

**KPMG Limited**

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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 2014, 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 30 March 2015, as set out on pages 5 to 58.

### **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 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 2014 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 allowance for loans and advances.

### KPMG Limited

Vietnam

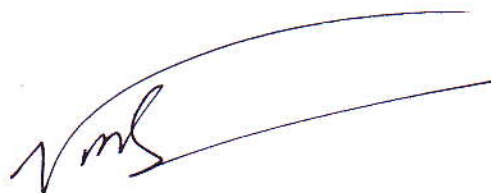
Investment Certificate No: 011043000345

Audit report No: 14-02-274



Trần Đình Vũ

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, 30 March 2015



Industrial and Commercial Bank of China Limited - Hanoi City Branch  
P0105 – 0106, 1<sup>st</sup> Floor, P0307 – 0311, 3<sup>rd</sup> Floor, Daeha Business Centre,  
360 Kim Ma Street, Ba Dinh District, Hanoi, Vietnam  
Balance sheet as at 31 December 2014

Form B02/TCTD

|   | Note      | 31/12/2014                | 31/12/2013                | 31/12/2014                       | 31/12/2013                       |
|---|-----------|---------------------------|---------------------------|----------------------------------|----------------------------------|
|   |           | VND                       | VND                       | Equivalent<br>USD<br>(Note 2(d)) | Equivalent<br>USD<br>(Note 2(d)) |
| <b>A ASSETS</b>   |           |                           |                           |                                  |                                  |
| <b>I Cash on hand</b>   | <b>4</b>  | <b>12,098,300,176</b>     | <b>13,956,576,583</b>     | <b>569,439</b>                   | <b>663,462</b>                   |
| <b>II Balances with the State Bank of Vietnam</b>               | <b>5</b>  | <b>595,445,788,920</b>    | <b>80,534,533,003</b>     | <b>28,026,254</b>                | <b>3,828,415</b>                 |
| <b>III Balances with and loans to other credit institutions</b> | <b>6</b>  | <b>11,697,713,146,414</b> | <b>17,168,011,554,575</b> | <b>550,584,258</b>               | <b>816,125,288</b>               |
| 1 Deposits with other credit institutions                       |           | 3,553,150,999,272         | 10,614,658,119,336        | 167,238,586                      | 504,594,891                      |
| 2 Loans to other credit institutions                            |           | 8,144,562,147,142         | 6,553,353,435,239         | 383,345,672                      | 311,530,397                      |
| <b>VI Loans and advances to customers</b>                       |           | <b>1,030,815,782,325</b>  | <b>584,042,871,730</b>    | <b>48,518,111</b>                | <b>27,763,970</b>                |
| 1 Loans and advances to customers                               | 7         | 1,032,351,018,591         | 584,042,871,730           | 48,590,371                       | 27,763,970                       |
| 2 Allowance for loans and advances to customers                 | 8         | (1,535,236,266)           | -                         | (72,260)                         | -                                |
| <b>VII Investment securities</b>                                | <b>9</b>  | <b>350,000,000,000</b>    | <b>100,000,000,000</b>    | <b>16,473,689</b>                | <b>4,753,755</b>                 |
| 2 Held-to-maturity securities                                   |           | 350,000,000,000           | 100,000,000,000           | 16,473,689                       | 4,753,755                        |
| <b>IX Fixed assets</b>  |           | <b>5,369,643,589</b>      | <b>5,959,819,151</b>      | <b>252,737</b>                   | <b>283,316</b>                   |
| 1 Tangible fixed assets   | 10        | 5,213,938,306             | 5,868,375,117             | 245,408                          | 278,969                          |
| a Cost  |           | 9,925,397,042             | 9,091,163,906             | 467,165                          | 432,172                          |
| b Accumulated depreciation                                      |           | (4,711,458,736)           | (3,222,788,789)           | (221,757)                        | (153,203)                        |
| 3 Intangible fixed assets                                       | 11        | 155,705,283               | 91,444,034                | 7,329                            | 4,347                            |
| a Cost  |           | 237,000,000               | 157,000,000               | 11,155                           | 7,463                            |
| b Accumulated amortisation                                      |           | (81,294,717)              | (65,555,966)              | (3,826)                          | (3,116)                          |
| <b>XI Other assets</b>  | <b>12</b> | <b>15,620,334,594,803</b> | <b>43,146,383,356,296</b> | <b>735,212,962</b>               | <b>2,051,073,557</b>             |
| 1 Receivables   |           | 11,173,744,000            | 6,281,139,352             | 525,922                          | 298,590                          |
| 2 Accrued interest and fees receivables                         |           | 377,947,160,092           | 173,570,788,276           | 17,789,097                       | 8,251,131                        |
| 4 Other assets  |           | 15,231,213,690,711        | 42,966,531,428,668        | 716,897,943                      | 2,042,523,836                    |
| <b>TOTAL ASSETS</b>   |           | <b>29,311,777,256,227</b> | <b>61,098,888,711,338</b> | <b>1,379,637,450</b>             | <b>2,904,491,763</b>             |

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

|  | Note | 31/12/2014                | 31/12/2013                | 31/12/2014                       | 31/12/2013                       |
|--|------|---------------------------|---------------------------|----------------------------------|----------------------------------|
|  |      | VND                       | VND                       | Equivalent<br>USD<br>(Note 2(d)) | Equivalent<br>USD<br>(Note 2(d)) |
| <b>B</b>   |      |                           |                           |                                  |                                  |
| <b>LIABILITIES AND OWNERS' EQUITY</b>                  |      |                           |                           |                                  |                                  |
| <b>LIABILITIES</b>                                     |      |                           |                           |                                  |                                  |
| <b>I</b>   |      |                           |                           |                                  |                                  |
| Deposits and borrowings from other credit institutions | 13   | 25,813,018,770,809        | 57,260,402,064,432        | 1,214,958,993                    | 2,722,019,494                    |
| 1 Deposits from other credit institutions              |      | 1,735,006,770,809         | 1,060,608,664,432         | 81,662,749                       | 50,418,742                       |
| 2 Borrowings from other credit institutions            |      | 24,078,012,000,000        | 56,199,793,400,000        | 1,133,296,244                    | 2,671,600,752                    |
| <b>III</b>   |      |                           |                           |                                  |                                  |
| Deposits from customers                                | 14   | 1,563,111,094,768         | 2,300,704,064,963         | 73,572,018                       | 109,369,845                      |
| <b>VII</b>   |      |                           |                           |                                  |                                  |
| Other liabilities                                      | 15   | 200,514,336,609           | 95,674,909,439            | 9,437,745                        | 4,548,151                        |
| 1 Accrued interest and fee payables                    |      | 135,085,200,263           | 51,944,811,634            | 6,358,147                        | 2,469,329                        |
| 3 Other liabilities                                    |      | 65,429,136,346            | 43,730,097,805            | 3,079,598                        | 2,078,822                        |
| <b>TOTAL LIABILITIES</b>                               |      | <b>27,576,644,202,186</b> | <b>59,656,781,038,834</b> | <b>1,297,968,756</b>             | <b>2,835,937,490</b>             |
| <b>OWNERS' EQUITY</b>                                  |      |                           |                           |                                  |                                  |
| <b>VIII</b>  |      |                           |                           |                                  |                                  |
| Capital and reserves                                   | 16   | 1,735,133,054,041         | 1,442,107,672,504         | 81,668,694                       | 68,554,273                       |
| 1 Allocated capital                                    |      | 897,050,000,000           | 897,050,000,000           | 42,222,065                       | 42,643,563                       |
| 2 Reserves   |      | 58,992,285,808            | 28,499,576,659            | 2,776,631                        | 1,354,800                        |
| 5 Retained earnings                                    |      | 779,090,768,233           | 516,558,095,845           | 36,669,998                       | 24,555,910                       |
| <b>TOTAL EQUITY</b>                                    |      | <b>1,735,133,054,041</b>  | <b>1,442,107,672,504</b>  | <b>81,668,694</b>                | <b>68,554,273</b>                |
| <b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>            |      | <b>29,311,777,256,227</b> | <b>61,098,888,711,338</b> | <b>1,379,637,450</b>             | <b>2,904,491,763</b>             |



|                                 | Note                   | 31/12/2014               | 31/12/2013               | 31/12/2014                       | 31/12/2013                       |
|---------------------------------|------------------------|--------------------------|--------------------------|----------------------------------|----------------------------------|
|                                 |                        | VND                      | VND                      | Equivalent<br>USD<br>(Note 2(d)) | Equivalent<br>USD<br>(Note 2(d)) |
| <b>OFF BALANCE SHEET ITEMS</b>  |                        |                          |                          |                                  |                                  |
| <b>I CONTINGENT LIABILITIES</b> |                        |                          |                          |                                  |                                  |
| 1                               | Performance guarantees | 4,593,060,183,563        | 4,616,517,114,517        | 216,184,702                      | 219,457,935                      |
| 2                               | Other guarantees       | 1,365,239,445,847        | 1,082,500,529,444        | 64,258,658                       | 51,459,428                       |
|                                 |                        | <u>5,958,299,629,410</u> | <u>5,699,017,643,961</u> | <u>280,443,360</u>               | <u>270,917,363</u>               |

Prepared by:



Le Thu Thuy  
Accountant

Reviewed by:



Yuan XiaoBin  
Chief Accountant

Approved by:



Chen ZhiBiao  
General Director

30 March 2015

Industrial and Commercial Bank of China Limited - Hanoi City Branch  
P0105 – 0106, 1<sup>st</sup> Floor, P0307 – 0311, 3<sup>rd</sup> Floor, Daeha Business Centre,  
360 Kim Ma Street, Ba Dinh District, Hanoi, Vietnam  
Statement of income for the year ended 31 December 2014

Form B03/TCTD

|  | Note      | 2014<br>VND              | 2013<br>VND              | 2014<br>Equivalent<br>USD<br>(Note 2(d)) | 2013<br>Equivalent<br>USD<br>(Note 2(d)) |
|--|-----------|--------------------------|--------------------------|--|--|
| 1 Interest and similar income                                      | 17        | 948,548,861,865          | 645,547,226,687          | 44,645,997                               | 30,687,737                               |
| 2 Interest and similar expenses                                    | 17        | (577,447,102,080)        | (270,064,357,665)        | (27,179,097)                             | (12,838,199)                             |
| <b>I Net interest income</b>                                       | <b>17</b> | <b>371,101,759,785</b>   | <b>375,482,869,022</b>   | <b>17,466,900</b>                        | <b>17,849,538</b>                        |
| 3 Fee and commission income  | 18        | 121,638,588,155          | 19,797,495,918           | 5,725,246                                | 941,125                                  |
| 4 Fee and commission expenses                                      | 18        | (6,978,979,413)          | (5,231,075,693)          | (328,484)                                | (248,673)                                |
| <b>II Net fee and commission income</b>                            | <b>18</b> | <b>114,659,608,742</b>   | <b>14,566,420,225</b>    | <b>5,396,762</b>                         | <b>692,452</b>                           |
| <b>III Net gain from trading of foreign currencies</b>             | <b>19</b> | <b>21,853,630,581</b>    | <b>13,293,394,028</b>    | <b>1,028,600</b>                         | <b>631,935</b>                           |
| <b>VI Net gain from other activities</b>                           |           | <b>8,073,869</b>         | <b>10,304,163</b>        | <b>380</b>                               | <b>491</b>                               |
| <b>VIII Operating expenses</b>                                     | <b>20</b> | <b>(132,073,823,531)</b> | <b>(120,584,977,629)</b> | <b>(6,216,409)</b>                       | <b>(5,732,316)</b>                       |
| <b>IX Operating profit before allowance and provision expenses</b> |           | <b>375,549,249,446</b>   | <b>282,768,009,809</b>   | <b>17,676,233</b>                        | <b>13,442,100</b>                        |
| <b>X Allowance and provision expenses</b>                          | <b>8</b>  | <b>(1,535,236,266)</b>   | <b>-</b>                 | <b>(72,260)</b>                          | <b>-</b>                                 |
| <b>XI PROFIT BEFORE TAX</b>  |           | <b>374,014,013,180</b>   | <b>282,768,009,809</b>   | <b>17,603,973</b>                        | <b>13,442,100</b>                        |
| 7 Current income tax expenses                                      | 21        | (80,988,631,643)         | (69,083,282,152)         | (3,811,947)                              | (3,284,050)                              |
| <b>VIII Total income tax expenses</b>                              |           | <b>(80,988,631,643)</b>  | <b>(69,083,282,152)</b>  | <b>(3,811,947)</b>                       | <b>(3,284,050)</b>                       |
| <b>IX NET PROFIT AFTER TAX</b>                                     |           | <b>293,025,381,537</b>   | <b>213,684,727,657</b>   | <b>13,792,026</b>                        | <b>10,158,050</b>                        |

Prepared by:



Le Thu Thuy  
Accountant

Reviewed by:



Yuan XiaoBin  
Chief Accountant

Approved by:



Chen ZhiBiao  
General Director

30 March 2015

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