

**KPMG Limited**

46th Floor, Keangnam Hanoi Landmark Tower
72 Building, Plot E6, Pham Hung Street
Me Tri, Tu Liem, Hanoi city
The Socialist Republic of Vietnam

Telephone +84 (4) 3946 1600
Fax +84 (4) 3946 1601
Internet www.kpmg.com.vn

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 2013, the 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 31 March 2014, as set out on pages 5 to 57.

Management’s Responsibility for the financial statements

The Branch’s Board of Management is responsible for the preparation and fair presentation of these 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 entity’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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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.

Audit 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 2013 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 3(d) 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 provision for loans and advances.

Other Matter

The financial statements of the Branch for the year ended 31 December 2012 were audited by another firm of auditors whose report dated 29 March 2013 expressed an unqualified opinion on those statements.

KPMG Limited

Vietnam

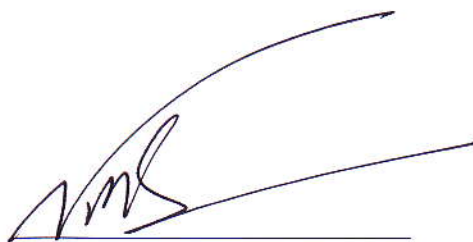
Investment Certificate No: 011043000345

Audit report No: 13-02-240



Trần Đình Vinh

Practicing Auditor Registration
Certificate No. 0339-2013-007-1
Deputy General Director



Nguyen Minh Hieu

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

Hanoi, 31 MAR 2014

Industrial and Commercial Bank of China Limited - Hanoi City Branch
Balance sheet as at 31 December 2013

Form B02/TCTD

	Note	31/12/2013 VND	31/12/2012 VND	31/12/2013 Equivalent USD (Note 2(d))	31/12/2012 Equivalent USD (Note 2(d))
A ASSETS					
I Cash on hand	4	13,956,576,583	6,058,988,110	663,462	290,906
II Balances with the State Bank of Vietnam	5	80,534,533,003	45,091,559,342	3,828,415	2,164,949
III Balances with and loans to other credit institutions	6	17,168,011,554,575	13,193,367,222,827	816,125,288	633,443,788
1 Deposits		10,614,658,119,336	2,437,280,582,827	504,594,891	117,019,425
2 Loans		6,553,353,435,239	10,756,086,640,000	311,530,397	516,424,363
3 Allowance for loans to other credit institutions		-	-	-	-
VI Loans and advances to customers		584,042,871,730	639,858,369,212	27,763,970	30,721,066
1 Loans and advances to customers	7	584,042,871,730	639,858,369,212	27,763,970	30,721,066
2 Allowance for loans and advances to customers	8	-	-	-	-
VII Investment securities	9	100,000,000,000	39,750,000,000	4,753,755	1,908,489
1 Held-to-maturity investment securities		100,000,000,000	39,750,000,000	4,753,755	1,908,489
2 Allowance for diminution in the value of investments		-	-	-	-
IX Fixed assets		5,959,819,151	5,284,686,796	283,316	253,730
1 Tangible fixed assets	10	5,868,375,117	5,224,735,403	278,969	250,852
a Cost		9,091,163,906	7,913,533,680	432,172	379,947
b Accumulated depreciation		(3,222,788,789)	(2,688,798,277)	(153,203)	(129,095)
3 Intangible fixed assets	11	91,444,034	59,951,393	4,347	2,878
a Cost		157,000,000	94,000,000	7,463	4,513
b Accumulated amortisation		(65,555,966)	(34,048,607)	(3,116)	(1,635)
XI Other assets	12	43,146,383,356,296	86,328,493,222	2,051,073,557	4,144,829
1 Receivables		6,281,139,352	5,475,960,642	298,590	262,913
2 Accrued interest and fees receivable		173,570,788,276	76,967,050,021	8,251,131	3,695,364
3 Other assets		42,966,531,428,668	3,885,482,559	2,042,523,836	186,552
TOTAL ASSETS		61,098,888,711,338	14,015,739,319,509	2,904,491,763	672,927,757

The accompanying notes are an integral part of these financial statements

Industrial and Commercial Bank of China Limited - Hanoi City Branch
Balance sheet as at 31 December 2013 (continued)

Form B02/TCTD

	Note	31/12/2013 VND	31/12/2012 VND	31/12/2013 Equivalent USD (Note 2(d))	31/12/2012 Equivalent USD (Note 2(d))
B					
LIABILITIES AND OWNERS' EQUITY					
LIABILITIES					
I					
Deposits and borrowings from other credit institutions	13	57,260,402,064,432	11,952,379,488,557	2,722,019,494	573,861,124
1 Deposits		1,060,608,664,432	934,367,488,557	50,418,742	44,861,124
2 Borrowings		56,199,793,400,000	11,018,012,000,000	2,671,600,752	529,000,000
III					
Deposits from customers	14	2,300,704,064,963	789,299,651,780	109,369,845	37,896,085
VII					
Other liabilities	15	95,674,909,439	45,637,234,325	4,548,151	2,191,147
1 Accrued interest and fee payables		51,944,811,634	14,638,758,298	2,469,329	702,840
3 Other liabilities		43,730,097,805	30,998,476,027	2,078,822	1,488,307
TOTAL LIABILITIES		59,656,781,038,834	12,787,316,374,662	2,835,937,490	613,948,356
OWNERS' EQUITY					
VIII					
Capital and reserves					
1 Allocated capital	17	897,050,000,000	897,050,000,000	42,643,563	43,069,426
2 Reserves	17	28,499,576,659	5,557,935,953	1,354,800	266,849
5 Retained profits	17	516,558,095,845	325,815,008,894	24,555,910	15,643,126
TOTAL EQUITY		1,442,107,672,504	1,228,422,944,847	68,554,273	58,979,401
TOTAL LIABILITIES AND OWNERS' EQUITY		61,098,888,711,338	14,015,739,319,509	2,904,491,763	672,927,757

The accompanying notes are an integral part of these financial statements

	Note	31/12/2013	31/12/2012	31/12/2013	31/12/2012
		VND	VND	Equivalent USD (Note 2(d))	Equivalent USD (Note 2(d))
OFF BALANCE SHEET ITEMS					
I CONTINGENT LIABILITIES					
1	Performance guarantees	4,616,517,114,517	8,609,639,122	219,457,935	413,368
2	Other guarantees	1,082,500,529,444	1,444,316,130,476	51,459,428	69,344,927
		<u>5,699,017,643,961</u>	<u>1,452,925,769,598</u>	<u>270,917,363</u>	<u>69,758,295</u>

Prepared by:



Phan Thi Hong Minh
Accountant

Reviewed by:



Yuan XiaoBin
Chief Accountant

Approved by:



Chen ZhiBiao
General Director

31 MAR 2014

Industrial and Commercial Bank of China Limited - Hanoi City Branch
Statement of income for the year ended 31 December 2013

Form B03/TCTD

	Note	31/12/2013 VND	31/12/2012 VND	31/12/2013 Equivalent USD (Note 2(d))	31/12/2012 Equivalent USD (Note 2(d))
1 Interest and similar income	18	645,547,226,687	389,941,489,930	30,687,737	18,721,984
2 Interest and similar expenses	18	(270,064,357,665)	(100,906,948,507)	(12,838,199)	(4,844,773)
I Net interest income	18	375,482,869,022	289,034,541,423	17,849,538	13,877,211
3 Fee and commission income	19	19,797,495,918	11,150,508,283	941,125	535,361
4 Fee and commission expenses	19	(5,231,075,693)	(3,390,354,310)	(248,673)	(162,779)
II Net fee and commission income	19	14,566,420,225	7,760,153,973	692,452	372,582
III Net gain from trading of foreign currencies	20	13,293,394,028	2,002,204,904	631,935	96,130
IV Net gain from other operations		10,304,163	-	491	-
Total operating expenses	21	(120,584,977,629)	(94,767,835,979)	(5,732,316)	(4,550,021)
V Profit before allowance and provision expenses		282,768,009,809	204,029,064,321	13,442,100	9,795,902
VI Allowance and provision expenses		-	-	-	-
VII PROFIT BEFORE TAX		282,768,009,809	204,029,064,321	13,442,100	9,795,902
7 Income tax expenses - current	16	(69,083,282,152)	(51,084,792,950)	(3,284,050)	(2,452,698)
VIII Total income tax expenses	16	(69,083,282,152)	(51,084,792,950)	(3,284,050)	(2,452,698)
IX PROFIT AFTER TAX		213,684,727,657	152,944,271,371	10,158,050	7,343,204

Prepared by:



Phan Thi Hong Minh
Accountant

Reviewed by:



Yuan XiaoBin
Chief Accountant



Chen ZhiBiao
General Director

31 MAR 2014