets		7,824,897	6,567,707
1 Receivables	14(a)	2,588,961	2,098,143
2 Accrued interest and fee receivables	14(b)	3,647,147	3,649,335
3 Deferred tax assets		2,234	2,893
4 Other assets	14(c)	1,586,555	817,336
TOTAL ASSETS		576,988,837	468,994,032

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



CONSOLIDATED BALANCE SHEET
as at 31 December 2014 (continued)

Form B02/TCTD-HN
(Issued in accordance with Decision No. 16/2007/QĐ-NHNN
dated 18 April 2007 of the Governor of the SBV)

	Notes	31/12/2014 VND million	31/12/2013 VND million
B LIABILITIES AND SHAREHOLDERS' EQUITY			
I Amounts due to the Government and the State Bank of Vietnam	15	54,093,072	32,622,411
II Deposits and borrowings from other credit institutions	16	43,237,798	44,044,289
1 Deposits from other credit institutions		33,697,181	31,181,723
2 Borrowings from other credit institutions		9,540,617	12,862,566
III Deposits from customers	17	422,203,780	332,245,598
IV Derivatives and other financial liabilities	18	75,278	-
VI Valuable papers issued	19	2,208,641	2,013,597
VII Other liabilities		11,671,696	15,532,445
1 Accrued interest and fee payables	20(a)	4,797,481	4,394,123
2 Deferred tax liabilities		17,723	17,333
3 Other liabilities	20(b)	6,856,492	10,492,739
4 Provision for contingent liabilities and off-balance sheet commitments	20(c)	-	628,250
TOTAL LIABILITIES		533,490,265	426,458,340
VIII Capital and reserves			
1 Capital		32,420,681	32,420,728
<i>a Charter capital</i>		26,650,203	23,174,171
<i>b Share premium</i>		5,725,318	9,201,397
<i>c Other capital</i>		45,160	45,160
2 Reserves		4,151,991	3,468,552
3 Foreign exchange differences		67,236	123,853
4 Asset revaluation differences		83,405	82,306
5 Retained profits		6,627,407	6,290,626
<i>a Previous years' retained profits</i>		3,509,025	3,278,802
<i>b Current year's retained profits</i>		3,118,382	3,011,824
TOTAL SHAREHOLDERS' EQUITY	21(a)	43,350,720	42,386,065
IX Minority interests		147,852	149,627
TOTAL LIABILITIES, SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		576,988,837	468,994,032

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



CONSOLIDATED BALANCE SHEET
as at 31 December 2014 (continued)

Form B02/TCTD-HN
(Issued in accordance with Decision No. 16/2007/QĐ-NHNN
dated 18 April 2007 of the Governor of the SBV)

No.	Notes	31/12/2014 VND million	31/12/2013 VND million
OFF-BALANCE SHEET ITEMS			
I Contingent liabilities			
1	Credit guarantees	150,024	163,941
2	Letters of credit	32,621,012	33,696,290
3	Other guarantees	21,020,044	15,467,905
II Commitments			
1	Other commitments	6,294	-
	36	53,797,374	49,328,136

Hanoi, 30 March 2015

Prepared by:

Ms. NGUYEN THI THU HUONG

Ms. PHUNG NGUYEN HAI YEN

Deputy Director of
Accounting Policy Department

Chief Accountant

Approved by:

Mr. NGUYEN DANH LUONG



Deputy CEO

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



CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2014

Form B03/TCTD-HN
(Issued in accordance with Decision No. 16/2007/QĐ-NHNN
dated 18 April 2007 of the Governor of the SBV)

	Notes	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
1	Interest and similar income	27,988,051	28,298,671
2	Interest and similar expenses	(16,213,598)	(17,516,269)
I Net interest income		11,774,453	10,782,402
3	Fee and commission income	3,166,304	2,745,171
4	Fee and commission expenses	(1,395,973)	(1,125,800)
II Net fee and commission income		1,770,331	1,619,371
III Net gain from trading foreign currencies		1,345,079	1,426,859
IV Net gain from trading securities		199,124	22,172
V Net gain from investment securities		219,751	160,461
5	Other income	1,939,628	1,027,579
6	Other expenses	(155,176)	(93,294)
VI Net other income		1,784,452	934,285
VII Dividend and net income from investments in associates and joint-ventures		210,979	561,804
TOTAL OPERATING INCOME		17,304,169	15,507,354
VIII TOTAL OPERATING EXPENSES		(6,861,927)	(6,244,061)
IX Net profit before provisions and allowances for credit losses		10,442,242	9,263,293
X	Provisions and allowances for credit losses	(4,565,750)	(3,520,217)
XI PROFIT BEFORE TAX		5,876,492	5,743,076

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



CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2014 (continued)

Form B03/TCTD-HN
(Issued in accordance with Decision No. 16/2007/QĐ-NHNN
dated 18 April 2007 of the Governor of the SBV)

	Notes	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million	
7	Current corporate income tax expenses	32	(1,264,308)	(1,365,494)
8	Deferred corporate income tax expenses		(665)	-
XII	Corporate income tax expenses		(1,264,973)	(1,365,494)
XIII	NET PROFIT AFTER TAX		4,611,519	4,377,582
XIV	Net profit attributable to the minority interests		(19,196)	(19,530)
XVI	NET PROFIT		4,592,323	4,358,052
XV	Basic earnings per share (VND)	21(c)	1,543	1,582

Hanoi, 30 March 2015

Prepared by:

Ms. NGUYEN THI THU HUONG

Ms. PHUNG NGUYEN HAI YEN

Deputy Director of
Accounting Policy Department

Chief Accountant

Approved by:

Mr. NGUYEN DANH LUONG

Deputy CEO



CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2014

Form B04/TCTD-HN
(Issued in accordance with Decision No. 16/2007/QĐ-NHNN
dated 18 April 2007 of the Governor of the SBV)

	Notes	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million	
CASH FLOWS FROM OPERATING ACTIVITIES				
1	Interest and similar income receipts	27,901,305	27,694,842	
2	Interest and similar expenses payments	(15,821,810)	(16,577,491)	
3	Fee and commission income receipts	1,770,282	1,619,371	
4	Net receipts from foreign currencies, gold and securities trading	1,891,363	1,136,380	
5	Other income receipts	354,603	245,971	
6	Receipts from recovery of bad debts previously written off	1,419,966	687,694	
7	Payments to employees and for other operating activities	(6,236,857)	(5,411,498)	
8	Income tax paid	34	(1,160,768)	(1,372,355)
	Net cash flow from operating activities before changes in operating assets and working capital	10,118,084	8,022,914	
Changes in operating assets				
9	Balances with and loans to other credit institutions	(10,225,572)	333,084	
10	Trading securities	(9,705,295)	(4,792,939)	
11	Derivatives and other financial assets	136,725	(136,725)	
12	Loans and advances to customers	(49,017,828)	(33,146,900)	
13	Utilization of allowance for loans and advances to customers	(4,397,547)	(2,576,034)	
14	Other operating assets	(1,241,129)	(453,892)	
Changes in operating liabilities				
15	Amounts due to the Government and the SBV	21,470,661	6,624,281	
16	Deposits and borrowings from other credit institutions	(806,491)	9,977,937	
17	Deposits from customers	89,958,181	48,055,573	
18	Valuable papers issued	195,044	(13,970)	
19	Derivatives and other financial liabilities	75,278	(5,461)	
20	Other operating liabilities	(4,032,611)	(11,677,564)	
21	Payments from reserves	(522,245)	(372,963)	
I	Net cash flow generated from operating activities	42,005,255	19,837,341	

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

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



	Notes	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
1	Payments for purchases of fixed assets	(987,172)	(1,170,801)
2	Proceeds from disposals of fixed assets	5,900	2,819
3	Payments for disposals of fixed assets	(2,511)	(2,301)
4	Payments for investments in other entities	(517,102)	(100,347)
5	Proceeds from disposals of investments in other entities	9,565	362,909
6	Dividends received from long-term investments	160,541	282,644
7	Dividends of prior year received in the year	-	752
II	Net cash flow used in investing activities	(1,330,779)	(624,325)
CASH FLOWS FROM FINANCING ACTIVITIES			
1	Expenses from issuance of bonus shares in 2014	(47)	-
2	Dividends of prior year paid in cash	(2,801,395)	(2,780,901)
III	Net cash flow used in financing activities	(2,801,442)	(2,780,901)
IV	Net cash flow during the year	37,873,034	16,432,115
V	Cash and cash equivalents at the beginning of the year	137,139,962	120,707,847
VII	Cash and cash equivalents at the end of the year	175,012,996	137,139,962

Hanoi, 30 March 2015

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

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

1. Reporting entity

(a) Establishment and operations

Joint Stock Commercial Bank for Foreign Trade of Vietnam ("the Bank") 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 2 June 2008 by Hanoi Authority for Planning and Investment, Business Registration Certificate No. 0100112437 renewed for the eleventh time on 7 November 2014.

The principal activities of the Bank in accordance with Decision No. 2719/QĐ-NHNN dated 27 December 2011 supplementing 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) Charter capital

Under Banking Licence No. 138/GP-NHNN dated 23 May 2008 issued by the SBV; and Business Registration Certificate No. 0103024468 dated 2 June 2008 issued by Hanoi Authority for Planning and Investment, the Bank's charter capital was VND 12,100,860,260,000. Under Business Registration Certificate No. 0100112437, renewed for the eleventh time on 7 November 2014, the Bank's charter capital was VND 26,650,203,340,000. The face value per share is VND 10,000.

	31/12/2014		31/12/2013	
	Number of shares	%	Number of shares	%
Shares owned by the State of Vietnam	2,055,076,583	77.10%	1,787,023,116	77.10%
Shares owned by foreign strategic shareholder (Mizuho Corporate Bank Ltd., Japan)	399,754,446	15.00%	347,612,562	15.00%
Shares owned by other shareholders	210,189,305	7.90%	182,781,398	7.90%
	2,665,020,334	100%	2,317,417,076	100%

(c) Location and network

The Bank's Head Office is located at 198 Tran Quang Khai Street, Hoan Kiem District, Hanoi. As at 31 December 2014, the Bank has one (1) Head Office, one (1) Operation Centre, one (1) Training Centre and eighty nine (89) branches nationwide, three (3) local subsidiaries, two (2) overseas subsidiaries, three (3) joint-ventures, one (1) associate and one (1) overseas representative office located in Singapore.

The Bank and its subsidiaries hereinafter are referred as "Vietcombank".

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



1. Reporting entity (continued)

(d) Subsidiaries, joint-ventures and associates

Subsidiaries

Subsidiaries	Operating Licence	Business sector	% direct shareholding by the Bank
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.	Securities	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")	Certificate of Registration No.: 0226 issued by Commissioner of Banking, HongKong, dated 07 Mar 1978, amended the 1 st time on 03 Nov 1992, amended the 2 nd time on 19 Sep 1995.	Financial services	100%
Vietcombank Money Incorporation	Business Licence No. E0321392009-6 dated 15 June 2009 granted by Authority of the State of Nevada, the United States of America.	Remittance	75%

Joint-ventures

Joint-ventures	Operating Licence	Business sector	% direct shareholding by the Bank
Vietcombank - Bonday - Ben Thanh Company Limited	Operating Licence No. 2458/GP dated 7 February 2005 granted by the Ministry of Planning and Investment.	Office leasing	52%
Vietcombank Fund Management Company	Investment Licence No. 06/UBCK-GPHDQLQ dated 2 December 2005 and Licence No. 76/GPDC-UBCK dated 3 August 2010 granted by the State Securities Commission.	Investment fund management	51%
Vietcombank - Cardif Life Insurance Company Limited	Investment Licence No. 55/GP dated 23 October 2008 granted by the Ministry of Finance.	Life insurance	45%

Associates

Associates	Operating Licence	Business sector	% direct shareholding by the Bank
Vietcombank Bonday Limited	Investment Licence No. 283/GP dated 5 December 1991 granted by the Department of Planning and Investment.	Office leasing	16%

(e) Number of employees

As at 31 December 2014, Vietcombank has 14,099 employees (as at 31 December 2013: 13,864 employees).



2. Summary of significant accounting policies

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

(a) Basis for preparation of the financial statements

The consolidated financial statements, presented in Vietnamese Dong ("VND"), and rounded to the nearest million ("VND million"), have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements stipulated by the SBV relevant to preparation and presentation of consolidated financial statements. The Bank also prepares the separate financial statements for the year ended 31 December 2014.

The consolidated financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the direct method.

(b) Changes in accounting policies

The accounting policies adopted by the Bank in preparation of these consolidated financial statements are consistent with those used in preparation of the consolidated financial statements for the year ended 31 December 2013, except for the changes in the accounting policies and notes in relation to the following operations:

Since 1 June 2014, Circular No. 02/2013/TT-NHNN ("Circular 02") dated 21 January 2013 by the Governor of the SBV on loan classification, provision rates, and the use of provision against credit risks in operations of credit institutions and foreign banks' branches; Circular No. 09/2014/TT-NHNN ("Circular 09") dated 18 March 2014 on amendments and supplementation to Circular 02 have been officially effective. Accordingly, main changes consist of the followings:

- » In addition to loans and advances to customers, these followings shall also be classified and provisioned for:
 - Investments and entrustments for corporate bonds which are not listed on securities markets or Unlisted Public Company Market (Upcom), except for risk-free entrustments;
 - Entrustment for loans;
 - Balances (except for demand deposit) with other local credit institutions, with branches of foreign banks in Vietnam in accordance with the statutory requirements and with overseas credit institutions;
 - Credit cards' debts.
- » Off-balance sheet commitments shall be classified for the purpose of management and shall not be provisioned for.
- » Balances with and loans to other credit institutions, purchase of valuable papers with defined term for credit institutions, branches of foreign banks in Vietnam shall require loan classification and specific provision but not require general provision.
- » Loans sold but not yet paid for, and loans sold with recourse shall be classified and made provision for similarly to those prior to being sold.

- » Based on its inspection and supervision results, as well as other relevant credit information, the SBV has the right to require credit institutions to conduct risk assessments to re-classify and to make respective provision for certain loans.
- » Credit institutions which have been allowed to apply Article 7, Decision No. 493/2005/QĐ-NHNN to make loan classification shall adopt both quantitative and qualitative method and loans shall be classified into group with higher risk within 03 (three) years since these Circulars went into effect.

(c) Fiscal year

Vietcombank's fiscal year is from 1 January to 31 December.

(d) Foreign currency transactions

According to Vietcombank'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 consolidated 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 in the consolidated income statement at the exchange rates on the dates of the transactions.

Foreign exchange differences arise from revaluation of foreign currency trading activities at the end of the period are presented in line "Foreign exchange differences", and are recorded in the consolidated income statement at the end of the fiscal year.

In order to prepare the consolidated financial statements, for the subsidiaries using the consolidation method and for the associates and joint-ventures using the equity method, which have accounting currencies other than VND, assets, liabilities and equity accounts of these companies are converted into VND at the inter-bank exchange rate on the consolidated balance sheet date, and the income statements are converted at the average exchange rate for the period. The exchange differences arising from the conversion are taken into equity in the consolidated balance sheet.

(e) Consolidation

(i) Subsidiaries

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 that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that the control commences until the date that the control ceases.

Inter-company balances, transactions, and profit/loss on transactions between those companies and the Bank are eliminated in full in the consolidated financial statements. The accounting policies of subsidiaries have been changed if necessary to ensure the consistency with the policies adopted by the Bank.



2. Summary of significant accounting policies (continued)

(e) Consolidation (continued)

(i) Subsidiaries (continued)

Minority interests represent the portion of the profit or loss and net assets of a subsidiary attributable to equity interest that are not owned, directly or indirectly through subsidiaries, by the Bank.

(ii) Associates and joint-ventures

Associates are those entities in relation to which the Bank has significant influence, but not control, over the financial and operating policies.

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.

Vietcombank uses the equity method for consolidating its investments in associates and joint ventures in the consolidated financial statements. Vietcombank's share of its associates and joint-ventures' post acquisition profits or losses is recognized in the consolidated income statement. When Vietcombank's share of losses in associates and joint-ventures equals or exceeds the cost of its investments in the associates and joint-ventures, Vietcombank does not recognize further losses in its consolidated financial statements, unless it has obligations to pay on behalf of the associates and joint-ventures. Accounting policies of associates and joint-ventures have been changed where necessary to ensure consistency with the policies adopted by Vietcombank.

(f) 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 with the SBV, balances with other credit institutions with original terms to maturity not exceeding three months from the original date of placement; securities with original maturity not exceeding three months that are readily convertible into known amounts of cash, and that are subjected to an insignificant risk of change in value.

(g) Loans and advances to customers

(i) Loans and advances to customers

Loans and advances to customers are stated in the consolidated balance sheet at the principal amounts outstanding at the date of the consolidated financial statements.

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 Circular 02 and Circular 09, specific allowance for credit risk is calculated based on loan classification and the corresponding allowance rates against principal outstanding at 30 November 2014, less allowed value of collateral as follows:

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

Since 1 January 2010, the Bank has applied Article 7, Decision No. 493/2005/QĐ-NHNN to make loan classification as being approved by the SBV. However, according to Circular 02, the Bank is required to classify loans and off-balance sheet commitment in accordance with both the Article 10 and Clause 1 of Article 11 of this Circular for the period of 3 years starting from 1 June 2014. In that case, should classifications of a loan in accordance with Article 10 and Clause 1 from Article 11, Circular 02 differ, the loan is to be classified into the group of higher risk.

(iii) General allowance for credit risk

Vietcombank 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 as at 30 November 2014.

(iv) Bad debts written-off

According to Circular 02, the Bank writes off bad debts in the following cases:

- » Borrowers who are dissolved, bankrupted under legal regulations (in case of legal entities); or are deceased or missing (in case of individuals);
- » Debts are classified into Group 5.

(v) Bad debts sold to Vietnam Asset Management Company

Vietcombank sells bad debts at their book values to Vietnam Asset Management Company ("VAMC") in accordance with Decree No. 53/2013/ND-CP effective from 9 July 2013 on "Establishment, organization and operation of Vietnam Asset Management Company", Circular No. 19/2013/TT-NHNN effective from 15 September 2013 on "Purchase, sale and handling of bad debts of Vietnam Asset Management Company" and Official Letter No. 8499/NHNN-TCKT on "Guidance on accounting for bad debts purchase and sale between VAMC and credit institutions". Accordingly, the selling price is determined by the outstanding balance of a bad debt minus its unused specific allowance.

For the sale of bad debts in exchange for VAMC bonds, upon completing selling bad debts to VAMC, Vietcombank will derecognize both the outstanding principal and allowance of the sold debt and recognize the face value of VAMC special bonds, which equals to the outstanding balance of the debt less its unused specific allowance. Upon receiving the bad debts back from VAMC, Vietcombank will use the allowance made annually for VAMC special bonds to write off such bad debts. Difference between the allowance made for VAMC bonds and the uncollected outstanding balance of debts/bonds will be recognized as "Other income" in the consolidated income statement.



2. Summary of significant accounting policies (continued)

(h) Investments

(i) Trading securities

Trading securities are debt securities, equity securities and other 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 the cost of acquisition. They are subsequently measured at the lower of the book value and the market value. Gains or losses from sales of trading securities are recognized in the consolidated income statement.

Interest and dividends derived from holding trading securities are recognized on the cash basis in the consolidated income statement.

(ii) Investment securities

Investment securities are classified into two categories: available-for-sale and held-to-maturity investment securities. Vietcombank classifies investment securities on their purchase dates. In accordance with Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, Vietcombank 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. Regarding equity securities, Vietcombank is neither a founding shareholder nor a strategic partner; nor has the impact 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.

Held-to-maturity investment securities

Held-to-maturity investment securities are debt securities, with fixed or determinable payments and maturities where Vietcombank'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 consolidated income statement using straight-line method over the period from the acquisition dates to the maturity dates.

In addition, according to Circular 02 and Circular 09, investment securities which are unlisted corporate bonds must be subjected to loan classification and allowance for these investments is calculated similarly to loans to customers presented in Note 2(g).

Special bonds issued by VAMC

Special bonds issued by VAMC are fixed-term valuable papers used to purchase bad debts of Vietcombank. The special bonds are initially recognized at face value at the date of transaction and subsequently carried at face value during the holding period. The face value of the bonds equals to the outstanding balance of the sold debts less their unused specific allowance.

Special bonds will be settled in one of the following cases:

- » The provision made for special bonds is not less than the book value of relevant bad debts recorded in the accounting books of VAMC, including the following cases:
 - VAMC sells the debts to the Bank, organizations, individuals at their market price or negotiated price;
 - VAMC converts the debts into charter capital of the corporate borrowers.
- » Special bonds are expired.

During the holding period, Vietcombank annually calculates and makes allowance at the rate of no less than 20% of the face value of the special bonds. The allowance of special bonds is recognized in the consolidated income statement in "Provisions and allowances for credit losses".

(iii) Long-term investments

Other long-term investments represent Vietcombank's capital investments in other enterprises where Vietcombank owns less than 20% of voting rights and is either a founding shareholder or a strategic partner; or has influences 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 of which holding, withdrawing or paying terms are more than one year (except for capital contributions and investments into joint-ventures and associates).

Other long-term investments are initially recognized at cost. They are subsequently measured at the lower of the carrying value and the market value.

The allowance for diminution in the value of long-term investments is made if the economic entity in which Vietcombank invests suffers a loss (except for cases where losses have been anticipated in the business plans prepared before making investment) in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013. The level of allowance is the difference between the parties' actual capital contributions to the economic entity and the actual equity multiplied (x) by the ratio of capital invested by Vietcombank to the total actual capital of the economic entity.



2. Summary of significant accounting policies (continued)

(i) Repurchase and reverse repurchase agreements

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

Conversely, securities purchased under agreements to resell at a specific date in the future are not recognized in the consolidated financial statements. The corresponding cash paid under these agreements is recognized in the consolidated balance sheet under "Loans and advances to customers". The difference between the purchase price and resale price is amortized in the consolidated income statement over the term of the agreement, using the straight-line method based on the interest rate stipulated in the contract.

(j) 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, 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 it is located.

On 25 April 2013, the Ministry of Finance issued Circular No. 45/2013/TT-BTC guiding the framework of management, use and depreciation of fixed assets. According to this circular, assets shall be considered as fixed assets if they meet all of the following three criteria:

- » It is certain to gain future economic benefits from the use of such assets;
- » The useful life of assets is above one year;
- » Historical costs of the assets must be determinable reliably, with a minimum value of VND 30,000,000 (thirty million VND).

Expenditures incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to the consolidated income statement for the period in which the costs are incurred. In case it can be clearly demonstrated that these expenditures have resulted in an increase in the expected future economic benefits obtained from the use of these tangible fixed assets beyond their originally assessed standard level of performance, the expenditures will be 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 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

(k) Intangible fixed assets

(i) Land use rights

According to Circular No. 45/2013/TT-BTC dated 25 April 2013 by the Ministry of Finance, effective from 10 June 2013, intangible fixed assets recognized as land use rights comprise:

- » The land use rights allocated by the State with land use fee or receiving the transfer of legal land use rights (including term and non-term land use rights);
- » The rights to use the leased land before the effective date of the Land Law 2003 but the rent has been paid for the leasing time or paid in advance for many years but the remaining paid land lease term is at least five years and granted with certificate of land use rights by the competent authority.

The initial cost of land use rights is determined as the total amount paid to have the legal land use rights plus (+) costs of site clearance, ground leveling, registration fee (excluding costs of construction on that land) or the value of land use rights with contributed capital.

Land use rights not recognized as intangible assets comprise:

- » Land use rights allocated by the State without land use fee;
- » Land lease rent paid one time for the entire lease term (the land lease time after the effective date of the Land Law 2003 without certificate of land use rights granted), the rent is amortized in the business costs by the number of lease years;
- » Land lease rent paid annually, the rent is recorded into the business costs in the period in proportion to the rent annually paid.

According to Circular No. 45/2013/TT-BTC, intangible fixed assets which are long-term land use rights with land use fee or receiving the legal long-term land use rights are not amortized.

For the intangible fixed assets which are the value of land use rights with term or the leased land use rights, the time of depreciation is the time permitted for land use of Vietcombank.

(ii) Other intangible fixed assets

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

(l) Deposits from customers and certificates of deposits

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

(m) 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.



2. Summary of significant accounting policies (continued)

(n) Severance allowance

Under the Vietnamese Labor Code, when employees who have worked for the Bank and its subsidiaries in Vietnam for 12 months or more ("eligible employees") voluntarily terminate their labor contracts, the employer is required to pay the eligible employees severance allowance calculated based on the number of years of service up to the end of 2008 and the employees' average compensation within their last 6 working months.

Pursuant to the Law on Social Insurance, effective from 1 January 2009, the Bank, its subsidiaries in Vietnam, and their 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 and 20 times the general minimum salary level as specified by the Government from time to time.

In accordance with Circular No. 180/2012/TT-BTC dated 24 October 2012, the Bank and its subsidiaries in Vietnam make severance allowance and record as operating expenses in the period.

(o) 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 share premium in 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.

(iii) Treasury shares

When Vietcombank 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 the net profit after tax of the Bank and Vietcombank Financial Leasing Company Limited at prescribed rates as follows:

- » Supplementary charter capital reserve: 5% of the net profit after tax and not exceeding the charter capital.
- » Financial reserve: 10% of the net profit after tax and not exceeding 25% of the charter capital.
- » Investment and development reserve, bonus and welfare funds and other reserves: 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 for reserves is made in accordance with the decisions of the Annual General Shareholders' Meeting and relevant statutory requirements.

The remaining of the net profit after tax, after appropriation for reserves and dividends payment, is recorded as retained profits of Vietcombank.

Vietcombank Securities Company Limited appropriates reserves in accordance with the Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014.

(p) Revenue and expenses

(i) Interest income and interest expenses

Interest income of outstanding loans classified in Group 1 (as defined in Note 2(g)) is recognized in the consolidated financial statements on an accrual basis. Accrued interest on loans classified in Group 2 to Group 5 is recognized in the consolidated income statement 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. Cash dividends from investment activities are recognized in the consolidated income statement when Vietcombank's right to receive payment is established.

(iii) Stock dividends

In accordance with Circular No. 244/2009/TT-BTC dated 31 December 2009, effective from 1 January 2010, dividends and other receipts in the form of shares and amounts distributed in the form of shares, coming from profits of joint stock companies, are not recorded in the consolidated financial statements. Instead, only an increase in the number of shares held by Vietcombank is reflected.

(iv) Uncollectible income

According to Circular No. 05/2013/TT-BTC dated 9 January 2013, income receivables that are recognized as income but uncollectible at the due date are reversed as a reduction of income, if the due date is within the same accounting period, or reversed as an expense if the due date is not within the accounting period, and must be monitored on the off-balance sheet for following-up on collection. When the income is collected, Vietcombank will record it as an operating income.

(q) Lease

(i) Lessee

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



2. Summary of significant accounting policies (continued)

(q) Lease (continued)

(ii) Lessor

Vietcombank recognizes finance leased assets as receivables in the consolidated balance sheet at the net value of the investment defined in the lease contract. Receivables from finance leases are recognized as financial income from investments of capital and services by the lessor. Installment income is amortized over the lease term using a fixed interest rate over the net investment of the leased assets.

Vietcombank recognizes operating leased assets in the consolidated balance sheet. Rental income is recognized on a straight-line basis over the lease term, regardless of the payment method. Expenses occurred during the leasing period, including depreciation expenses, are recognized as operating expenses for the period.

(r) Taxation

Income tax on the profit or loss for the period comprises of current and deferred tax. Income tax is recognized in the consolidated 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 period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payables in respect of previous periods.

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.

(s) Related parties

Entities and individuals, directly or indirectly through one or more intermediaries, which control, or are controlled by, or have common control with Vietcombank, are related parties of Vietcombank. Associates and individuals, directly or indirectly owning the voting power of Vietcombank that gives them significant influence over Vietcombank, key management personnel, including directors and officers of Vietcombank 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, the nature of the relationship, not merely the legal form, is considered.

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

(t) Segment reporting

A segment is a distinguishable component of Vietcombank 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. Vietcombank's basic format for segment reporting is based on geographical segments. Vietcombank's secondary format for segment reporting is based on type of business activity.

(u) Off-balance sheet items

(i) Foreign exchange contracts

Vietcombank enters into foreign exchange forward and swap contracts which enable customers to transfer, modify or reduce their foreign exchange risk or other market risks, and are also used for Vietcombank's business purposes.

Forward contracts are commitments to either purchase or sell a designated currency at a specific future date for a specific exchange rate and cash settlement. Forward contracts are recorded at nominal values at transaction dates, and are subsequently revaluated at the end date of the accounting period. The difference on revaluation is recognized under "Foreign exchange differences" in the equity section and is recorded in the consolidated income statement at the end of the fiscal year (see Note 2(d)).

Swap contracts are commitments to settle in cash at a future date based on differences between specified exchange rates, calculated on the notional principal amount. Swap contracts are subsequently revaluated at the end date of the accounting period, and the difference on revaluation is recognized under "Foreign exchange differences" in the equity section and is recorded in the consolidated income statement at the end of the fiscal year (see Note 2(d)).

(ii) Commitments and contingent liabilities

Vietcombank has credit commitments arising from its regular lending activities. These commitments are unutilized loans and overdraft facilities which are approved. Vietcombank also provides financial guarantees and letters of credit, in order 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.

According to Circular 02 and Circular 09, Vietcombank shall classify commitments and contingent liabilities into 5 groups, similarly to loans and advances to customers, for management purposes (see Note 2 (g)).



2. Summary of significant accounting policies (continued)

(v) Other receivables

Vietcombank has provided provisions for overdue receivables which are classified as assets without credit risks in accordance with Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009. Accordingly, these receivables are subject to review for impairment based on their overdue periods or estimated loss arising from undue debts of which the indebted economic organizations fall bankrupt or are undergoing dissolution procedures; or the debtors are missing, have fled, are prosecuted, detained or on trial by law enforcement bodies, are serving sentences or have deceased, etc.

Overdue period	Provision rate
From six (6) months to less than one (1) year	30%
From one (1) year to less than two (2) years	50%
From two (2) years to less than three (3) years	70%
From three (3) years and above	100%

For receivables that are classified as assets with credit risks, the Bank conducts classification and makes provisions similarly to those of loans to customers (see Note 2(g)).

(w) Offsetting

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

(x) Earnings per share

Vietcombank presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of Vietcombank by the weighted average number of ordinary shares outstanding during the period.

(y) Regulations issued but not yet applied for the reporting period of 2014

The followings are regulations issued but not yet applied for the reporting period of 2014. Vietcombank will apply these regulations for the reporting period of 2015.

Circular No. 49/2014/TT-NHNN – modifying, supplementing certain articles of Financial Reporting Regime for credit institutions, issued under Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 and Chart of accounts for credit institutions, issued under Decision No. 479/2004/QĐ-NHNN dated 29 April 2004 by the Governor of the SBV ("Circular 49").

On 31 December 2014, the SBV issued Circular 49, coming into effect from 15 February 2015.

Comparing to previous regulations, Circular 49 has modified, supplemented several articles regarding Financial Reporting Regime for credit institutions, issued under Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 by the Governor of the SBV:

- » Subsidiaries/ associates: subsidiaries and associates of credit institutions are to be determined under Laws on Credit Institution;
- » Replacement of financial statement templates issued under Decision No. 16/2007/QĐ-NHNN by new respective templates under Circular 49.

Circular No. 36/2014/TT-NHNN – stipulating safety limits and ratios in operations of credit institutions, foreign banks' branches ("Circular 36").

On 20 November 2014, the State Bank of Vietnam issued Circular 36 stipulating safety limits and ratios in operations of credit institutions, foreign banks' branches, in which regulations on conditions, credit granting limit for stock investments and trading for commercial banks and foreign banks' branches are prescribed.

Accordingly, commercial banks are only allowed to grant credit to customers for stock investments and trading while meeting safety ratios requirements and having bad debts ratio of lower than 3%. The total loan balance granted is not to exceed 5% of the charter capital.

Regarding regulations on holding shares of other credit institutions, commercial banks are only allowed to purchase and hold others credit institutions' shares when meeting the requirement of bad debts ratio lower than 3%. Moreover, commercial banks are only allowed to purchase and/or hold shares of no more than 2 other credit institutions, with the exception of commercial banks' subsidiaries, and only allowed to hold less than 5% of that other credit institution.

Circular 36 is effective from 1 February 2015.



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

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

Financial assets of Vietcombank 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 Vietcombank mainly include:

- » Amounts due to the Government and the State Bank of Vietnam;
- » Deposits and borrowings from other credit institutions;
- » Deposits 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 consolidated financial statements, Vietcombank 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
- » Available-for-sale financial assets.

Financial liabilities are classified as follows:

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

(b) Recognition

Financial assets and financial liabilities are recognized on the consolidated balance sheet when, and only when, Vietcombank becomes a party to contractual provisions for the supply of those financial instruments. Vietcombank recognizes a financial asset or financial liability at the date the contract is effective (trade date accounting).

(c) Derecognition

A financial asset is derecognized when, and only when, Vietcombank's contractual rights to receive the cash flows from the financial asset are terminated, or the majority of the risks and rewards of ownership of the asset are transferred. A financial liability is derecognized when, and only when, the contractual obligation is settled (i.e. either discharged, cancelled, or expired).

(d) Measurement and disclosures of fair value

In accordance with Circular No. 210/2009/TT-BTC, Vietcombank 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 presented in Note 39.

The preparation and presentation of the fair value of the financial instruments are only for the purpose of presenting Note 39. The financial instruments of Vietcombank are still recognized and recorded in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements stipulated by the State Bank of Vietnam relevant to preparation and presentation of consolidated financial statements as described in the notes above.

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

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

When an active market does not exist for a financial instrument, Vietcombank determines the fair value of that instrument using valuation techniques. The chosen valuation technique would make maximum use of market inputs, rely as little as possible on estimates specific to Vietcombank, incorporate all factors that market participants would consider when setting prices, and be consistent with accepted economic methodologies for pricing financial instruments. Inputs for valuation techniques reasonably reflect market expectations and measures of the risk-return factors inherent in the financial instrument.

In case there is not enough information to utilize valuation techniques, fair value of the financial instruments without quoted market prices are deemed not to have been reliably measured and therefore, not disclosed.



4. Cash on hand, gold, silver and gemstones

	31/12/2014 VND million	31/12/2013 VND million
Cash on hand in VND	6,614,823	4,568,696
Cash on hand in foreign currencies	1,707,052	1,487,868
Valuable papers in foreign currencies	1,510	3,109
	8,323,385	6,059,673

5. Balances with the State Bank of Vietnam

	31/12/2014 VND million	31/12/2013 VND million
Demand deposits in VND	1,736,080	5,393,551
Demand deposits in USD	11,531,021	19,450,081
	13,267,101	24,843,632

These deposits consist of compulsory reserves ("CRR") for liquidity and current account.

The monthly average balance of the demand deposits of Vietcombank 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:

Type of deposits	31/12/2014	31/12/2013
Deposits in VND with terms of less than 12 months	3%	3%
Deposits in VND with terms of 12 months and above	1%	1%
Deposits in foreign currencies with terms of less than 12 months	8%	8%
Deposits in foreign currencies with terms of 12 months and above	6%	6%
Deposits from overseas credit institutions in foreign currencies	1%	1%

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

	31/12/2014	31/12/2013
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%

6. Balances with and loans to other credit institutions

	31/12/2014 VND million	31/12/2013 VND million
Balances with other credit institutions		
Demand deposits in VND	84,265	13,521
Demand deposits in foreign currencies	30,995,486	29,934,538
Term deposits in VND	14,688,836	8,165,611
Term deposits in foreign currencies	43,140,887	45,697,136
	88,909,474	83,810,806
Loans to other credit institutions		
Loans in VND	48,808,739	7,550,511
Loans in foreign currencies	8,381,185	441,756
	57,189,924	7,992,267
Allowances for balances with and loans to other credit institutions	(32,479)	(66,024)
	57,157,445	7,926,243
	146,066,919	91,737,049

Allowances for balances with and loans to other credit institutions comprise of:

	31/12/2014 VND million	31/12/2013 VND million
General allowance	-	58,890
Specific allowance	32,479	7,134
Closing balance	32,479	66,024

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

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Opening balance	58,890	50,057
Allowance (reversed)/made during the year (see Note 31)	(58,890)	8,833
Closing balance	-	58,890



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

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

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Opening balance	7,134	66,816
Allowance made during the year (see Note 31)	25,345	318
Adjustment of the State Audit for the year 2012	-	(60,000)
Closing balance	32,479	7,134

7. Trading securities

	31/12/2014 VND million	31/12/2013 VND million
Debt securities	9,876,942	7,560
Government securities	8,916,295	-
Securities issued by other credit institutions	960,647	7,560
Equity securities	249,650	188,598
Equity securities issued by other credit institutions	6,733	17,211
Equity securities issued by local economic entities	242,917	171,387
	10,126,592	196,158
Allowance for diminution in the value of trading securities	(4,449)	(888)
	10,122,143	195,270

Trading securities by listing status were as follows:

	31/12/2014 VND million	31/12/2013 VND million
Debt securities	9,876,942	7,560
Listed	9,876,942	-
Unlisted	-	7,560
Equity securities	249,650	188,598
Listed	249,643	188,248
Unlisted	7	350
	10,126,592	196,158

Movements in allowance for diminution in the value of trading securities were as follows:

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Opening balance	888	363
Allowance made during the year	3,561	525
Closing balance	4,449	888

8. Loans and advances to customers

	31/12/2014 VND million	31/12/2013 VND million
Loans to local economic entities and individuals	319,580,243	271,051,595
Discounted bills and valuable papers	1,695,473	1,580,513
Financial leases	2,004,371	1,612,200
Loans given to make payments on behalf of customers	39,802	52,624
Loans to foreign individuals and enterprises	12,148	17,277
	323,332,037	274,314,209

Loan portfolio by loan group was as follows:

	31/12/2014 VND million	31/12/2013 VND million
Current	298,526,817	244,080,147
Special mentioned	17,346,539	22,758,702
Sub-standard	2,135,698	2,713,574
Doubtful	1,770,773	1,969,791
Loss	3,552,210	2,791,995
	323,332,037	274,314,209

Loan portfolio by term was as follows:

	31/12/2014 VND million	31/12/2013 VND million
Short-term	206,763,418	175,256,677
Medium-term	33,534,919	29,940,648
Long-term	83,033,700	69,116,884
	323,332,037	274,314,209



8. Loans and advances to customers (continued)

Loan portfolio by type of borrowers was as follows:

	31/12/2014 VND million	31/12/2013 VND million
State-owned enterprises	90,002,735	77,642,359
Limited companies	69,453,779	60,459,488
Foreign invested enterprises	17,882,606	13,889,596
Co-operative and private companies	6,055,632	5,477,764
Individuals	51,744,351	37,258,614
Others	88,192,934	79,586,388
	323,332,037	274,314,209

Loan portfolio by industry sectors was as follows:

	31/12/2014 VND million	31/12/2013 VND million
Construction	16,391,604	15,392,873
Electricity, gas, water processing and supplying	23,634,980	17,178,394
Processing and manufacturing	111,471,498	93,963,131
Mining	13,996,417	17,966,150
Agriculture, forestry and aquaculture	7,629,908	6,172,905
Transportation, logistics and communication	15,175,476	10,217,873
Trading and services	94,640,746	80,800,074
Hospitality	8,806,821	7,139,014
Others	31,584,587	25,483,795
	323,332,037	274,314,209

9. Allowance for loans and advances to customers

	31/12/2014 VND million	31/12/2013 VND million
General allowance	2,260,116	1,917,731
Specific allowance	4,782,878	4,533,074
	7,042,994	6,450,805

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

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Opening balance	1,917,731	1,734,506
Allowance made during the year (see Note 31)	340,550	181,406
Foreign exchange difference	1,835	1,819
Closing balance	2,260,116	1,917,731

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

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Opening balance	4,533,074	3,543,742
Allowance made during the year (see Note 31)	4,647,064	3,271,688
Allowance utilized for writing off bad debt	(2,758,356)	(2,126,304)
Allowance utilized for bad debts sold to VAMC	(1,639,191)	(254,412)
Adjustment of the State Audit for the year 2012	-	98,076
Foreign exchange difference	287	284
Closing balance	4,782,878	4,533,074



10. Investment securities

(a) Available-for-sale securities

	31/12/2014 VND million	31/12/2013 VND million
Debt securities		
Government bonds	29,624,659	18,475,968
Treasury bills	12,294,509	18,407,653
Securities issued by other local credit institutions	6,956,501	9,410,742
Securities issued by local economic entities	100,000	660,000
Equity securities		
Securities issued by other local credit institutions	43,560	43,571
Securities issued by local economic entities	178,546	129,275
	49,197,775	47,127,209
Allowance for available-for-sale securities	(68,656)	(23,417)
	49,129,119	47,103,792

Details of allowance for available-for-sale securities were as follows:

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Allowance for diminution in the value of available-for-sale securities	34,506	23,417
General allowance for unlisted corporate bonds	18,150	-
Specific allowance for unlisted corporate bonds	16,000	-
	68,656	23,417

(b) Held-to-maturity securities

	31/12/2014 VND million	31/12/2013 VND million
Government bonds	13,163,268	12,589,023
Debt securities issued by other local credit institutions	292,617	947,968
Debt securities issued by local economic entities	2,798,751	2,328,098
Special bonds issued by VAMC	1,925,591	926,576
Investments trusted to local entities	-	569,168
	18,180,227	17,360,833
Allowance for held-to-maturity securities	(205,781)	(1,529)
	17,974,446	17,359,304

Details of allowance for held-to-maturity securities were as follows:

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Allowance for diminution in the value of held-to-maturity securities	-	1,529
General allowance for unlisted corporate bonds	20,466	-
Specific allowance for special bonds of VAMC	185,315	-
	205,781	1,529



11. Long-term investments

(a) Investments in joint-ventures

As at 31 December 2014

	Business sector	% share- holding	At cost VND million	Book value VND million
Vietcombank – Bonday – Ben Thanh Company Limited	Office leasing	52%	410,365	379,424
Vietcombank Fund Management Company	Investment fund management	51%	28,050	31,294
Vietcombank – Cardif Life Insurance Company Limited	Life insurance	45%	270,000	282,426
			708,415	693,144

As at 31 December 2013

	Business sector	% share- holding	At cost VND million	Book value VND million
Vietcombank – Bonday – Ben Thanh Company Limited	Office leasing	52%	351,615	387,316
Vietcombank Fund Management Company	Investment fund management	51%	28,050	35,667
Vietcombank – Cardif Life Insurance Company Limited	Life insurance	45%	270,000	284,095
			649,665	707,078

The Bank owns 52% and 51% of the total capital of 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. Consequently, 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". During the year, the Bank recognized the foreign exchange difference arising from the capital contribution in USD to Vietcombank – Bonday – Ben Thanh Company Limited due to change of functional currency to VND.

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 investment in the company is classified into "Investment in joint-ventures" rather than "Investment in associates".

(b) Investments in associates

As at 31 December 2014

	Business sector	% share- holding	At cost VND million	Book value VND million
Vietcombank – Bonday Limited	Office leasing	16%	11,110	9,773
			11,110	9,773

As at 31 December 2013

	Business sector	% share- holding	At cost VND million	Book value VND million
Vietcombank – Bonday Limited	Office leasing	16%	11,110	10,303
Vietcombank Partners Fund 1	Investment fund	11%	6,600	4,683
			17,710	14,986

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

On 26 November 2014, according to Resolution No. 312/NQ-HDQT.TKHDQT issued by the Board of Directors, the Bank withdrew capital for the dissolution of Vietcombank Partners Fund 1.



11. Long-term investments (continued)

(c) Other long-term investments

As at 31 December 2014

	Business sector	% share- holding	VND million
Vietnam Export - Import Commercial Joint Stock Bank	Bank	8.19%	582,065
Saigon Bank for Industry and Trade	Bank	4.30%	123,453
Military Commercial Joint Stock Bank	Bank	9.59%	1,242,989
Orient Commercial Joint Stock Bank	Bank	5.07%	144,802
Small & Medium Enterprises Credit Guarantee Fund	Credit services	0.80%	1,864
SWIFT, MASTER and VISA	Card and settlement services	-	1,572
Petrolimex Insurance JSC	Insurance	10.04%	67,900
PV Drilling JSC	Oil	0.21%	5,496
Nha Rong Insurance Company	Insurance	3.11%	12,540
Vietnam Credit Information Joint Stock Company (PCB)	Credit information services	6.64%	7,962
Cement Financial JSC	Financial services	10.91%	70,950
Vietnam Infrastructure Development and Finance Investment JSC	Highway investment	1.97%	75,000
Viet Real Estate JSC	Real estate	3.67%	11,000
Smartlink Card	Card services	8.80%	4,400
Vietnam Airlines	Aviation	1.59%	499,602
Civil Engineering Construction Joint Stock Corporation 8	Construction	2.50%	17,500
			2,869,095
Allowance for diminution in the value of other long-term investments			(25,841)
			2,843,254

As at 31 December 2013

	Business sector	% share- holding	VND million
Vietnam Export - Import Commercial Joint Stock Bank	Bank	8.19%	582,065
Saigon Bank for Industry and Trade	Bank	4.30%	123,452
Military Commercial Joint Stock Bank	Bank	9.59%	1,242,989
Orient Commercial Joint Stock Bank	Bank	5.06%	144,802
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	Oil	0.21%	5,497
Gentraco JSC	Food services	3.76%	4,024
Nha Rong Insurance Company	Insurance	3.73%	12,540
Vietnam Credit Information Joint Stock Company (PCB)	Credit information services	8.95%	7,962
Cement Financial JSC	Financial services	10.91%	70,950
Vietnam Infrastructure Development and Finance Investment JSC	Highway investment	1.97%	75,000
Viet Real Estate JSC	Real estate	11.00%	11,000
Smartlink Card	Card services	8.80%	4,400
			2,356,016
Allowance for diminution in the value of other long-term investments			(36,290)
			2,319,726

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

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Opening balance	36,290	37,238
Allowance reversed during the year (see Note 28)	(10,449)	(948)
Closing balance	25,841	36,290



12. Tangible fixed assets

	Premises VND million	Office furniture, fittings and equipment VND million	Motor Vehicles VND million	Others VND million	Total VND million
Cost					
Opening balance	2,085,960	2,775,011	504,345	404,436	5,769,752
Increases	295,759	330,437	71,366	145,599	843,161
- Purchases	295,759	326,968	71,366	106,187	800,280
- Others	-	3,469	-	39,412	42,881
Decreases	(30,073)	(27,953)	(7,352)	(10,197)	(75,575)
- Disposal	(4,470)	(25,498)	(7,352)	(10,197)	(47,517)
- Others	(25,603)	(2,455)	-	-	(28,058)
Closing balance	2,351,646	3,077,495	568,359	539,838	6,537,338
Accumulated depreciation					
Opening balance	418,000	2,278,450	305,973	211,282	3,213,705
Increases	95,663	307,392	66,044	91,455	560,554
- Charges for the year	95,663	307,392	66,044	89,584	558,683
- Others	-	-	-	1,871	1,871
Decreases	(5,530)	(26,838)	(6,395)	(10,127)	(48,890)
- Disposal	(3,264)	(25,470)	(6,395)	(10,127)	(45,256)
- Others	(2,266)	(1,368)	-	-	(3,634)
Closing balance	508,133	2,559,004	365,622	292,610	3,725,369
Net book value					
Opening balance	1,667,960	496,561	198,372	193,154	2,556,047
Closing balance	1,843,513	518,491	202,737	247,228	2,811,969

13. Intangible fixed assets

	Land use rights VND million	Copyrights & patents VND million	Others VND million	Total VND million
Cost				
Opening balance	1,414,186	454,538	79,312	1,948,036
Increases	167,363	20,694	-	188,057
- Purchases	167,363	19,529	-	186,892
- Others	-	1,165	-	1,165
Decreases	-	(59)	(26)	(85)
Closing balance	1,581,549	475,173	79,286	2,136,008
Accumulated amortization				
Opening balance	24,267	330,205	63,925	418,397
Increases	5,989	77,976	87	84,052
- Charges for the year	5,989	76,811	87	82,887
- Others	-	1,165	-	1,165
Decreases	-	(59)	(26)	(85)
Closing balance	30,256	408,122	63,986	502,364
Net book value				
Opening balance	1,389,919	124,333	15,387	1,529,639
Closing balance	1,551,293	67,051	15,300	1,633,644

14. Other assets

(a) Receivables

	31/12/2014 VND million	31/12/2013 VND million
Internal receivables	611,952	481,091
External receivables (i)	1,977,009	1,617,052
	2,588,961	2,098,143



14. Other assets (continued)

(a) Receivables (continued)

(i) External receivables

	31/12/2014 VND million	31/12/2013 VND million
Advances for purchase of fixed assets	226,817	160,084
Receivable from the State Budget in relation to the interest subsidy program	135,105	127,400
Advances for corporate income tax (see Note 34)	406	52
Advances for value added tax (see Note 34)	2,737	656
Advances for other taxes (see Note 34)	364	158
Construction in progress (*)	700,966	873,181
Other receivables	910,614	455,521
	1,977,009	1,617,052

(*) Construction in progress

	31/12/2014 VND million	31/12/2013 VND million
Construction in progress	700,966	873,181
<i>In which, large constructions include:</i>		
Dong Nai Branch construction	116,979	109,738
Thang Long Branch construction	80,772	80,772
Quang Binh Branch construction	55,555	35,009
Ha Tay Branch construction	46,000	-
Vung Tau Branch construction	37,309	22,455
Binh Thuan Branch construction	27,155	20,517
Ca Mau Branch construction	26,281	18,021
Hue Branch construction	25,884	17,653
Dak Lak Branch construction	13,487	12,780
North Ha Tinh Branch construction	10,207	10,182
Hai Phong Branch construction	7,720	56,440
Hai Duong Branch construction	594	22,126
Thanh Cong Branch construction	241	48,064
Bac Ninh Branch construction	-	56,599
Quang Ninh Branch construction	-	45,453
Nha Trang Branch construction	-	39,198
Tay Do Branch construction	-	17,379

(b) Accrued interest and fee receivables

	31/12/2014 VND million	31/12/2013 VND million
From loans to customers	939,093	1,084,948
From balances with and loans to other credit institutions	406,479	266,804
From investment securities	2,243,749	2,220,032
From derivative transactions	57,826	77,551
	3,647,147	3,649,335

(c) Other assets

	31/12/2014 VND million	31/12/2013 VND million
Prepaid expenses for office and fixed assets rental	587,444	125,321
Materials	71,695	58,798
Receivables relating to card transactions	526,399	317,688
Other assets	401,017	315,529
	1,586,555	817,336

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

	31/12/2014 VND million	31/12/2013 VND million
Borrowings from the SBV	1,219,014	527,744
Borrowings on the basis of credit profiles	776,516	98,788
Other borrowings	442,498	428,956
Others	52,874,058	32,094,667
Deposits from the State Treasury	36,090,880	24,887,071
Deposits from the SBV	16,783,178	7,207,596
	54,093,072	32,622,411



16. Deposits and borrowings from other credit institutions

	31/12/2014 VND million	31/12/2013 VND million
Deposits	33,697,181	31,181,723
Demand deposits in VND	2,708,962	2,025,030
Demand deposits in foreign currencies	23,476,453	28,606,651
Term deposits in VND	6,518,000	550,042
Term deposits in foreign currencies	993,766	-
Borrowings	9,540,617	12,862,566
Borrowings in VND	8,649,709	7,393,206
Borrowings in foreign currencies	890,908	5,469,360
	43,237,798	44,044,289

17. Deposits from customers

	31/12/2014 VND million	31/12/2013 VND million
Demand deposits	108,943,606	85,498,939
Demand deposits in VND	77,966,348	58,008,590
Demand deposits in gold, foreign currencies	30,977,258	27,490,349
Term deposits	306,186,461	241,445,096
Term deposits in VND	242,517,819	185,868,648
Term deposits in gold, foreign currencies	63,668,642	55,576,448
Deposits for specific purposes	6,251,820	4,352,091
Margin deposits	821,893	949,472
	422,203,780	332,245,598

Deposits from customers by type of customers were as follows:

	31/12/2014 VND million	31/12/2013 VND million
Economic entities	195,981,419	159,103,872
Individuals	226,222,361	173,141,726
	422,203,780	332,245,598

18. Derivatives and other financial (assets)/liabilities

	31/12/2014		31/12/2013	
	Contract notional value VND million	Book value VND million	Contract notional value VND million	Book value VND million
Derivatives				
Currency swap contracts	8,171,486	(53,179)	9,302,023	(58,983)
Forward contracts	8,168,235	128,457	10,817,048	(77,742)
	16,339,721	75,278	20,119,071	(136,725)

19. Valuable papers issued

	31/12/2014 VND million	31/12/2013 VND million
Certificates of deposits	7,638	12,227
Short-term in foreign currencies	204	201
Medium-term in VND	942	1,161
Medium-term in foreign currencies	6,492	10,865
Bonds and bills	2,201,003	2,001,370
Short-term in VND	47	167
Short-term in foreign currencies	117	139
Medium-term in VND	2,200,827	2,001,052
Medium-term in foreign currencies	12	12
	2,208,641	2,013,597

20. Other liabilities

(a) Accrued interest and fee payables

	31/12/2014 VND million	31/12/2013 VND million
For deposits from customers	4,527,263	4,093,563
For deposits and borrowings from other credit institutions	225,893	249,746
For valuable papers issued	5,657	2,630
For derivative transactions	38,668	48,184
	4,797,481	4,394,123



20. Other liabilities (continued)

(b) Other liabilities

	31/12/2014 VND million	31/12/2013 VND million
Internal payables (i)	2,079,704	1,952,144
External payables (ii)	4,776,788	8,540,595
	6,856,492	10,492,739

(i) Internal payables

	31/12/2014 VND million	31/12/2013 VND million
Payables to employees	1,007,182	1,006,322
Bonus and welfare funds	882,994	784,207
Other liabilities	189,528	161,615
	2,079,704	1,952,144

(ii) External payables

	31/12/2014 VND million	31/12/2013 VND million
Tax payables (see Note 34)	424,130	299,561
- Corporate income tax payables	357,435	253,470
- Value added tax payables	19,658	17,924
- Other tax payables	47,037	28,167
Interest income received in advance pending for allocation	107,088	172,215
Payables for construction and acquisition of fixed assets	348,833	466,751
Payables for securities investors	29,930	23,706
Deposit in custody relating to pending payments	226,198	179,291
Other payables to customers	310,989	212,834
Other pending items in settlement	74,931	68,268
Other payables to the State relating to interest subsidy program	64,528	64,487
Placement of investors for securities transactions	698,455	779,555
Fund received from other entities	1,500,000	6,000,000
Other payables	991,706	273,927
	4,776,788	8,540,595

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

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Opening balance	628,250	570,278
Provision (reversed)/made during the year (see Note 31)	(628,250)	57,972
Closing balance	-	628,250



21. Capital and reserves

(a) Statement of changes in equity

				Reserves			Total	Asset revaluation difference	Foreign exchange difference	Retained profits	Total
	Charter capital	Share premium	Other capital	Supplement capital	Financial risk	Investment and development fund					
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Balance as at 1/1/2014	23,174,171	9,201,397	45,160	1,120,772	2,277,119	70,661	3,468,552	82,306	123,853	6,290,626	42,386,065
Net profit for the year	-	-	-	-	-	-	-	-	-	4,592,323	4,592,323
Increase from issue share from share premium	3,476,032	(3,476,079)	-	-	-	-	-	-	-	-	(47)
Reserves additionally appropriated for 2013 under General Shareholders Meeting's resolution	-	-	-	(68)	(379)	-	(447)	-	-	461	14
Reserved temporarily appropriated for 2014	-	-	-	230,665	456,542	-	687,207	-	-	(1,473,686)	(786,479)
Decrease in profit of previous year due to corporate income tax adjustments	-	-	-	(4)	(7)	-	(11)	-	-	(61)	(72)
Exchange rate difference	-	-	-	-	-	-	-	-	(56,617)	-	(56,617)
Adjustments of independent auditors in accordance with equity method	-	-	-	-	-	-	-	-	-	(1,104)	(1,104)
Gain from asset revaluation	-	-	-	-	-	-	-	1,099	-	-	1,099
Utilization during the year	-	-	-	-	(3,310)	-	(3,310)	-	-	-	(3,310)
Dividends paid during the year	-	-	-	-	-	-	-	-	-	(2,780,901)	(2,780,901)
Other decreases	-	-	-	-	-	-	-	-	-	(251)	(251)
Balance as at 31/12/2014	26,650,203	5,725,318	45,160	1,351,365	2,729,965	70,661	4,151,991	83,405	67,236	6,627,407	43,350,720



21. Capital and reserves (continued)

(b) Details of shareholders of the Bank

	31/12/2014 VND million	31/12/2013 VND million
Ordinary shares		
The State of Vietnam	20,550,766	17,870,231
Foreign strategic shareholder (Mizuho Corporate Bank Ltd., Japan)	3,997,544	3,476,126
Other shareholders	2,101,893	1,827,814
	26,650,203	23,174,171

The Bank's authorized and issued share capital is:

	31/12/2014		31/12/2013	
	Number of shares	VND million	Number of shares	VND million
Authorized share capital	2,665,020,334	26,650,203	2,317,417,076	23,174,171
Issued share capital				
Ordinary shares	2,665,020,334	26,650,203	2,317,417,076	23,174,171
Shares outstanding				
Ordinary shares	2,665,020,334	26,650,203	2,317,417,076	23,174,171

The par value of each ordinary share is VND 10,000.

(c) Basic earnings per share

(i) Profit attributable to the shareholders of Vietcombank to calculate basic earnings per share

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Net profit after tax	4,592,323	4,358,052
Appropriation to bonus and welfare funds	(786,479)	(692,475)
Profit attributable to the ordinary shareholders	3,805,844	3,665,577

(ii) Weighted average number of ordinary shares

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Shares issued at the beginning of the year	2,317,417,076	2,317,417,076
Shares issued during the year	347,603,258	-
Weighted average number of ordinary shares	2,465,981,756	2,317,417,076

(iii) Basic earnings per share

	Year ended 31/12/2014 VND	Year ended 31/12/2013 VND
Basic earnings per share	1,543	1,582

22. Interest and similar income

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Interest income from loans and advances to customers	22,144,205	22,020,316
Interest income from balances with other credit institutions	785,883	584,651
Interest income from trading and investment debt securities	4,824,400	5,512,189
- Interest income from investment securities	4,824,400	5,512,189
Interest income from finance lease	180,146	169,462
Other income from credit activities	53,417	12,053
	27,988,051	28,298,671



23. Interest and similar expenses

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Interest expenses on deposits	(15,259,879)	(15,933,892)
Interest expenses on borrowings	(506,802)	(1,249,127)
Interest expenses on valuable papers issued	(244,527)	(240,083)
Others expenses on credit activities	(202,390)	(93,167)
	(16,213,598)	(17,516,269)

24. Net fee and commission income

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Fee and commission income		
Settlement services	1,741,752	1,445,324
Banknote services	157,229	142,720
Guarantee activities	254,554	291,117
Trusted and agency activities	8,144	2,188
Other services	1,004,625	863,822
	3,166,304	2,745,171
Fee and commission expenses		
Settlement services	(1,068,463)	(838,905)
Banknote services	(35,187)	(25,218)
Telecommunication services	(65,695)	(57,041)
Trusted and agency activities	(2,701)	(1,794)
Other services	(223,927)	(202,842)
	(1,395,973)	(1,125,800)
	1,770,331	1,619,371

25. Net gain from trading foreign currencies

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Gains from trading foreign currencies		
From foreign currencies spot trading	2,390,591	3,052,898
From currency derivatives	181,014	283,942
From foreign exchange rate differences	287,390	474,360
	2,858,995	3,811,200
Losses from trading foreign currencies		
From foreign currencies spot trading	(681,149)	(1,201,607)
From currency derivatives	(730,745)	(1,181,486)
From foreign exchange rate differences	(102,022)	(1,248)
	(1,513,916)	(2,384,341)
	1,345,079	1,426,859

26. Net gain from trading securities

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Income from trading securities	251,043	24,472
Cost of trading securities	(48,358)	(1,775)
Allowance for diminution in the value of trading securities (see Note 7)	(3,561)	(525)
	199,124	22,172



27. Net gain from investment securities

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Income from trading investment securities	243,174	171,468
Cost of trading investment securities	(13,863)	(53,125)
Allowance for diminution in the value of available-for-sale securities made/(reversed) during the year	(11,089)	37,787
Allowance for diminution in the value of held-to-maturity securities reversed during the year	1,529	4,331
	219,751	160,461

28. Net other income

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Other income		
Income from loans previously written off	1,419,966	862,686
Income from allowance reversed for diminution in the value of other long-term investments (see Note 11(c))	10,449	948
Income from debts trading activities	356,548	-
Income from other activities	152,665	163,945
	1,939,628	1,027,579
Other expenses		
Expenses from interest rate swap transactions	(32,815)	(68,613)
Expenses from debts trading activities	(163)	-
Expenses for social activities (*)	(111,625)	-
Other expenses	(10,573)	(24,681)
	(155,176)	(93,294)
	1,784,452	934,285

(*) Expenses for social activities have been moved from Operating expenses to Other expenses since 1 June 2014 in accordance with Circular No. 10/2014/TT-NHNN, dated 20 March 2014.

29. Dividend and net income from investments in associates and joint-ventures

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Dividends received from equity investments during the year	164,103	282,644
- Dividends received from equity securities	157,878	281,679
- Dividends received from trading securities	6,225	965
Share of loss of investments in joint-ventures and associates upon equity method	(12,732)	(14,624)
Income from disposal of equity investments	858	293,784
Other income	58,750	-
	210,979	561,804

30. Operating expenses

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Tax, duties and fees	(135,501)	(210,159)
Salaries and related expenses	(3,494,352)	(3,308,221)
<i>Of which:</i>		
- Salary and allowance	(3,201,972)	(2,873,108)
- Additional expenses based on salary	(216,900)	(193,201)
- Other allowances	(1,852)	(885)
- Expenses for social activities (*)	-	(185,044)
Expenses on assets	(1,600,081)	(1,322,243)
<i>Of which:</i>		
- Depreciation of fixed assets	(639,529)	(606,774)
Administrative expenses	(1,378,566)	(1,204,621)
Insurance expenses on deposit of customers	(225,038)	(187,816)
Others	(28,389)	(11,001)
	(6,861,927)	(6,244,061)

(*) Expenses for social activities have been moved from Operational expenses to Other expenses since 1 June 2014 in accordance with Circular No. 10/2014/TT-NHNN, dated 20 March 2014.



31. Provisions and allowances for credit losses

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
General allowance for loans to other credit institutions		
Reversed/(Made) during the year (see Note 6)	58,890	(8,833)
Specific allowance for loans to other credit institutions		
Made during the year (see Note 6)	(25,345)	(318)
General allowance for loans and advances to customers		
Made during the year (see Note 9)	(340,550)	(181,406)
Specific allowance for loans and advances to customers		
Made during the year (see Note 9)	(4,647,064)	(3,271,688)
General allowance for unlisted corporate bonds		
Made during the year (see Note 10)	(38,616)	-
Specific allowance for unlisted corporate bonds		
Made during the year (see Note 10)	(201,315)	-
Provision for contingent liabilities and off-balance sheet commitments		
Reversed/(Made) during the year (see Note 20(c))	628,250	(57,972)
	(4,565,750)	(3,520,217)

32. Corporate income tax

	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
Profit before tax	5,876,492	5,743,076
<i>Adjustments:</i>		
Subsidiaries' taxable income	(258,094)	(209,187)
Dividend received in the year (see Note 29)	(164,103)	(282,644)
Net loss from investments in joint-ventures and associates upon equity method (see Note 29)	12,732	14,624
Non-taxable adjustments come from consolidation	8,472	(3,849)
Allowance expenses of Vietcombank Securities Company Limited ("VCBS") made in 2013 but are eligible for tax deduction in 2014	(13,094)	-
Allowance expenses of VCBS for unlisted securities that are non-deductible	10,069	-
Other non-deductible expenses	1,781	3,333
Adjustment of corporate income tax for years from 2008 to 2012 under Tax finalization minute of Vietcombank Securities Company Limited ("VCBS")	-	(26,464)
Taxable income	5,474,255	5,238,889
Effective corporate income tax rate	22%	25%
Estimated corporate income tax of the Bank (tax rate: 22%)	1,204,336	(1,309,722)
Estimated corporate income tax of subsidiaries (tax rate: 22%)	(58,493)	(55,078)
Estimated corporate income tax of subsidiaries (tax rate: 16.5%)	(1,479)	(694)
Corporate income tax expenses	(1,264,308)	(1,365,494)
Additional corporate income tax under Tax finalization minute of VCBS	-	(5,052)
Adjustments of previous years' accounting entries of VCBS	-	790
Current corporate income tax payables occurred during the year	(1,264,308)	(1,369,756)



33. Cash and cash equivalents

	31/12/2014 VND million	31/12/2013 VND million
Cash on hand, gold, silver and gemstones	8,323,385	6,059,673
Balances with the State Bank of Vietnam	13,267,101	24,843,632
Balances with and loans to other credit institutions due within three months	131,040,901	86,970,148
Trading securities	10,126,592	196,158
Investment securities due within three months	12,255,017	19,070,351
	175,012,996	137,139,962

34. Obligations to State Budget

	BALANCE AS AT	OCCURRENCE		BALANCE AS AT 31/12/2014		
	1/1/2014 VND million	Payable VND million	Paid VND million	Payable VND million	Advances VND million	Total VND million
Value added tax	17,268	209,743	210,090	19,658	(2,737)	16,921
Current corporate income tax	253,418	1,264,380	1,160,769	357,435	(406)	357,029
<i>Of which:</i>						
<i>Corporate income tax of the Bank</i>	253,470	1,264,308	1,160,758	357,373	(353)	357,020
<i>Adjustment on tax of previous years</i>	-	72	10	62	-	62
<i>Vinafico's tax obligation in the year 2008 paid to State Budget</i>	(52)	-	1	-	(53)	(53)
Other taxes	28,009	408,815	390,151	47,037	(364)	46,673
	298,695	1,882,938	1,761,010	424,130	(3,507)	420,623

35. Employee benefits

	Year ended 31/12/2014	Year ended 31/12/2013
Total number of employees (person)	14,099	13,864
Employees' income		
Total salary and allowance (VND million) (see Note 30)	3,201,972	2,873,108
Monthly average income/person (VND million)	18.93	17.27

36. Contingent liabilities and other commitments

In the normal course of business, Vietcombank is a party to financial instruments which are recorded as consolidated 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 consolidated 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 Vietcombank 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 Vietcombank 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 Vietcombank as granting of a compulsory loan with a corresponding liability representing the financial obligation of Vietcombank to pay the beneficiaries and to fulfill the guarantor obligation.

Vietcombank 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 Vietcombank.



38. Segment reporting

(a) Geographical segment

	The North VND million	The Middle and Tay Nguyen VND million	The South VND million	Overseas VND million	Elimination VND million	Total VND million
1 Interest and similar income	38,640,626	7,368,697	20,599,003	21,774	(38,642,049)	27,988,051
2 Interest and similar expenses	(34,715,401)	(5,437,342)	(14,706,794)	(3,623)	38,649,562	(16,213,598)
I Net interest income	3,925,225	1,931,355	5,892,209	18,151	7,513	11,774,453
3 Fee and commission income	2,040,806	229,124	982,156	14,140	(99,922)	3,166,304
4 Fee and commission expenses	(1,327,086)	(16,069)	(47,354)	(7,032)	1,568	(1,395,973)
II Net fee and commission income	713,720	213,055	934,802	7,108	(98,354)	1,770,331
III Net gain/(loss) from trading foreign currencies	1,018,123	51,004	275,966	(14)	-	1,345,079
IV Net gain from trading securities	199,124	-	-	-	-	199,124
V Net gain from investment securities	219,751	-	-	-	-	219,751
5 Other income	683,607	272,531	990,553	450	(7,513)	1,939,628
6 Other expenses	(92,653)	(28,472)	(29,301)	(4,750)	-	(155,176)
VI Net other income/(expenses)	590,954	244,059	961,252	(4,300)	(7,513)	1,784,452
VII Dividend and net income from investments in associates and joint-ventures	210,979	-	-	-	-	210,979
VIII Total operating expenses	(4,121,887)	(784,647)	(2,023,532)	(30,215)	98,354	(6,861,927)
IX Net profit before provisions and allowances for credit losses	2,755,989	1,654,826	6,040,697	(9,270)	-	10,442,242
X Provisions and allowances for credit losses	(1,302,283)	(859,015)	(2,404,505)	53	-	(4,565,750)
XI Profit before tax	1,453,706	795,811	3,636,192	(9,217)	-	5,876,492
7 Current corporate income tax expenses	(287,789)	(175,078)	(799,962)	(1,479)	-	(1,264,308)
8 Deferred income tax expense	(665)	-	-	-	-	(665)
XII Corporate income tax expenses	(288,454)	(175,078)	(799,962)	(1,479)	-	(1,264,973)
XIII Profit after tax	1,165,252	620,733	2,836,230	(10,696)	-	4,611,519

37. Significant transactions and balances with related parties

(a) Significant transactions with related parties

	Relationship	Year ended 31/12/2014 VND million	Year ended 31/12/2013 VND million
The State Bank of Vietnam			
Regulator	Regulator		
Interest income from deposits with the SBV		80,546	69,674
Interest expenses on deposits and borrowings from the SBV		40,354	53,183
The Ministry of Finance ("the MoF")			
Regulator	Regulator		
Interest income from loans to the MoF		30,768	61,850
Interest expenses on deposits from the MoF		104,632	32,208
Interest expenses on borrowings from the MoF		13,791	7,851

(b) Significant balances with related parties

	Relationship	31/12/2014 VND million	31/12/2013 VND million
The State Bank of Vietnam			
Regulator	Regulator		
Deposits with the SBV		13,267,101	24,843,632
Deposits and borrowings from the SBV		18,002,192	7,735,340
The Ministry of Finance			
Regulator	Regulator		
Loans to the MoF		609,724	1,454,388
Deposits from the MoF		36,090,880	24,887,071
Borrowings from the MoF		248,738	219,745
Vietcombank Fund Management Company			
Joint-venture	Joint-venture		
Trusted investments of the Bank		-	569,168



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Issued in accordance with Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 of the Governor of the SBV)

Form B05/TCTD-HN
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38. Segment reporting (continued)

(b) Business segment

	Banking services VND million	Non-bank financial services VND million	Securities VND million	Others VND million	Elimination VND million	Total VND million
1 Interest and similar income	66,350,605	213,228	31,974	34,293	(38,642,049)	27,988,051
2 Interest and similar expenses	(54,755,711)	(89,059)	(18,390)	-	38,649,562	(16,213,598)
I Net interest income	11,594,894	124,169	13,584	34,293	7,513	11,774,453
3 Fee and commission income	2,953,004	5,630	184,135	123,457	(99,922)	3,166,304
4 Fee and commission expenses	(1,320,858)	(281)	(43,633)	(32,769)	1,568	(1,395,973)
II Net fee and commission income	1,632,146	5,349	140,502	90,688	(98,354)	1,770,331
III Net gain from trading foreign currencies	1,344,735	344	-	-	-	1,345,079
IV Net gain from trading securities	154,929	-	44,195	-	-	199,124
V Net gain from investment securities	183,816	-	35,935	-	-	219,751
5 Other income	1,937,037	9,677	261	166	(7,513)	1,939,628
6 Other expenses	(149,955)	(4,761)	(4,60)	-	-	(155,176)
VI Net other income/(expenses)	1,787,082	4,916	(199)	166	(7,513)	1,784,452
VII Dividend and net income from investments in associates and joint-ventures	204,754	-	6,225	-	-	210,979
VIII Total operating expenses	(6,735,700)	(63,584)	(119,203)	(4,1794)	98,354	(6,861,927)
IX Net profit before provisions and allowances for credit losses	10,166,656	71,194	121,039	83,353	-	10,442,242
X Provisions and allowances for credit losses	(4,555,440)	(10,310)	-	-	-	(4,565,750)
XI Profit before tax	5,611,216	60,884	121,039	83,353	-	5,876,492
7 Current corporate income tax expenses	(1,204,336)	(13,219)	(24,594)	(22,159)	-	(1,264,308)
8 Deferred income tax expense	-	-	(665)	-	-	(665)
XII Corporate income tax expenses	(1,204,336)	(13,219)	(25,259)	(22,159)	-	(1,264,973)
XIII Net profit after tax	4,406,880	47,665	95,780	61,194	-	4,611,519

39. Disclosure of financial instruments

(a) Disclosure of collaterals

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

(b) Disclosure of fair value

Circular No. 210/2009/TT-BTC requires Vietcombank 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.

Vietcombank uses the following method and assumption to estimate fair value: fair value of cash and cash equivalents is equivalent to the book value of these items since these instruments have short term.

The following table presents book value and fair value of Vietcombank's financial assets and liabilities as at 31 December 2014:



39. Disclosure of financial instruments (continued)
(b) Disclosure of fair value (continued)

	Book value						Fair value VND million
	Held for trading VND million	Held-to maturity VND million	Loans and receivables VND million	Available-for- sale VND million	Recognized at amortized cost VND million	Total of book value (gross) VND million	
Financial assets							
I Cash on hand, gold, silver and gemstones	8,323,385	-	-	-	-	8,323,385	8,323,385
II Balances with the State Bank of Vietnam	13,267,101	-	-	-	-	13,267,101	13,267,101
III Balances with and loans to other credit institutions	-	-	146,099,398	-	-	146,099,398	146,473,398
IV Trading securities	10,126,592	-	-	-	-	10,126,592	10,122,143
VI Loans and advances to customers	-	-	323,332,037	-	-	323,332,037	*
VII Investment securities	-	18,180,227	-	49,197,775	-	67,378,002	69,347,314
VIII Long-term investments	-	-	-	2,869,095	-	2,869,095	2,843,254
XI Other financial assets	-	-	5,833,451	-	-	5,833,451	*
	31,717,078	18,180,227	475,264,886	52,066,870	-	577,229,061	
Financial liabilities							
I, II Deposits and borrowings from the SBV and other credit institutions	-	-	-	-	97,330,870	97,330,870	97,556,763
III Deposits from customers	-	-	-	-	422,203,780	422,203,780	*
IV Derivatives and other financial liabilities	75,278	-	-	-	-	75,278	75,278
VI Valuable papers issued	-	-	-	-	2,208,641	2,208,641	*
VII Other financial liabilities	-	-	-	-	7,702,512	7,702,512	*
	75,278	-	-	-	529,445,803	529,521,081	

(*) Due to not having 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.

(c) Risk management policy for financial instruments

The Board of Directors has highest right and responsibility for Vietcombank'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 for each period, and determines organizational structure and key personnel positions.

Risk management strategies and policies are adhered to Vietcombank's charter and General Shareholders' Meeting resolution for each period.

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 Vietcombank's day-to-day business operations.

The Chief Executive Officer approves the establishment of and chairs the Asset and Liability Credit and Operational Risk Committee (ALCO). ALCO members are key personnel of Vietcombank being in-charge of risk management.

ALCO is responsible for comprehensively monitoring and managing assets and liabilities in the separate and consolidated balance sheet of Vietcombank 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 risk management decisions.

(i) Credit risk

Vietcombank is under exposure to credit risk, where a counterparty's default on its obligations will cause a financial loss for Vietcombank 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, and operation of Credit Risk Management Committee and Credit Committee.

Vietcombank classifies loans and advances to customers and other credit institutions in accordance with Circular 02 and Circular 09 (see Note 2(g)) and regularly assesses credit risks of non-performing loans in order to have appropriate resolutions.

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



39. Disclosure of financial instruments (continued)

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

(i) Credit risk (continued)

Vietcombank's maximum exposure amounts to credit risk as at 31 December 2014, excluding collaterals and credit risk mitigations as follows:

	Neither past due nor impaired VND million	Past due but not impaired VND million	Impaired with fully made allowance VND million	Total VND million
Balances with and loans to other credit institutions – gross	138,185,891	-	7,913,507	146,099,398
Balances with other credit institutions	86,332,784	-	2,576,690	88,909,474
Loans to other credit institutions	51,853,107	-	5,336,817	57,189,924
Loans and advances to customers – gross	298,158,326	368,491	24,805,220	323,332,037
Investment securities – gross	65,831,438	-	1,546,564	67,378,002
Available-for-sale securities	48,877,787	-	319,988	49,197,775
Held-to-maturity securities	16,953,651	-	1,226,576	18,180,227
Other assets	5,833,451	-	-	5,833,451
	508,009,106	368,491	34,265,291	542,642,888

Description and book value of collateral assets held by Vietcombank as at 31 December 2014 are as follows:

	VND million
Deposits	44,436,055
Valuable papers issued	58,345,897
Real estates	233,094,424
Others	112,750,969
	448,627,345

(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 in the consolidated balance sheet.

The following assumptions and conditions have been adopted in the analysis of real interest rate adjustment term of Vietcombank's items in the consolidated balance sheet:

- » Cash, gold, silver and gemstones, long-term investments, and other assets (including fixed assets, investment properties and other assets) 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 subsequent to the consolidated balance sheet date.
 - Items with floating interest rate: the real interest adjustment term is based on the latest adjustment term subsequent to the consolidated balance sheet date.
- » 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 fact, these items shall have different interest adjustment terms.

The following table presents the interest rate adjustment terms of Vietcombank's assets and liabilities as at 31 December 2014:



39. 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
Assets									
I Cash on hand, gold, silver and gemstones	-	8,323,385	-	-	-	-	-	-	8,323,385
II Balances with the State Bank of Vietnam	-	5	13,267,096	-	-	-	-	-	13,267,101
III Balances with and loans to other credit institutions – gross	-	-	103,562,608	32,422,630	10,114,160	-	-	-	146,099,398
IV Trading securities – gross	-	-	10,126,592	-	-	-	-	-	10,126,592
VI Loans and advances to customers – gross	6,591,609	114	105,326,622	125,436,610	65,010,148	19,739,365	1,227,569	-	323,332,037
VII Investment securities – gross	-	1,925,591	6,694,983	5,782,140	9,990,668	5,480,303	31,991,141	5,513,176	67,378,002
VIII Long-term investment – gross	-	3,572,012	-	-	-	-	-	-	3,572,012
IX Fixed assets	-	4,445,613	-	-	-	-	-	-	4,445,613
XI Other assets – gross	-	7,824,897	-	-	-	-	-	-	7,824,897
Total assets	6,591,609	26,091,617	238,977,901	163,641,380	85,114,976	25,219,668	33,218,710	5,513,176	584,369,037
Liabilities									
I, II Deposits and borrowings from the SBV and other credit institutions	-	-	93,363,891	3,007,283	356,144	603,552	-	-	97,330,870
III Deposits from customers	-	12,382	223,342,661	92,312,645	57,945,661	40,408,257	8,178,606	3,568	422,203,780
IV Derivatives and other financial liabilities	-	-	-	75,278	-	-	-	-	75,278
VI Valuable papers issued	-	-	1,816	-	1,376	5,449	200,000	2,000,000	2,208,641
VII Other liabilities	-	9,922,958	-	1,748,738	-	-	-	-	11,671,696
Total liabilities	-	9,935,340	316,708,368	97,143,944	58,303,181	41,017,258	8,378,606	2,003,568	533,490,265
Interest sensitivity gap	6,591,609	16,156,277	(77,730,467)	66,497,436	26,811,795	(15,797,590)	24,840,104	3,509,608	50,878,772
Cumulative interest sensitivity gap	6,591,609	22,747,886	(54,982,581)	11,514,855	38,326,650	22,529,060	47,369,164	50,878,772	

(iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank was incorporated and operates in Vietnam, with VND as its reporting currency. The Bank's two overseas subsidiaries have their local currencies as their reporting currencies. However, the value of these companies' assets is not significant to Vietcombank's total asset value. The major currency in which the Bank transacts is VND. Vietcombank's loans and advances to customers are mainly denominated in VND, USD and EUR. Some of Vietcombank's other assets are in currencies other than VND, USD and EUR. Vietcombank has set limits on positions by currency basing on its internal risk management system and relevant statutory requirements stipulated by the SBV. Currency positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established limits.



39. Disclosure of financial instruments (continued)

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

(iii) Currency risk (continued)

The following table presents Vietcombank's assets and liabilities denominated in foreign currencies that were translated into VND as at 31 December 2014:

	VND VND million	USD VND million	EUR VND million	Other currencies VND million	Total VND million
Assets					
I Cash on hand, gold, silver and gemstones	6,614,823	1,104,683	320,528	283,351	8,323,385
II Balances with the State Bank of Vietnam	1,736,080	11,531,021	-	-	13,267,101
III Balances with and loans to other credit institutions – gross	63,581,840	69,395,024	6,709,950	6,412,584	146,099,398
IV Trading securities – gross	10,126,592	-	-	-	10,126,592
VI Loans and advances to customers – gross	242,312,145	80,311,776	695,969	12,147	323,332,037
VII Investment securities – gross	67,337,325	40,677	-	-	67,378,002
VIII Long-term investments – gross	3,572,012	-	-	-	3,572,012
IX Fixed assets	4,443,340	1,439	-	834	4,445,613
XI Other assets – gross	12,233,163	223,086	1,960	(4,633,312)	7,824,897
Total assets	411,957,320	162,607,706	7,728,407	2,075,604	584,369,037
Liabilities					
I, II Deposits and borrowings from the SBV and other credit institutions	26,291,367	63,152,848	4,203,020	3,683,635	97,330,870
III Deposits from customers	323,415,803	89,168,033	3,294,156	6,325,788	422,203,780
IV Derivatives and other financial liabilities	(4,832,710)	10,553,582	113,994	(5,759,588)	75,278
VI Valuable papers issued	2,201,816	6,825	-	-	2,208,641
VII Other liabilities	15,704,611	(4,265,230)	26,589	205,726	11,671,696
Total liabilities	362,780,887	158,616,058	7,637,759	4,455,561	533,490,265
FX position on-balance sheet	49,176,433	3,991,648	90,648	(2,379,957)	50,878,772

(iv) Liquidity risk

Liquidity risk occurs when Vietcombank 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 Vietcombank's maturity analysis:

- » Balances with the SBV are considered as current accounts including the compulsory deposits;
- » The maturities of investment securities are 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 5 years as equity investments have no stated maturity; and
- » Amounts due to other banks and deposits from 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.



39. Disclosure of financial instruments (continued)
(c) Risk management policy for financial instruments (continued)
(iv) Liquidity risk (continued)

The following table analyzes the remaining terms to maturity of Vietcombank's assets and liabilities as at 31 December 2014:

	Overdue over 3 months VND million	Overdue up to 3 months VND million	Up to 1 month VND million	Not overdue				Over 5 years VND million	Total 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		
Assets									
I Cash on hand, gold, silver and gemstones	-	-	8,323,385	-	-	-	-	-	8,323,385
II Balances with the State Bank of Vietnam	-	-	13,267,101	-	-	-	-	-	13,267,101
III Balances with and loans to other credit institutions - gross	-	-	101,340,160	29,700,741	15,058,497	-	-	-	146,099,398
IV Trading securities - gross	-	-	10,126,592	-	-	-	-	-	10,126,592
VI Loans and advances to customers - gross	5,164,985	1,426,624	41,955,082	68,266,599	111,991,820	65,545,991	28,980,936	323,332,037	
VII Investment securities - gross	-	-	6,472,877	5,782,140	15,470,970	34,138,839	5,513,176	67,378,002	
VIII Long-term investments - gross	-	-	-	-	-	-	3,572,012	3,572,012	
IX Fixed assets	-	-	-	-	-	-	4,445,613	4,445,613	
XI Other assets - gross	-	-	12,567	7,812,330	-	-	-	7,824,897	
Total assets	5,164,985	1,426,624	181,497,764	111,561,810	142,521,287	99,684,830	42,511,737	584,369,037	
Liabilities									
I, II Deposits and borrowings from the SBV and other credit institutions	-	-	93,219,590	2,710,209	963,546	327,075	110,450	97,330,870	
III Deposits from customers	-	-	138,286,460	120,664,994	132,367,614	30,879,144	5,568	422,203,780	
IV Derivatives and other financial liabilities	-	-	-	75,278	-	-	-	75,278	
VI Valuable papers issued	-	-	1,816	-	1,376	205,449	2,000,000	2,208,641	
VII Other liabilities	-	-	29,504	11,393,454	-	-	248,738	11,671,696	
Total liabilities	-	-	231,537,370	134,843,935	133,332,536	31,411,668	2,364,756	533,490,265	
Net liquidity gap	5,164,985	1,426,624	(50,039,606)	(23,282,125)	9,188,751	68,273,162	40,146,981	50,878,772	

40. Subsequent events

There has not been any other matter or circumstance that has arisen since the consolidated balance sheet date that has affected or may significantly affect the consolidated financial position of Vietcombank and the consolidated results of its operations as at 31 December 2014.

41. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Management on 30 March 2015.

Hanoi, 30 March 2015

Prepared by:

Approved by:

Ms. NGUYEN THI THU HUONG

Ms. PHUNG NGUYEN HAI YEN

Mr. NGUYEN DANH LUONG

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