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INDEPENDENT AUDITORS' REPORT

To the Owner

Industrial and Commercial Bank of China Limited – Hanoi City Branch

We have audited the accompanying financial statements of Industrial and Commercial Bank of China Limited – Hanoi City Branch (“the Branch”), which comprise the balance sheet as at 31 December 2015, the related statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Branch’s Board of Management on 21 March 2016, as set out on pages 5 to 55.

Management’s Responsibility

The Branch’s Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and the statutory requirements applicable to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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

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

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



Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respect, of the financial position of Industrial and Commercial Bank of China Limited – Hanoi City Branch as at 31 December 2015 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting.

Emphasis of Matter

Without qualifying our audit opinion, we draw attention to Note 4(e) to the financial statements. As approved by the State Bank of Vietnam in the Official Letter No. 9463/NHNN-TTGSNG dated 3 February 2010, the Branch is not required to make general allowance for loans.

KPMG Limited

Vietnam

Audit report No. 15-02-287/1



Trần Anh Quan

Practicing Auditor Registration
Certificate No. 0306-2013-007-1
Deputy General Director

Nguyễn Minh Hiếu

Practicing Auditor Registration
Certificate No. 1572-2013-007-1

Hanoi, 21 March 2016

Balance sheet as at 31 December 2015

	Note	31/12/2015 VND million	31/12/2014 VND million	31/12/2015 USD equivalent (Note 2(d))	31/12/2014 USD equivalent (Note 2(d))
A ASSETS					
I Cash on hand	5	8,078	12,098	369,014	569,439
II Balances with the State Bank of Vietnam	6	154,642	595,446	7,064,525	28,026,254
III Balances with and loans to other credit institutions	7	19,484,043	11,697,713	890,088,771	550,584,258
1 Deposits with other credit institutions		3,689,415	3,553,151	168,543,421	167,238,586
2 Loans to other credit institutions		15,794,628	8,144,562	721,545,350	383,345,672
VI Loans and advances to customers		952,836	1,030,816	43,528,376	48,518,111
1 Loans and advances to customers	8	957,238	1,032,351	43,729,477	48,590,371
2 Allowance for loans and advances to customers	9	(4,402)	(1,535)	(201,101)	(72,260)
VIII Investment securities	10	300,000	350,000	13,704,888	16,473,689
2 Held-to-maturity securities		300,000	350,000	13,704,888	16,473,689
X Fixed assets		4,477	5,370	204,523	252,737
1 Tangible fixed assets	11	4,309	5,214	196,857	245,408
a Cost		10,344	9,925	472,532	467,165
b Accumulated depreciation		(6,035)	(4,711)	(275,675)	(221,757)
3 Intangible fixed assets	12	168	156	7,666	7,329
a Cost		277	237	12,654	11,155
b Accumulated amortisation		(109)	(81)	(4,988)	(3,826)
XII Other assets	13	131,649	15,620,334	6,014,096	735,212,962
1 Receivables		4,534	11,174	207,103	525,922
2 Accrued interest and fees receivables		125,191	377,947	5,719,085	17,789,097
4 Other assets		1,924	15,231,213	87,908	716,897,943
TOTAL ASSETS		21,035,725	29,311,777	960,974,193	1,379,637,450

Balance sheet as at 31 December 2015 (continued)

	Note	31/12/2015 VND	31/12/2014 VND	31/12/2015 USD equivalent (Note 2(d))	31/12/2014 USD equivalent (Note 2(d))
B					
LIABILITIES AND OWNERS' EQUITY					
LIABILITIES					
II Deposits and borrowings from other credit institutions	14	16,128,862	25,813,019	736,814,174	1,214,958,993
1 Deposits from other credit institutions		1,747,922	1,735,007	79,850,264	81,662,749
2 Borrowings from other credit institutions		14,380,940	24,078,012	656,963,910	1,133,296,244
III Deposits from customers	15	2,623,238	1,563,111	119,837,258	73,572,018
VII Other liabilities	16	166,799	200,514	7,619,901	9,437,745
1 Accrued interest and fee payables		7,992	135,085	365,113	6,358,147
3 Other liabilities		158,807	65,429	7,254,788	3,079,598
TOTAL LIABILITIES		18,918,899	27,576,644	864,271,333	1,297,968,756
OWNERS' EQUITY					
VIII Capital and reserves	17	2,116,826	1,735,133	96,702,860	81,668,694
1 Allocated capital		897,050	897,050	40,979,899	42,222,065
2 Reserves		102,946	58,992	4,702,882	2,776,631
5 Retained earnings		1,116,830	779,091	51,020,079	36,669,998
TOTAL EQUITY		2,116,826	1,735,133	96,702,860	81,668,694
TOTAL LIABILITIES AND OWNERS' EQUITY		21,035,725	29,311,777	960,974,193	1,379,637,450

Balance sheet as at 31 December 2015 (continued)

	Note	31/12/2015 VND million	31/12/2014 VND million	31/12/2015 USD equivalent (Note 2(d))	31/12/2014 USD equivalent (Note 2(d))
OFF BALANCE SHEET ITEMS					
I CONTINGENT LIABILITIES					
1	Performance guarantees	6,558	8,877	299,611	417,829
4	Letters of credit	89,910	90,981	4,107,347	4,282,271
5	Other guarantees	3,000,191	5,858,442	137,057,597	275,743,260
		3,096,659	5,958,300	141,464,555	280,443,360

Prepared by:



Phan Thi Hong Minh
Accountant

Approved by:



Yuan XiaoBin
Chief Accountant



Chen ZhiBiao
General Director

21 March 2016

Statement of income for the year ended 31 December 2015

	Note	2015 VND million	2014 VND million	2015 USD equivalent (Note 2(d))	2014 USD equivalent (Note 2(d))
1 Interest and similar income	18	498,476	948,549	22,771,871	44,645,997
2 Interest and similar expenses	18	(104,170)	(577,447)	(4,758,799)	(27,179,097)
I Net interest income	18	394,306	371,102	18,013,072	17,466,900
3 Fee and commission income	19	137,104	121,639	6,263,297	5,725,246
4 Fee and commission expenses	19	(5,106)	(6,979)	(233,256)	(328,484)
II Net fee and commission income	19	131,998	114,660	6,030,041	5,396,762
III Net gain from trading of foreign currencies	20	68,922	21,853	3,148,585	1,028,600
VI Net gain from other activities		174	8	7,921	380
VIII Operating expenses	21	(117,492)	(132,074)	(5,367,365)	(6,216,409)
IX Operating profit before allowance and provision expenses		477,908	375,549	21,832,254	17,676,233
X Allowance and provision expenses	9	(2,867)	(1,535)	(130,966)	(72,260)
XI Profit before tax		475,041	374,014	21,701,288	17,603,973
7 Current income tax expenses	22	(93,733)	(80,989)	(4,282,017)	(3,811,947)
VIII Total income tax expenses		(93,733)	(80,989)	(4,282,017)	(3,811,947)
IX Net profit after tax		381,308	293,025	17,419,271	13,792,026

Prepared by:



Phan Thi Hong Minh
Accountant

Approved by:



Yuan XiaoBin
Chief Accountant



Chen ZhiBiao
General Director

21 March 2016