



The Bank of Responsibility
The Bank of Hearts

STANDING STRONG THROUGH THE STORM



ANNUAL
REPORT

2013



TABLE OF CONTENTS

5	VISION - MISSION - CORE VALUES
7	MESSAGE FROM CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER
9	ABOUT DONGA BANK
6	ORGANIZATIONAL STRUCTURE
15	BOARD OF DIRECTORS
21	BOARD OF SUPERVISION
23	BOARD OF MANAGEMENT
27	2013 BUSINESS PERFORMANCE REPORT
35	2014 BUSINESS DIRECTION
37	HIGHLIGHTS OF 2013 BUSINESS PERFORMANCE
51	SUBSIDIARY COMPANIES





VISION

We aim to become the leading Financial-Banking Group in Vietnam – Reaching out to the international market and winning the trust and love of our valued customers.

MISSION

By accountability, passion and intellect, together we work to make attractive offers of cooperation to customers, shareholders, partners, associates and the community.

CORE VALUES

We uphold the core values of DongA Bank, which are Faith – Accountability – Solidarity – Humanity – Compliance – Earnestness – Company - Creativity.



Mr PHAM VAN BU
Chairman of the Board



Mr TRAN PHUONG BINH
Chief Executive Officer

MESSAGE FROM CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

DEAR VALUED SHAREHOLDERS,

2013 posed many difficulties and challenges to the Vietnam banking system, especially the commercial banks: production was stalled, thousands of companies ceased operations or went out of business; the real estate market remained sluggish, resulting in bad debts piling up, and low credit growth. 2013 was also the year the State Bank of Vietnam conducted rigid actions on restructuring the commercial banking system.

Although faced with difficult economic conditions as well as challenges in the banking and financial sector in 2013, DongA Bank's board of directors and board of management still managed to direct the bank to achieve crucial goals and to come up with many effective solutions to ensure growth targets. Particularly, in 2013, DongA Bank's total assets reached 74,920 billion VND, an increase of 8.1% compared with 2012; total funds mobilized from customers was 65,124 billion VND, up 18% compared with 2012; income from operations services reached 624 billion VND, up 18% compared with 2012; international payment figures reached 1.9 billion USD, up 4% compared with 2012. International payment total service fees increased 24% as per 2012 and were at 5.75 million USD. DongA Bank also issued an additional of 510,000 bank cards in 2012, bringing the total number of cards issued to 6.2 million. This accounted for 12.2% share in the card market.

In addition, the number of automated teller machines (ATM) of DongA Bank was increased to 1,016; the number of POS machines was increased to 1,145. DongA eBanking products also achieved good results with over 372,000 new customers, an increase of 18% compared with 2012. DongA Bank's 2013 pretax profit target (not yet provisioned) was 1,400 billion VND and the bank's actual pretax profit was 1,000 billion VND, which was 70% of the target. In order to comply with the State Bank of Vietnam's provisioning regulation, DongA Bank made provision for an additional nearly 600 billion VND to ensure good credit conditions. This resulted in the final pretax profit of the bank being 300 billion VND. In 2013, DongA Bank continued to be recognized and awarded prestigious awards such the Vietnam Golden Star Award and the Vietnam Excellent Brand.

Other than overcoming the difficulties in business operations, DongA Bank also focused on deploying the strategic implementation phase to restructure the bank. This included building a new business model, developing strategic cooperation with aviation and retail partners, adjusting the business direction towards minimizing business risks, controlling bad debts, raising fee revenues, reviewing and targeting customers, developing a loyal customer base, raising total assets towards sustainable and stable development, and stability. By the end of 2013, DongA Bank succeeded in implementing periodical objective programs of the 2013 – 2017 strategy.

The economical forecast of 2014 sees many positive changes but difficulties and challenges still remain. 2014 is also the year which the State Bank of Vietnam continues to complete the commercial banks restructuring process. Going with the flow, DongA Bank will continue to adapt promptly to the market and focus on the 2013 – 2017 important objectives. In 2014, the bank will focus on standardizing credit quality, limiting bad debt, increasing forex trading as per the government's regulations, building effective distribution channels, standardizing operating procedures, centralizing and minimizing costs. Innovation and Development is still the motto for the bank in 2014!

Development is still the motto for the bank in 2014!



CHAIRMAN OF THE BOARD
Pham Van Bu



CHIEF EXECUTIVE OFFICER
Tran Phuong Binh

About

DongA Bank

- About DongA Bank
- Organizational Structure
- Board of Directors
- Board of Supervision
- Board of Management





*STRONG VISION AND
CLEAR DIRECTION ENSURE
A BRIGHT FUTURE*

OVERVIEW



DongA Bank was incorporated on 1st July 1992 with a chartered capital of 20 billion VND. During those early days, the bank had 56 staff and 3 departments. After 22 years of continuous development, with strategic vision and the goal of being a leading retail bank, DongA Bank is now among the top commercial banks in Vietnam.

Impressive figures:

- **5.000 billion:** DongA Bank's chartered capital as of 31st Dec 2013
- **74.920 billion:** DongA Bank's total assets at end of 2013
- **41** departments and centers, 3 subsidiary companies and 240 transaction points nationwide.
- **4.827** staff
- **Over 7 million** personal and corporate customers

OVERVIEW

LINES OF BUSINESS AND OPERATIONAL AREAS

Lines of business:

Other financial intermediation activities:

- Short-term, medium-term and long-term deposits, non-term deposits, and certificates of deposit;
- Receive investment fund and development fund from organizations, borrow from other credit institutions;
- Provide short-term, medium-term and long-term loans;
- Commercial paper, bonds and valuable papers discounting;
- Contributing capital and business cooperation as regulated by law;
- Providing payment services between customers;
- Foreign currencies, gold and silver trading; Bonds trading, Stock brokerage and investment;
- Providing guarantee service and issuing Government Bonds under the provisions of law;
- Conducting open market operations in accordance with law.

Agents and Insurance Brokers activities

- Insurance Agents.

Real estate and land owner rights trading, land owning or land renting

- Warehouse Services

Agents, brokers, auction

- Acting as agent for issuing corporate bonds, providing payment and bidding services for corporate bonds

Other support services related to transportation

- Services.

Operational Areas: Nationwide

TRANSACTIONAL CHANNELS

- Traditional banking channel (240 transaction points in 55 provinces nationwide)
- Automated banking channel (1,016 ATMs)
- Electronic banking channel (DongA eBanking with 4 transactional channels which are SMS Banking, Mobile Banking, Phone Banking and Internet Banking)

SHAREHOLDERS' INFORMATION

By 31st Dec 2012, DongA Bank had 100% domestic shareholders

- Total institutional shareholders' equity accounted for 40.14%.
- Total personal shareholders' equity accounted for 59.86%.

IMPRESSIVE FIGURES

CHARTERED CAPITAL

5.000
billion VND

TOTAL ASSETS

74.920
billion VND

STAFF

4.827
people

CUSTOMERS

over **7.000.000**
customers

Based on the updated list of shareholders on 31st Dec 2013, the major institutional shareholders include:

- Ho Chi Minh Municipal Party Committee's Office: 6.87% chartered capital
- Phu Nhuan Jewelry Corporation (PNJ): 7.7% chartered capital
- An Binh Capital Joint Stock Company: 5.42% chartered capital
- Ky Hoa Sole-member Tourism and Trading Co., Ltd: 3.78% chartered capital
- Phu Nhuan Sole-member Home Building and Trading Co., Ltd: 2.14% chartered capital

SUBSIDIARY COMPANIES

- DongA Money Transfer
- DongA Securities and DongA Capital

QUALITY MANAGEMENT SYSTEM

DongA Bank's core business processes are standardized according to ISO 9001:2000 system.

COURSE OF DEVELOPMENT

1992 - 1996

This was the formation stage of DongA Bank. The founders of DongA Bank, with financial capability, knowledge and business experience, decided then to focus on individual and SME customers. DongA Bank brought a breath of fresh air to the market with new products such as international payments, express money remittances and payroll service.

DongA Bank signed an agreement with Swedish International Development Cooperation Agency (SIDA) and remains the sole partner so far to receive trust funds from this organization to finance SME. It was also during this period that DongA Bank received funding from the Rural Development Fund (RDF) of World Bank

1997 - 2001

DongA Bank became an official member of the Society for Worldwide Interbank Financial Telecommunication (SWIFT) and established DongA Money Transfer. The Bank also formulated and successfully installed the ISO 9001: 2000 quality standard into operational activities. Being among the only 2 local banks entrusted with funds from the Japan Bank for International Cooperation (JBIC), DongA Bank had the golden opportunity to provide credit for SMEs. At the same time, DongA Bank Card Center was established and the very first DongA Bank cards were introduced to the market. This period also marked the Bank's extension into sport field with the incorporation of DongA Sport Joint Stock Company and DongA Bank Football Club (taken over from Ho Chi Minh Municipal Police Football Club)

2002 - 2007

DongA Bank reached the milestone of 2 million multi-functional card-users and became the leader among joint-stock commercial banks in terms of card service and ATM development in Vietnam. Over these years, DongA Bank also reached important milestones such as: introducing 2 innovative transaction channels -DongA Bank Automatic Banking and DongA eBanking channel, forming Vietnam Bankcard (VNBC) system, successfully connecting with other banks' card systems and China Union Pay (China), implementing conversion plan into core banking and online banking systems. On its 15th anniversary, DongA Bank introduced new brand identity as well as opened many new branches with one united look and feel. DongA Bank was ranked amongst in the top 200 largest enterprises in Vietnam by the United Nation Development Program (UNDP)

2008 - 2012

DongA Bank was the first bank in Vietnam to have advanced ATM models such as: ATM TK21 - which was confirmed Vietnam's record in 2007 (First ATM in Vietnam to accept 100 notes of different denominations); Mobile ATM (Vietnam's record in 2009); Gold ATM (Vietnam's record in 2010), H38N ATM and many more models.

DongA Bank was proud to reach a record number of customers - 6 million. The Bank provided various services with superb functions, from traditional banking services to innovative services such as Automatic Bill Payment, DongA eBanking, personal banking and corporate banking products, money transfer and international payments. DongA Bank constantly expanded its network throughout the country in order to bring banking services closer to everyone in Vietnam. The Bank's network consisted of 240 transaction points; 1,400 ATM and 1,500 POS.

DongA Bank was also successful in connecting with all 3 bankcard systems: VNBC, SmartLink and Banknetvn.

2013

2013 posed many difficulties for the banking and financial sector as well as DongA Bank. Bad debt was rising and most banks had to make provision for risks, leading to low profits. With the motto of "Innovation and Development", DongA Bank persevered with its strategy of safe and sustainable development. The Bank focused on developing its foundation, restructuring and reorganizing organization system, customer service, as well as strengthening its position of "The Bank of responsibility, the Bank of hearts". In 2013, DongA Bank continued to reach important milestones such as: reaching the record number of 7 million customers and introducing Next Generation ATM network, which is the largest cash-acceptance ATM network in Vietnam (250 ATMs)

2013 AWARDS & ACHIEVEMENTS

- **Most Satisfied Service Award 2013** – awarded by Vietnam Association of High Quality Goods Businesses.
- **Excellent IT application Award 2012** – awarded by Hochiminh city Department of Information Technology.
- **2013 Merit Certificate for Active participation in reaching out for the poor** – awarded by Vietnam Fatherland Front.
- **Certificate for Excellence in labor** – awarded by the State Bank of Vietnam
- **Vietnam Golden Star Award** - Top 200 brands in international integration
- **STP (Straight - Through - Processing) Award** – awarded by Bank of New York
- **Excellent Brand Award 2013**

Achievements

in Year

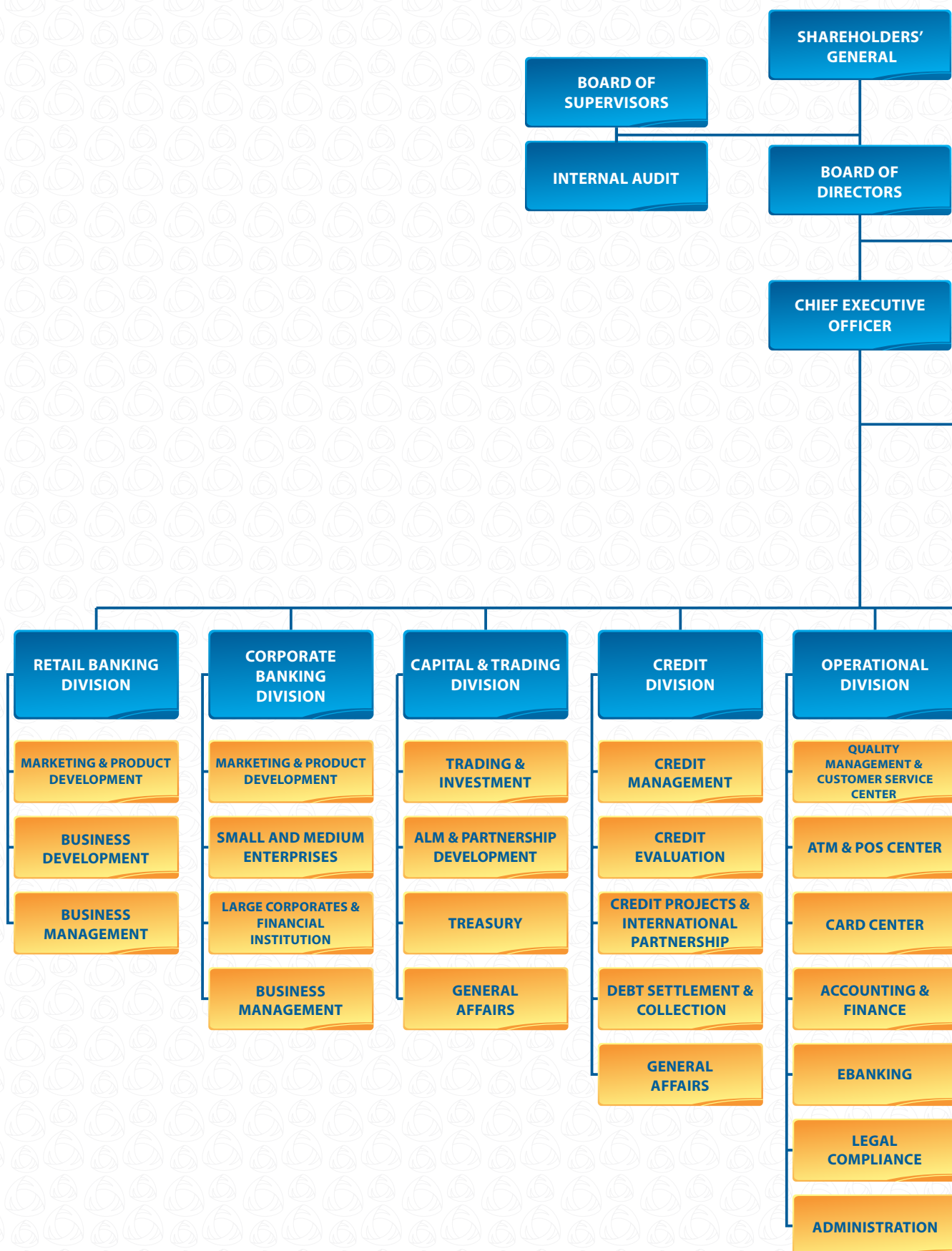
2013

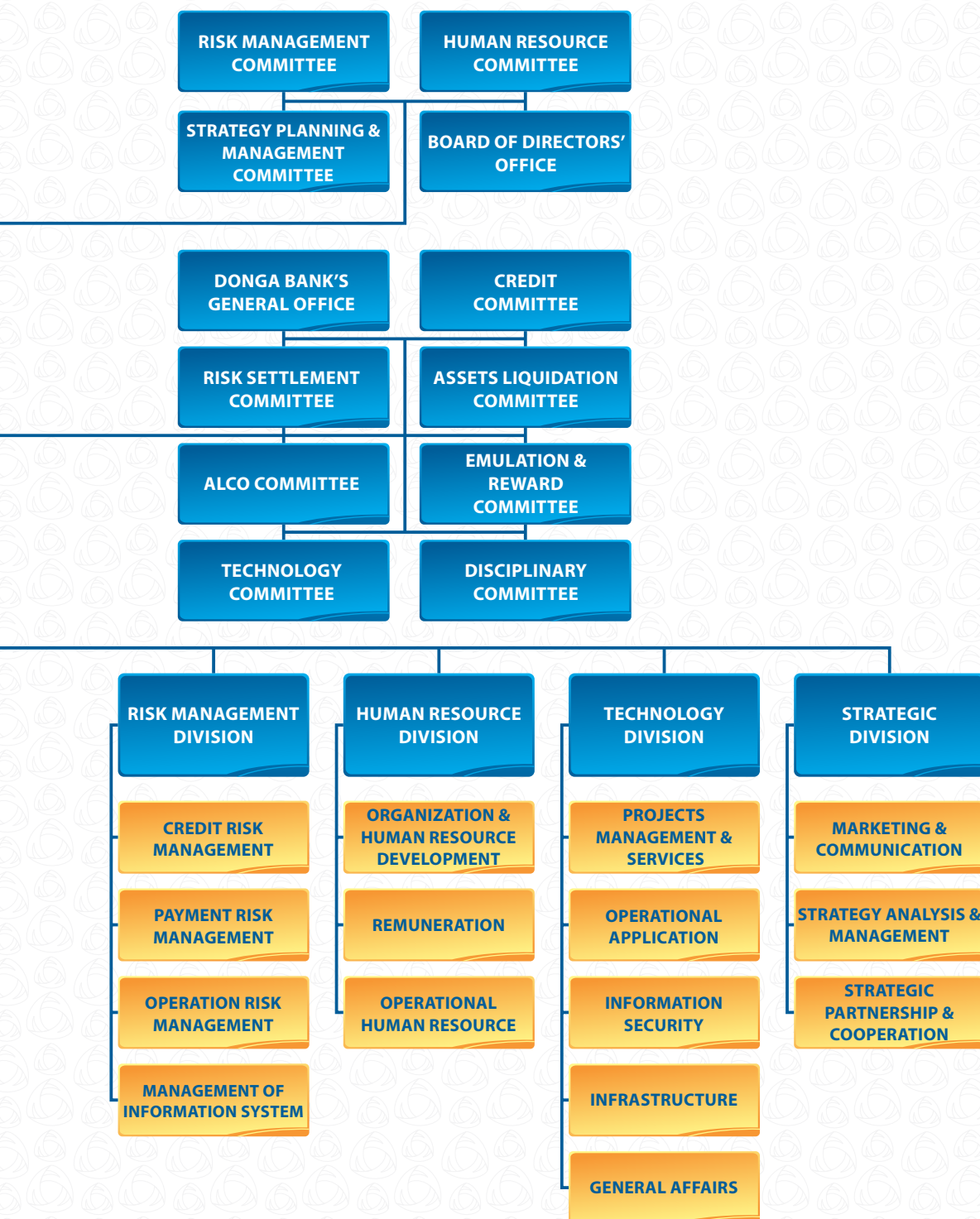
Vietnam's strong brand
award 2013



Vietnam Golden Star Award
Top 200 brands in international interation

ORGANIZATIONAL CHART





BOARD OF DIRECTORS



Mr PHAM VAN BU

Chairman of the Board

Mr. Pham Van Bu was formerly Deputy Chief of Ho Chi Minh Municipal Party Committee's Office, Chairman of Hochiminh City Sole-member Petroleum Company Limited (Saigon Petro) and Vice Chairman of SuoiTien Cultural Tourism Company Limited. Born in 1953, he graduated with a Bachelor of Economical Engineering from Hochiminh City University of Agriculture and Forestry. He also achieved senior politician certificate from Hochiminh City Institute and is a prominent personality who has made many contributions towards the socioeconomic environment of Hochiminh city.



Mr TRAN PHUONG BINH

Standing Vice Chairman and Chief Executive Officer

Standing Vice Chairman and Chief Executive Officer Having laid the foundation and being responsible for leading the bank to great success, Mr Binh is currently Vice Chairman and CEO of DongA Bank. He graduated with a bachelor's degree in Economics and had extensive experience in the field of economics training before his career turned towards banking management. He also founded Hochiminh City Young Businesses Club. With many accomplishments in his career, he has received numerous titles and awards from the government and other prestigious organizations.



Madam VU THI VANG

Board Member

Formerly the Standing Vice CEO of DongA Bank since its very first day of operation, Madam Vang is now a board member of the bank. Born in 1958 and having graduated from Hochiminh City University of Economics (Commercial Economics Department), she has been devoted her knowledge and experience towards the development of DongA Bank. She is now a board member of DongA Land and of Giadinh Water Supply Company. She has been honored and recognized with many Merit Certificates from the Prime Minister, the Ministry of Labour - Invalids and Social Affairs, and the Governor of the State Bank of Vietnam for her dedication to the banking and finance sector.



Mr CAO SI KIEM

Independent Member of the Board

Born in 1941, Mr Kiem has a Ph.D. in Economics and is former Governor of the State Bank of Vietnam from 1989 to 1997. He is also honorable deputation of the National Assembly (12th and 13th) from 2006 to the present. He has been an Independent Member of the Board at DongA Bank since 2012.

BOARD OF DIRECTORS



Mr TRANG THANH SUONG

1.Board Member

Born in 1958, Mr Suong graduated from Hochiminh City Civil Engineering Polytechnic University and achieved a high level degree in political theory at Nguyen Ai Quoc Communist Party School. Currently he is the CEO of Phunhuan Construction and Trading Company Limited, the Secretary cum Member of the Standing Committee of Ho Chi Minh Municipal Party Committee's Office and a board member of DongA Bank.



Mr TRAN VAN DINH

Independent Member of the Board

Born in 1954, Mr Dinh graduated with a bachelor's degree at Hanoi Law University. He is currently an independent board member of DongA Bank.



Mr DANG PHUOC DUA

Board Member

Born in 1960, Mr Dua graduated with a master's degree in Business Administration from Hanoi National University - Financial Research Institute - Help University (Malaysia). Currently he is Chairman of Viet Tin Investment and Commercial Joint Stock, Chairman of Viet Phu – Mobivi Payment Support Company and a board member of DongA Bank.



Mr NGUYEN DINH TRUONG

Board Member

Born in 1948, Mr Truong graduated from Hochiminh General University (Economics Department). Currently he is a board member of Viettien Garment Joint Stock Company and of DongA Bank.

BOARD OF SUPERVISION



Madam NGUYEN THI CUC

Head of Supervision Board



Mr NGUYEN VINH SON

Member of Supervision Board



Ms PHAN THI TO LOAN

Member of Supervision Board

Madam Cuc, born in 1960, has an MA in Economics. She is now a board member and Standing Vice CEO of Phu Nhuan Jewelry Joint-stock Company (PNJ) while at the same time being the Head of Supervision Board of DongA Bank.

Mr Nguyen Vinh Son was born in 1959. He graduated from the Trade Faculty of Ho Chi Minh University of Economics.

Born in 1970, Ms. Loan graduated from Ho Chi Minh University of Economics.



BOARD OF MANAGEMENT



Mr TRAN PHUONG BINH

Chief Executive Officer

Having laid the foundation and being responsible for leading the bank to great success, Mr Binh is currently Vice Chairman and CEO of DongA Bank. He graduated with a bachelor's degree in Economics and has extensive experience in the field of economics training before his career turned towards banking management. He also founded Hochiminh City Young Businesses Club. With many accomplishments in his career, he has received numerous titles and awards from the government and other prestigious organizations.



Madam NGUYEN THI NGOC VAN

Vice CEO

Madam Van joined DongA Bank right after she graduated from university. Throughout the years she has capitalized on the opportunities and challenges in different job positions within the bank. With a young, sharp and determined mind, she has helped DongA Bank to achieve many accomplishments, especially in the fields of international settlement, corporate banking and human resources. Born in 1970, Madam Van graduated with a Master of Business Administration. She has been an outstanding member of Vietnam Communist Party and has received numerous awards in her time with DongA Bank. Those awards include Merit Certificate of the Governor of the State Bank of Vietnam, Outstanding Saigon Entrepreneur title and many more. Madam Van is currently the Vice CEO in charge of DongA Bank's Corporate Banking division.



Madam NGUYEN THI KIM XUYEN

Vice CEO

With more than 12 years experience working in a state import-export company in Hochiminh City in the field of commerce, Madam Xuyen has accumulated much experience and a comprehensive knowledge of state management and business operations. These advantages assisted her favorably when she was in charge of acquiring and negotiating with corporate customers during her first days with DongA Bank as a credit manager. Madam Xuyen is currently managing the Capital and Trading Division as well as the Credit Division of DongA Bank – a field that requires lots of experience, flexibility and decisiveness in order to deal with the complex and rapidly changing nature of the market. Born in 1958, and having graduated with a Master degree in Economics, after 17 years with DongA Bank Madam Xuyen has been honored with many awards and titles such as “Outstanding Communist Party member” and “Excellent achiever of the banking sector”. She also received many more merit certificates from the Governor of the State Bank of Vietnam and from the Hochiminh City People's Committee.



Mr LUONG NGOC QUY

Vice CEO

Mr Quy was born in 1974. He graduated with a master's degree in Finance Banking at the University of Dauphine & ESCP – France (2010), a master's degree in Economics at the University of Economics (2004), a bachelor's degree in Finance and Accounting at the University of Finance and Accounting (1996). After joining the Bank at the end of 1996, he worked for 7 years as a credit officer. From 2003 to 2007, he was promoted through various positions such as Vice Manager of Credit Division, Customer Policy Manager and Credit Manager. From 2008 to 2009, he also supervised as manager role for Bac Ninh – Bac Giang – Thai Nguyen zone. From 2009 to present, he is the Vice Chairman of North region Credit Committee and has been supervised as manager role for DongA Bank Bac Giang (2010-2011), DongA Bank Hanoi (2010-2011) and DongA Bank Vinh Phuc (2012). Currently Mr Quy is the Vice CEO in charge of Credit and Investment Committee and Head of Risk Management Division.

BOARD OF MANAGEMENT



Mr NGUYEN AN

Vice CEO

Born in 1969, Mr An joined DongA Bank shortly after graduating from University of Da Nang, specializing in Banking. Having been with the Bank for 20 years, Mr An has had ample experience working in various business development positions, especially experience in developing businesses in different areas. Recognized for his sharpness, enthusiasm, flexibility and contribution towards DongA Bank, Mr An has been awarded with many prestigious titles from the Bank. Other than his involvement with the Bank, Mr An is also an active member of many business associations.



Mr NGUYEN QUOC TOAN

Vice CEO

Born in 1973, Mr Toan graduated from Banking University, and specialized in Credit in 1995. His qualifications also include a bachelor's degree in Finance-Accounting at the National University in 1998. From 1996 to 2001, he gained 6 years of experience working as a credit analysis officer for DongA Bank. From 2002 to 2003, he was Chief of financial-stock investment analysis of TVH Company and then returned to DongA Bank from 2003. During the 2005-2006 period, he was part of DongA Bank's Core Banking project committee. From 2007 to 2009, he was Vice Manager for DongA Bank's Internal Audit division and was promoted to a managerial position from 2009 to 2011. From 2011 until April of 2012, he was Head of Operational Management. From 2012 to the present, he is holding the Vice CEO position of DongA Bank.



Mr TRAN DAO VU

Vice CEO

Born in 1970, Mr Vu graduated with a bachelor's degree in Economics and started working for DongA Bank in 1994. Having been through various business development positions in DongA Bank, Mr Vu has gained extensive experience in terms of business development. He has a deep understanding of customer psychology, cultural and business traits of Hanoi and Vietnam's north region. DongA Bank's brand presence and development in the north region bear the mark of his contributions. For his valuable contributions, Mr Vu has been honored by the Governor of the State Bank of Vietnam and has received many merit certificates from DongA Bank. Besides his involvements with the Bank, Mr Vu is also an active member of many business associations such as Young Entrepreneurs Association, and Vietnam Businessmen Associations.



Mr LE TRI THONG

Vice CEO

Born in 1979, Mr Thong graduated with an MBA at Oxford University and a bachelor's degree in Biochemical. He has been through various managerial positions at big international as well as local corporations. Having joined DongA Bank in 2008, he is currently the Bank's Vice CEO and also Chairman of the Board of DongA Money Transfer and Chairman of the Board of VNBC Company. Mr Thong is also an active member of many well-known social and business associations. With his outstanding achievements, he was voted "Outstanding Saigon Entrepreneur" in 2010 and has been honored with many awards for his business management and academic achievements. In 2014, Mr Thong has decided to develop his career in the professional consulting field.



Business performance in 2013 & orientation in 2014

BUSINESS PERFORMANCE IN 2013

- Domestic and global economy context
- The main financial indicators
- 4 Core programs
- Business result in 2013

ORIENTATION IN 2014



2013 BUSINESS PERFORMANCE



DOMESTIC AND GLOBAL ECONOMY CONTEXT

The global economy in 2013 has seen a recovery but is not yet completely out of the 2008 crisis. The U.S. economy has seen some progress on economical growth and jobs and the U.S. Federal Reserve has decided to slowly cut down on QE3 program. The European economic zone though is not out of the crisis but has seen positive economical signals from key members such as Germany, France and Eastern European countries. In China, economic growth in 2013 was maintained at 7.7% but the country is still facing difficulties with the growth model. In Japan, the economic stimulus policies have helped GDP to increase of 1.5% in 2013, which is 1.4% higher than that of 2012.

Vietnam's economy has achieved a number of positive results and highlights: Macroeconomic stability was maintained, the consumer price index is controlled at low level 6.04 %, foreign investment registration reached 25 billion USD (an increase of 56 % compared with 2012) and the disbursed amount was about 11 billion USD (an increase of 9.9 % compared with 2012). Nevertheless, the economy is still in a difficult period as the aggregate demand trend continues to decline; inventories and bad debt still increase, leading to business slowdown; GDP grows by 5.42% but still lower than the set target of 5.5 % and lower than the growth rate in 2011 & 2010; the budget deficit increases at 5.3%; the economic structure is still unbalanced and the restructuring process has been conducted slowly. Businesses continue to meet with difficulties with 65% of companies reporting zero profit, and the number of companies going out of business is close to 61,000, which is an increase of 11.9% compared with 2012.

In the banking sector, in 2013 the State Bank of Vietnam adopted a tight yet flexible and market-oriented monetary policy. This has led to certain results: the money supply in

the economy increased by 15%, interest rates were controlled, supply and demand of foreign currencies were met, the market remained stabilized, the liquidity of the banking system was strengthened and the efforts of the State Bank of Vietnam to tighten management on the gold market paid off. However, credits only increased 12.5% by end of 2013 while deposits increased by 18%. Bad debts were still high at 5.66% at the end of 2013, excluding 39 trillion VND of bad debts, which had been converted into VAMC bonds, and a further 340 trillion VND of restructured debts. The bad debt issue remains the major difficulty for the banking sector in the near future. Excess capital and high level of competition in credit activities have led to low interest rate margins compared with 2012 and thus affecting profitability negatively. In addition, some banks had to continued to suffer loss from liquidating gold capital under the provision of the State Bank of Vietnam. Business results of almost all credit institutions dropped: The 11-month accumulated profit of 2013 figures showed that 17% of credit institutions suffered from negative profit; among 100 credit institutions which reported profit, 50% of which saw a 50% decrease in profit figures compared with 2012. Return on equity of the whole banking sector reached 5.18% in 2013, which is a decrease compared to the rate of 6.31% of the previous year. Return on assets also dropped from 0.62% in 2012 to 0.49% in 2013.

PROFIT AFTER TAX/ RETURN ON EQUITY (ROE)

5.89%

PROFIT AFTER TAX/RETURN ON ASSETS (ROA)

0.46%

2013 BUSINESS PERFORMANCE

THE MAIN FINANCIAL INDICATORS:

Billion VND

At year end	2009	2010	2011	2012	2013
Total Assets	42.520	55.873	64.738	69.278	74.920
Chartered Capital	3.400	4.500	4.500	5.000	5.000
Total mobilized capital	36.714	47.756	48.120	61.691	67.421
Mobilized capital from business entities and individual customers	31.947	42.882	40.937	55.113	65.124
Total loans	34.687	38.436	44.003	51.658	55.449

2013 figures

Profit before tax	788	858	1256	777	430
Profit after tax	588	659	947	577	328
Earning per share (VND/share)	1.914	1.932	2.105	1.192	656

Financial indicators	2009	2010	2011	2012	2013
Minimum capital adequacy ratio 9%	10,64%	10,84%	10,01%	10,85%	10,42%
Loans/mobilized capital	94%	80%	91%	82%	79%
Bad debts/total loans	1,33%	1,60%	1,69%	3,95%	3,99%
Non-credit income/total operating income	33%	29%	13%	10%	12%
Interest-yielding assets/total assets	88%	82%	80%	85%	85%
Profit after tax/ Return on equity (ROE)	18,06%	18,58%	19,58%	11,20%	5,89%
Profit after tax/Return on assets (ROA)	1,49%	1,40%	1,53%	0,83%	0,46%

Affected by the difficult context of the economy as well as of the banking sector, DongA Bank also encountered many challenges in business operation, especially in credit growth and bad debt settlement. Nevertheless, 2013 is the year DongA Bank started to implement its restructuring strategy in order to build the foundation for faster development in the years to come.

2013 BUSINESS PERFORMANCE

IN 2013, DONGA BANK SUCCEEDED IN DEPLOYING 4 CORE PROGRAMS WHICH ARE PART OF THE BANK'S RESTRUCTURING STRATEGY:

1. By the end of the 4th quarter of 2013, DongA Bank finished the organizational restructuring from the Headquarters to the Business Units, ensuring full support in terms of business development for the Business Units.
2. Developed and implemented the trial version of Branch Successful and Sustainable. This trial version shall be deployed officially throughout DongA Bank system in the first quarter of 2014.
3. Settled remaining issues at DongA Securities, restructured inefficient investments from the previous year in order to create a better financial status for the company. At the same time, DongA Money Transfer also carried out restructuring steps towards tighter connection to DongA Bank. This would help DongA Bank to perform better risk management and control over the subsidiary companies.
4. Completed the development stage and gradually deployed DongA Bank's development strategy of 2013-2017 period. This strategy includes 12 strategic modules with specific objectives for each year.

In order to effectively implement the 4 above-mentioned programs, in 2013, DongA Bank's Board of management has conducted these specific solutions:

- Developing the awareness, skills and expertise of staff in order to meet the requirements of the new organizational model. In 2013, DongA Bank organized over 165 internal training courses for 4,288 staff, the content of which was built according to the staff positions. This is one of the key factors that determines the success of the bank in implementing its strategy.
- Developing the evaluation criteria for the sales force based on job descriptions and efficiency measurement factors. DongA Bank also developed the remuneration mechanism for the sales force based on the interaction between the sales force and the operational support team. This has helped in creating more cohesion and more effective interaction between the sales force and the operational support team.
- Developing the functions and responsibilities of Headquarter divisions in the direction of supporting the Business Units with specific solutions and associating the benefits of the Headquarter divisions with the business results of the Business Units.
- Developing new operational procedures and refining outdated and inappropriate procedures in order to optimize business performance and improve the effectiveness and efficiency of the whole DongA Bank system.
- Allocating human resources for Business Units based on the Branch Successful and Sustainable model and streamlining Headquarter staff in order to minimize costs, to improve labor efficiency and to increase staff's income.

Carrying out 3 consultancy packages to achieve the following objectives:

1. Modernization of information technology operations to

enhance DongA Bank's competitiveness.

2. Updating DongA Bank's risk management activity to Basel 2 standard in 2017
3. Re-organizing the bank's financial management activity in accordance with global's standards.

DongA Bank will continue to carry out the above mentioned consultancy packages in 2014 until completion. .

2013 BUSINESS RESULTS

Total Assets

By 31st December 2013, DongA Bank's total assets reached 74,920 billion VND, an increase of 5,641 billion VND compared with 2012 (8.1% increase). Complying with the regulation of the State Bank of Vietnam, DongA Bank had liquidated all gold accounts, ceased mobilizing gold, and encouraged and supported customers to convert gold loans to VND loans. This led to the mobilized gold capital of the bank to drop by 3,159 billion VND. Due to the challenging macroeconomics situation, DongA Bank's plan to increase chartered capital met with difficulties. In 2014, the bank expects to increase its chartered capital by another 1,000 billion VND, bringing the total chartered capital to 6,000 billion VND.

Total mobilized capital from customers

By 31st December 2013, DongA Bank's total mobilized capital from customers reached 65,124 billion VND, an increase of 10,010 billion VND (18% increase respectively) compared with 2012.

Total loans

By 31st December 2013, the total outstanding loans of DongA Bank were 55,449 billion VND, an increase of 3,790 billion VND (7.3% increase respectively) compared with 2012. Loans to individual customers were 53,049 billion VND (4.74% increase respectively) while loans to local business entities were 2,400 billion VND.

Service activities

Income from service activities in 2013 reached 624 billion VND, an increase of 96 billion VND (18% increase respectively) compared with 2012.

International payment activities

International payment figures in 2013 reached 1.9 billion USD, an increase of 4% compared with 2012. International payment service fees reached 5.75 million USD, an increase of 24% compared with 2012.

Card business

DongA Bank is among the few banks to have the largest number of ATM cards issued. In 2013, DongA Bank also issued an additional of 510,000 bank cards in 2012, bringing the total number of cards ever issued to 6.2 million. This accounted for 12.2% share in the card market. Card acceptance service was further developed in 2013. DongA Bank currently has 1,145 POS and 1,016 ATMs nationwide.

DongA EBanking Business

In 2013, DongA eBanking products had over 372,000 new customers, an increase of 18% compared with 2012.

The total mobilized capital
from customers reached

65.124

billion VND

The total
outstanding loans

55.449

billion VND

International payment
figures

1.9

billion USD

1.016

ATMs

2013 BUSINESS PERFORMANCE

BUSINESS RESULTS

Unit: VND billion

Income growth:

Year	2009	2010	2011	2012	2013
Net Interest Income	1.107	1.374	2.467	2.494	2.228
Non Net Interest Income	557	556	380	289	307
Total income	1.664	1.930	2.847	2.783	2.535

In 2013, low credit growth (7.3%), increased mobilized capital (18%) as well as low interest rate of other investment channels such as interbank mobilized capital and bond, led to a decline in net interest margin. Net interest income decreased by 266 billion VND, 10.7% respectively compared with 2012. Nevertheless, this is also a positive note when lending rate on capital mobilization market 1 fell from 92% of 2012 to 81% of 2013, ensuring the financial safety of DongA Bank system.

Profits

- Profit before provision for credit risk: 989 billion VND (net of provision for 40 billion VND long-term investment risk)
- Provision for credit risk: 558 billion VND.
- Profit before tax 430 billion VND.

Profit after tax on average equity and average total assets

- Return on average equity (ROE): 5.89%
- Return on average assets (ROA): 0.46%

Target	2009	2010	2011	2012	2013
ROE (%)	18,06	18,58	19,58	11,20	5,89
ROA (%)	1,49	1,40	1,53	0,83	0,46

The capital adequacy indicators:

- Capital Adequacy Ratio (CAR): 10.42% (9% as per regulated)
- Short-term mobilized capital used for medium and long term loans: 26%. (30% as per regulated).
- Bad debts ratio (group 3-5): 3.99% / total loans.

In 2013, despite facing many operational difficulties, DongA Bank's Board of management and staff persevered to overcome the challenges. The bank had succeeded in identifying key problems, leveraging on opportunities in order to come up with effective solutions, laying the foundation for the operation in the years to come. Specifically, DongA Bank had:

- Implemented the objective programs of 2013 - 2017 strategy according to schedule.
- Developed and improved the quality of human resources in order to meet with the requirements of the bank.
- Completed the organizational restructuring according to

modern banking model in order to meet with the development of DongA Bank in the near future.

- The business targets were not met but basic and important targets still experienced growth such as: total assets, mobilized capital, credit. DongA Bank also complied professionally with all the regulations of the banking sector as well as that of the government.
- Gradually improved the quality of credit activities, ensuring the safety of operations.
- Activities of political organizations such as the Communist Party, Trade Union, Youth union is maintained and developed, positively impacting DongA Bank staff. Internal communication is promoted to help staff raise their voices to the management board, creating trust and cohesion within the bank.

CAPITAL ADEQUACY RATIO (CAR)

10.42%

INCOME FROM SERVICE ACTIVITIES

624

billion VND

ISSUED AN ADDITIONAL OF

510.000

Bank Cards

PROFIT BEFORE TAX

430

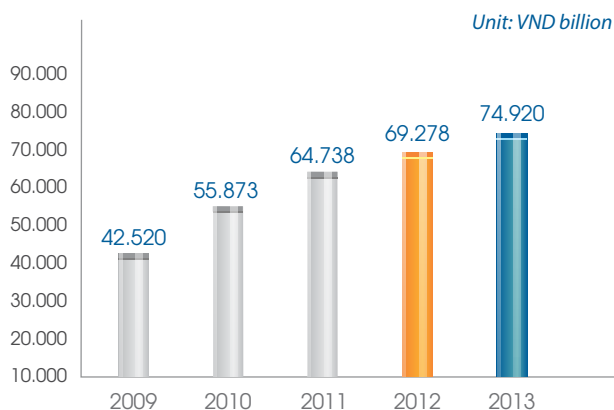
billion VND

NEW EBANKING CUSTOMERS INCREASE

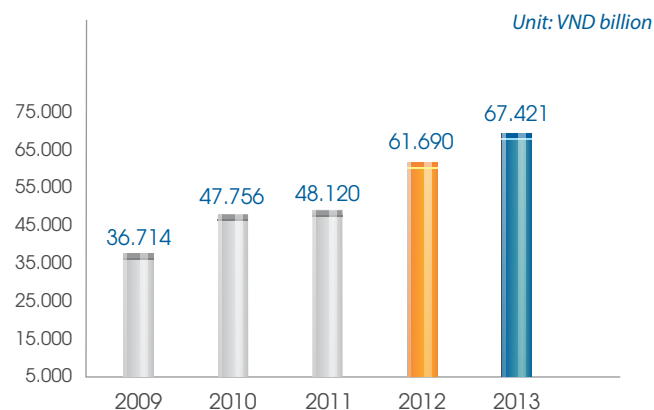
18%

2013 BUSINESS PERFORMANCE

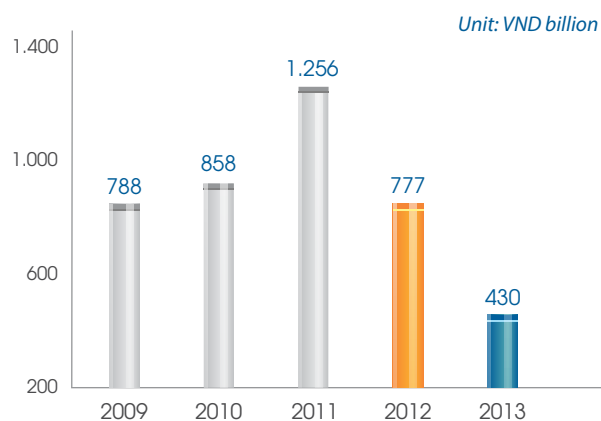
TOTAL ASSETS



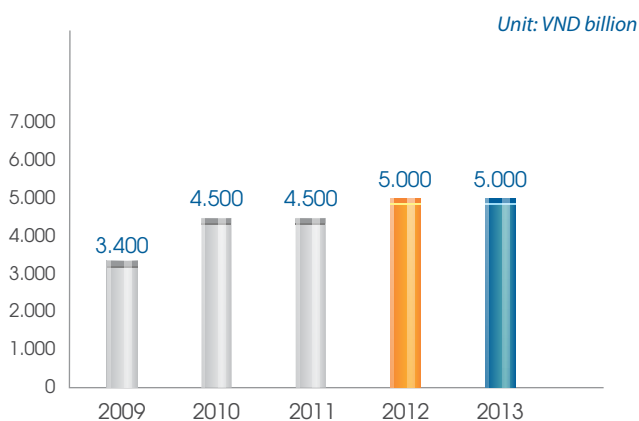
TOTAL MOBILIZED CAPITAL



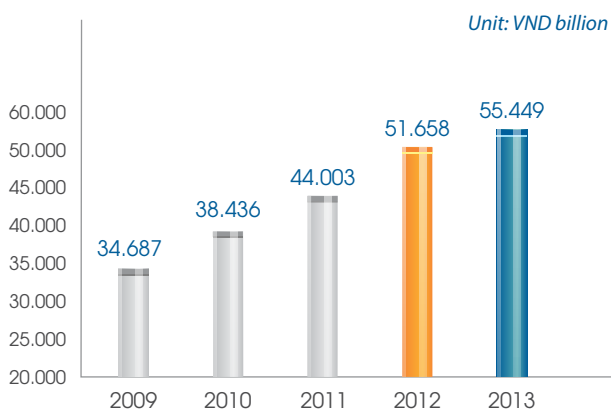
PROFIT BEFORE TAX



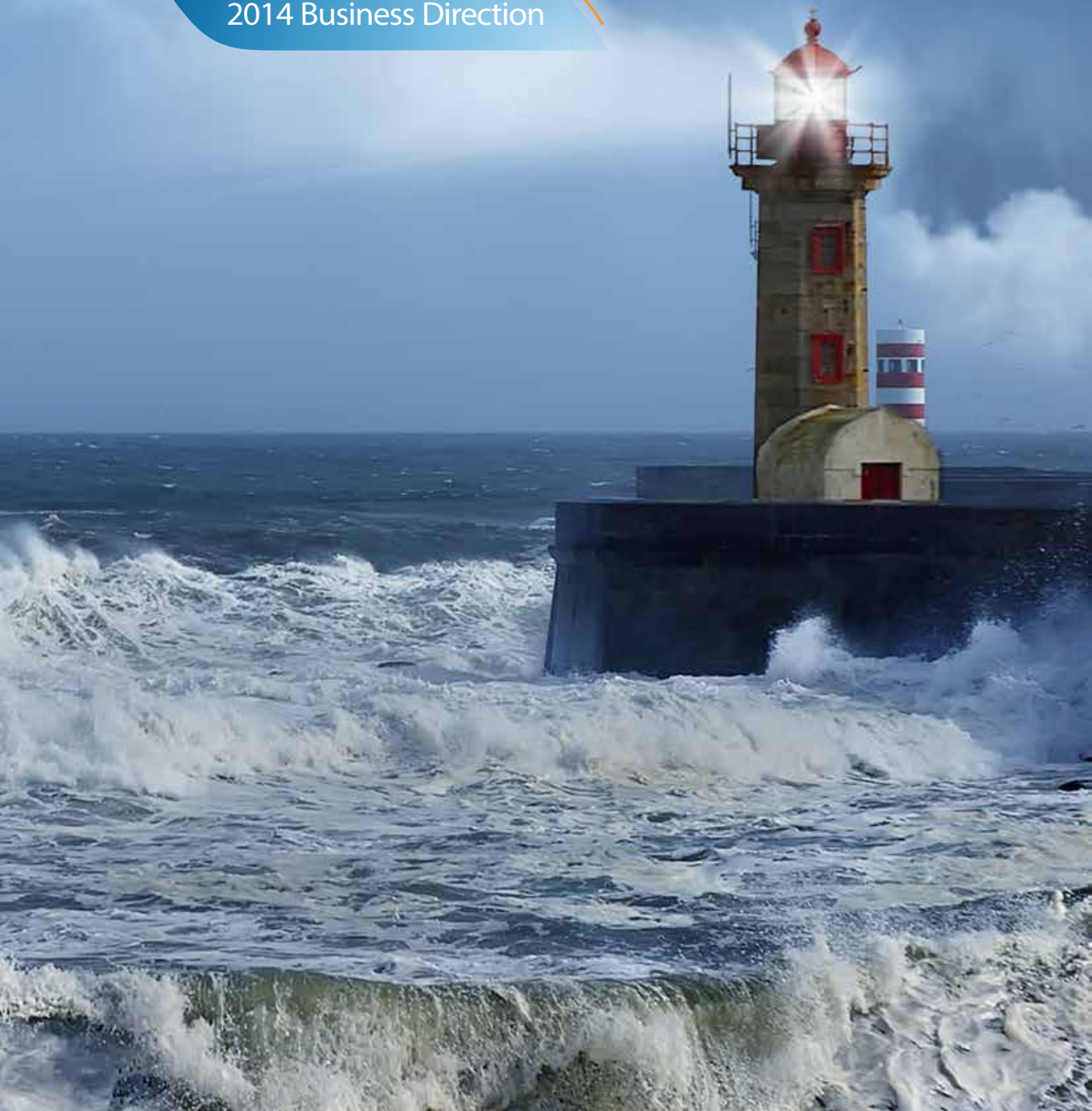
CHARTERED CAPITAL



TOTAL OUTSTANDING LOANS



2014 Business Direction



2014 BUSINESS PLAN



2014 is expected to continue to be a challenging year for the economy with important goals such as stabilizing the macroeconomic, controlling inflation and maintaining reasonable growth. GDP growth is forecast to be of 5.8 % average, CPI growth rate is forecast to increase about 7%. Export turnover is forecast to increase by 10% for the whole year.

An easing of monetary policy is expected in 2014 but the key tasks of the banking sectors are still controlling inflation and some other tasks as defined below:

- Keeping inflation under control, stabilizing exchange rate and interest rate as per marketing movements, increasing foreign exchange reserves, increasing the money supply

by 14% to 16%, increasing the credit activities by 12% to 14%.

- Increasing efficiency in the management of the gold market and considering issuing gold mobilizing policy.
- Continuing with the restructuring of credit institutions, promoting the process of bad debt settlement and improving the operational efficiency of VAMC.

Abiding to the government's direction, DongA Bank's Board of Directors have decided on the bank's 2014 orientation to persevere with the motto of Innovation and Development

MAIN FINANCIAL TARGETS AND OPERATIONAL SAFETY INDICATORS:

No.	Target	2014 plan (Unit: VND billion)	Expected growth compared to 2013
1	Total assets	89.000	18%
2	Chartered capital	6.000	20%
3	Mobilized capital from business entities and residents	78.475	20%
4	Total loans	62.000	12%
5	Profit before tax	500	17%
6	Capital adequacy ratio (CAR)	> 9%	
7	The percentage of short-term deposits used for long-term loans	< 30%	
8	Bad debts ratio	≤ 3%	



Highlights of 2013 Business performance

- Marketing and Branding Activities
- Corporate banking activities
- Personal Banking Activities
- Technological Achievements
- Human Resources and Training Activities
- 1.Risk and Risk management
- Union activities and corporate social responsibility activities



MARKETING AND BRANDING ACTIVITIES

In 2013, an additional one million new customers have trusted and chosen to use DongA Bank's services, bringing the bank's total number of customers to over 7,000,000. This is the most prominent and most rewarding result for DongA Bank's marketing and branding activities last year.

2013 was the year in which the financial and banking sector underwent significant changes in terms of structure, personnel and policies. In the context of such rapid changes, maintaining a DongA Bank's good brand image to customers, partners and the public is the primary objective of the bank's branding activities in 2013

Right from the beginning of 2013, DongA Bank had outlined an overall strategy for brand development. The key point to this strategy was the combination of multiple functions and departments within the bank, with overall focus and comprehensive efficiency. With 7 million customers, products and service quality were the two frontline aspects that DongA Bank chose to focus on to develop a sustainable brand. In 2013, DongA Bank continued to introduce many new products and promotions as well as incentives for its customers.

In terms of service quality, DongA Bank continued to deploy phase 2 of the project "DongA Bank's smile" and built regular service quality auditor teams throughout the system. By doing so, DongA Bank had managed to enhance the service quality as well as coming up with practical improvement to serve customers better. The number of compliments received from customers doubled compared to 2012, thus deeply engraving the image of DongA Bank - the trusted companion - in customers' hearts and minds. Many new branches were also built in order to bring the most convenient transactional experience to customers.

Besides the investment in product and service quality, with the brand position of "The Bank of Responsibility, the Bank of Hearts", DongA Bank was also active in social and corporate responsibility programs such as: "I love sharing"- the free street art performance show, Blood donation drive, "Aid to the fishermen" program, "Support to Hoang Sa and Truong Sa", "Aid to the poor" program, etc. Compared with the previous year, in 2013 more and more CSR programs were directly organized by DongA Bank' staff. Numerous creative ideas, such as "For the community - for my colleagues" program, "Used goods festival", the "Recycling paper" program, the "Piggy Bank" program, and "Building the dreams" program, originated from DongA Bank's Youth Unions all over the country, bringing the image of "The Bank of Responsibility, The Bank of Hearts" closer to life.

With the steady development of organizational activities as well as being active in community activities in 2013, DongA Bank continued to be recognized by global as well as local prestigious organizations. Key awards and achievements received by DongA Bank in 2013 include: Vietnam Golden Star Award (7th consecutive winning), Vietnam Excellent Brand (6th consecutive winning), Vietnam Best Financial Company (2nd consecutive winning) by Asian Banking & Finance Magazine.

In terms of communication, the DongA Bank brand also received much positive attention from the media. In 2013, the number articles in newspapers, television and radio that featured DongA Bank was amongst the top in the banking industry. Especially, in the context of extensive negative media information about other banks, DongA Bank consistently maintained a reliable image with the positive news accounting for over 90 % of DongA Bank's total news.

Besides, with the policy and strategic direction from the Board of Directors, for the first time DongA Bank focused on and promoted internal communication to increased staff across the system. Staff opinions, ideas and enquiries were voiced and responded to timeously through Chuong Gio monthly internal magazine and the daily DongA's Voice Radio program. Chuong Gio magazine received an average of 4,000 views per issue and over 98% of DongA Bank staff listened to the radio program every day. These were the positive results of DongA Bank's internal communication activities.

It can be said that with the construction and development brand strategy for 2013, DongA Bank achieved positive results and succeeded in maintaining the bank's good brand image to customers, employees, partners and the public. The presence of a strong and positive brand image significantly affected the customers and partners' banking decisions, thus contributing greatly to the development of the bank.

TOTAL POSITIVE NEWS

over **90%**
total news

TOTAL NUMBER OF NEW CUSTOMER IN 2013

over **1.000.000**
customers

TOTAL NUMBER OF CUSTOMER

over **7.000.000**
customers

MARKETING AND BRANDING ACTIVITIES

*Thanks
to*
MILLION
customers

who love, trust
and recommend
DongA Bank



CORPORATE BANKING ACTIVITIES



THE FUTURE BELONGS TO THOSE WHO PREPARE FOR IT TODAY

2013 was considered to be an important year for the world economy as the debt crisis had reached rock bottom and the world economy had shown signs of recovery. In the general context of the global economy, Vietnam's economy also saw some positive changes: the macro-economic indicators showed that Vietnam's economy was showing signs of recovery before entering a new developmental phase.

2013 was also the first year DongA Bank implemented the 2013-2017 business strategy with highlights in corporate banking activities as below:

Going all out to support enterprises

Being supportive of customers is one of the eight core values that DongA Bank has been upholding throughout the years. During difficult times for many enterprises, DongA Bank is more determined to go all out to support her customers.

Besides regularly exchanging information and crafting customized policies for each corporate customer to overcome difficulties, DongA Bank also carried out other activities such as

- Participated in the "Preferential loans to businesses and enterprises in Hochiminh City" program from June to October 2013. DongA Bank had supported nearly 100 billion VND for enterprises at 17 districts and provinces in Hochiminh City.
- DongA Bank also joined hands with the Vietnam Textile and Apparel Association to organize workshops in 7 provinces nationwide and directly helped the association to conduct surveys at over 32 enterprises. The bank also

introduced preferential policies for enterprises of the textile and apparel industry.

- This is the biggest annual event for CEOs in Vietnam, where experts and businessmen meet to discuss all the hottest issues of Vietnam enterprises and business strategy in the context of global integration of the Vietnam economy

Conducting organizational restructuring and personnel training

In 2013, DongA Bank conducted organizational restructuring for Headquarters' departments and business units by separating business development and operational activities. The bank also streamlined staff at Corporate Banking department, recruited new staff and conducted training to improve staff's business development skills in order to serve customers better.

To best support customers, one must understand customers well. Therefore, one of the mandatory requirements for the Corporate Banking business development team is being thoroughly well-aware of customers' business activities in order to speak the same languages, providing them with the best financial solutions. In 2013, DongA Bank put together special guidebooks for different target groups of corporate banking customers. These guidebooks contained in-depth information about business lines, industries, products, business processes and financial needs of different customer target groups and proposed a customized financial package for each group.

CORPORATE BANKING ACTIVITIES



Also, in order to prepare the sales force for 2014, DongA Bank conducted numerous training sessions for over 60 sales managers and over 100 relationship managers across the system. Many seminars and professional clubs were also carried out regularly to foster an exchange of experiences and hands-on training for the Corporate Banking business development team.

Highlights of other activities

Other activities of DongA Bank in terms of Corporate Banking also achieved good results. The number of corporate banking customers continued to increase, with an additional 5,422 new customers in 2013 alone. This proved that DongA Bank was highly trusted by businesses and enterprises.

International payment sales were higher than last year and the operation quality was also maintained: payments were made within regulated timing; error rate was kept at lowest level (0.12% for year 2013). DongA Bank was qualified for STP as well as certified by Bank of New York Mellon (over 98% STP), ANZ (over 99% STP) and other banks.

Partnership with foreign financial institutions was maintained and developed. At the present time, DongA Bank has correspondent relationships with 836 banks globally, with 13,622 branches in 89 countries. The bank also has account relationships with 24 banks, and the overall trade finance figure that DongA Bank received from foreign banks is 131 million USD.

With the above-mentioned achievements as well as thorough preparations, DongA Bank is confident to welcome 2014 with high expectation in achieving the targets for corporate banking operations.

THE NUMBER OF CORPORATE BANKING CUSTOMERS

Increase **5.422**
new customers

CORRESPONDENT RELATION

836
banks

TRADE FINANCE FIGURE WAS RECEIVED FROM
FOREIGN BANKS

131.000.000
USD

PERSONAL BANKING ACTIVITIES

IMPROVING PRODUCTS AND SERVICES TO SERVE CUSTOMERS BETTER

In 2013, the Personal Banking department decided to focus on business development activities.

Installment loan product

Installment loans in 2013 increased 121 % compared with 2012. As of 31st December 2013, total installment loans reached 3,519 billion VND, which is an increase of 1,927 billion VND. Overdue debts as of end 2013 only accounted for 0.12%.

New customers increased 104% compared with 2012.

At the end of 2013, the number of customers getting installment loans was 188,013 people, while at the end of 2012 the number was 92,163.

In order to promote the sales of installment loans as well as providing the sales team with knowledge and skills in managing the product, the Personal Banking department conducted numerous training sessions for all business units across the bank system. 22 report templates were also introduced to help business units manage the loan amount effectively. Dedicated personnel were also assigned to support and provide guidance to the business units in carrying out the installment loan process. Thanks to these, the error rate of business units when accounting between FCC and DAB systems was reduced to the lowest

Credit Card Product

The number of credit cards issued in 2013 increased by 104 % compared to the end of 2012 (a total 10,714 cards), 75% of which were active cards. As of 31st December 2012, DongA Bank had issued over 22,000 credit cards in total.

In terms of rewards for credit card customers, DongA Bank managed to cooperate with 108% more partners and to increase the number of stores offering discounts for credit card customers by 348%, compared with 2012. DongA Bank's Reward program was further developed: at the end of 2013, there were 125 partners nationwide, and over 448 stores offering discounts for customers with discount rates of up to 60%.

The credit limit per personal customer was refined to better meet customers' demands and to help business units sell credit cards.

The Personal Banking department also cooperated with VISA to introduce "Experience VISA" months as well as deploy the "Best salesman" competition in order to promote the sales of credit cards

Payroll service

In 2013, payroll service was still one of the main business targets for business units as this core service helped business units to cross-sell many more products to customers.

Over 600,000 customers had signed up for the payroll service as of end of 2013. 36,971 new customers signed up for this service in 2013.

The Personal Banking department also introduced reports such as "Customers who stopped using payroll service"

report, and "How payroll service customer is using other personal banking products" report, in order to help business units in cross selling and better managing the payroll service product.

Accumulated saving products

An additional 71,914 customers registered for accumulated savings products in 2013, which is an increase of 504% compared with 2012. The total number of customers using these savings products across the system was 86,186. At the end of 2013, 100% of the business units had made sales of these savings products, proving that these savings products were a hit with both customers and business units.

In addition to reviewing and improving product features, the Personal Banking department also introduced various report templates to help business units manage the product better, such as "Average saving balance by CIF number" report, "Product sales tracking" report, and "Customers who have continuing saving balance" report.

Developing more connections and partnerships

In 2013, the Personal Banking department also managed to cooperate with various partners to provide cash collection services, such as:

- Cooperated with Vietnam Electricity Corporation – Southern Unit to provide electricity bill collection to customers in 21 southern provinces.
- Successfully connected to the data system of Vietnam Electricity Corporation- EVN. This is an important prerequisite for introducing electricity bill electronic payment service in the near future.
- Cooperated with FPT to implement Internet Bill Collection service in additional 18 provinces.
- The successful implementation of Tuition Fee Collection service with Hochiminh City University of Economics and Danang University had helped define the standard procedure when connecting with schools and universities to deploy tuition fee collection service.

Improving the Multi-functional Card fee scheme

In order to increase service revenue for business units, in 2013 the Personal Banking department cooperated with the IT Center to collect the overdue annual fee of over 1 million Multi-functional Card customers. The collected fee was 9.1 billion VND.

Deploying Automatic Installment Loan Collection facility

This facility was introduced to customers who had installment loans and had registered for an electronic payroll message alert. The Automatic Installment Loan Collection facility really helped business units in cutting down on operational costs. Each month this facility automatically collected over 10 billion VND of outstanding loans from over 5,000 customers.

INSTALLMENT LOANS

increased of **1.927**
VND



One function with many utilities



TECHNOLOGICAL ACHIEVEMENTS



In light of the difficult economy, investment policy was tightened within the financial and credit institutions and this negatively affected operations and the introduction of new IT services. Because of this, DongA Bank's Technology department chose the motto, "Improving stability and optimizing costs", ensuring that the investment in IT and IT operational activities could be optimized at the highest level possible. .

In 2012, DongA Bank had successfully implemented the data center restructuring project and had virtualized nearly 90% of the bank's current information technology infrastructure. Besides restructuring the data center, DongA Bank also basically improved and applied all Information Technology Service Management processes. This allowed the bank's system to operate as per global standard, ensuring high stability and safety.

In 2013, the infrastructure and IT processes were enhanced by DongA Bank's team in order to prepare for cloud computing in the near future. The combination of virtualization technology and Information Technology Service Management processes, under the close supervision of Information Security Management System (ISMS) helped DongA Bank to operate its IT system in a stable, safe and cost-optimizing way. This also provided customers with interesting experiences through hi-tech services.

Proud to be the leading bank in terms of IT application, DongA Bank let customers choose between various transactional channels such as: Internet Banking, SMS Banking, and Mobile Banking on the bank's eBanking platform and over its ATM system. DongA Bank's branches network is connected online to the central data center, allowing the system to serve customers in the fastest and safest way possible.

In addition to offering a variety of transactional channels based on IT, DongA Bank also focuses on building internal processes based on application softwares in order to better cater to customers' needs such as Credit Limit Approval program, and Collateral Management program.

DongA Bank also ensures utmost security in the process of product development, making sure that all customers' information remains confidential. All products and services provided to customers are checked thoroughly according to global and Vietnam security standards such as: ISO 27001:2005 standard, PCI DSS standard version 2.0, the provisions in the circular 01/2011/TT-NHNN of the State Bank of Vietnam and "OWASP Testing guide" guidelines.

The operation of the products and services is monitored through a strict security monitoring system, which will automatically alert risks of attacks from outside as well as internally. DongA Bank has also collaborated with other organizations such as Ernst & Young and Informatics Technology Department of the State Bank of Vietnam to perform security checks on the bank's own IT system. This is to ensure that all the check results are objective and the possibility of error is minimized. .

The team of "IT men"

DongA Bank's Technology department is a team of young, energetic and enthusiastic individuals. The staff are full of confidence when developing new products and are masters in technology, ensuring the bank's IT infrastructure system always operates at its best without the need to use other parties' resources. In addition, many staff from the Technology Department have passed international IT exams such as: Oracle Information Management, Cisco Network Administration, Linux Management, Java programming.

TECHNOLOGICAL ACHIEVEMENTS

One outstanding case is Mr Pho Duc Giang, Director of DongA Bank's Information Security. Mr Giang was honored as one of the ten best leaders in the area of information security in Southeast Asia in 2012 (CSO ASEAN Awards 2012). This award was organized by International Data Group (IDG), Hochiminh City Ministry of Information and Communications, as well as Vietnam Computer Emergency Response Team – VNCERT.

In addition, in 2013 the Technology Department entered the “Hochiminh City Information Technology and Communications (ICT) Award V” and DongA Bank was the only organization to receive the “Best application of IT Award”. This award has been held annually since 2008 by Hochiminh City People's Committee.

2013 Project highlights

MIS training project: In 2013 DongA Bank used professional services to conduct MIS training and build a financial management model. The main objective of MIS is to provide the management board with information about the bank's operation and to support its business decision-making processes. MIS is a reliable source of information and also an effective analysis tool, allowing managers and staff to perform daily management tasks such as customer relationship management, risk management, performance management, new product development, planning and monitoring change.

New eBanking Project: DongA Bank was one the pioneer banks in developing the eBanking system, offering customers more convenience and flexibility when doing transactions with the bank. Over time, the bank's original eBanking system needs to be enhanced and restructured with the latest technology in order to provide customers with better features. The new eBanking project has created a brand new experience for customers over the existing product foundation, proving that DongA Bank is always leading when it comes to technology

Network security monitoring system (Splunk): The implementation of this project helped store all events happening across the network, monitoring and warning of unusual events such attacks on XSS errors and SQL Injection on DongA Bank's websites, automatically preventing attacks from DDoS on DongA Bank's websites.

The Backup Date Center project: Core Banking System and Card Management System are the two critical applications for DongA Bank as well as other banking and financial institutions. As such, the design of the supportive IT system for these 2 applications must meet all the requirements about performance, effectiveness, and availability and information protection ability. In 2013, DongA Bank completed building the Backup Data Centre with the following criteria:

- DongA Bank's IT system meets the requirements of the State Bank of Vietnam in accordance with Circular 01/2011.
- DongA Bank's IT infrastructure platform meets the business needs until June 2015:
 - Ensuring performance for all banking applications.
 - Improving and enhancing system availability not only at

data but also at application level.

- Applying simple yet effective system management.
- Optimizing investment cost.
- Having room for upgrading.
- The Backup Data Center has the virtualized architectural design, thus being able to maximize invested resources and allowing the IT infrastructure to be upgraded and expanded easily.

DongA Bank also succeeded in building the disaster recovery plan with RPO nearly at 0 (almost no data loss) and RTO nearly at 120 minutes (120 minutes to restore after a disaster).

Besides these activities, in late 2013, DongA Bank also initiated “IT Master Plan” and “Core Banking Enhancement” project with the help of Ernst and Young. This is an important preparation step for bigger IT projects to be implemented in 2014 – 2015 period.

Technology Development Objectives until 2015

- Continue to apply IT heavily into the development of new services and features.
- Review and enhance MIS systems as well as financial management model.



HUMAN RESOURCES AND TRAINING ACTIVITIES



Remuneration policy REMUNERATION POLICY

2013 is the year DongA Bank implemented changes on the remuneration policy for employees. A new income frame was introduced based on the following principles:

- Income and bonuses of employees are associated with the effectiveness of each individual, creating a worthwhile reward for the employee's contribution to the bank. At the same time, the income and bonuses are designed to gradually improve the productivity of the whole system.
- Income and bonuses of the back office are associated with the income and bonuses of the sale force, creating cohesion between the 2 units.
- Income and bonus level for each job title is published openly and transparently.

Human resource and work efficiency management

In 2013, besides the organizational restructuring activities, DongA Bank also carried out numerous re-evaluation and re-recruitment programs. These programs resulted in a better human resource arrangement, which met the bank's developmental needs and also allowed staff to be able to leverage on their own personal strengths. This has contributed to the gradual improvement of the bank's business development.

2013 is the first year that DongA Bank started building a

comprehensive rating system for the efficiency of its sales staff. Accordingly, the evaluation criteria are associated with the job description. Each staff member is assigned specific targets and is evaluated periodically. For other job titles, DongA Bank also started building evaluation and assessment criteria in order to be ready to implement in 2014 – 2017.

Training human resources development.

In 2013, training activities continued to receive special attention and investment from the bank's management board. DongA Bank organized 165 training courses for 4288 staff respectively. 2013 courses focused on providing the staff with frameworks, special skills and knowledge in order to better participate in the restructuring move of the bank. In addition, training courses for middle management were also organized in order to prepare the backup human resources for the bank in short and medium term.

RISK AND RISK MANAGEMENT

At the beginning of 2013, based on consulting advice from BCG (Boston Consulting Group) and on the direction of the Board of Directors, DongA Bank established a Risk Management Division in order to construct a modern and effective bank based on Basel 2 standard.

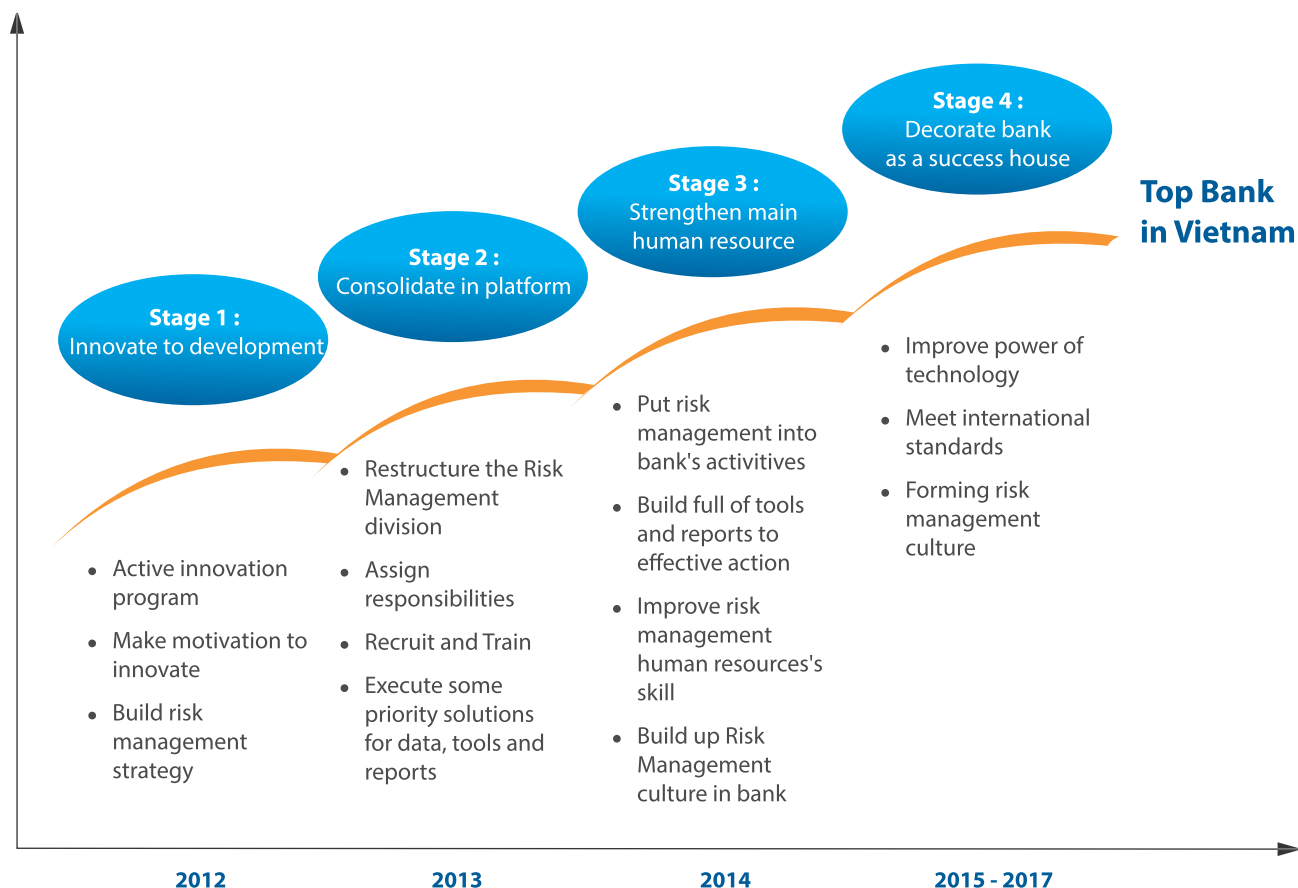
THE ORGANIZATIONAL STRUCTURE OF RISK MANAGEMENT DIVISION



Although being a newly established division, the Risk Management Division was strongly supported by the Board of Management and the Board of Directors. The division's very own working motto is "Always learning, always striving, doing one's best to support and coordinate with other departments in order to achieve maximized results". Consisting of back-office units that had been operating for years, and with the operational mechanism of close connections with other departments, the Risk Management Division was set to support DongA Bank's business effectively.

In 2013, in order to attain the most modern risk management method, DongA Bank had E&Y to organize 2 training sessions on risks and finance management. These sessions were setting the stage for the bank to identify specific goals on the subject of refining the risk management model. The Risk Management Division also developed a detailed working plan for the 2013 – 2017 period, with 5 major modules and 30 specific objectives. The goal was that by 2017, DongA Bank would have completed the foundation to comply with Basel 2 standards of risk management.

ROADMAP FOR IMPLEMENTATION OF RISK MANAGEMENT STRATEGY UNDERGO 4 STAGES



UNION ACTIVITIES & CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES



Corporate social responsibility activities

Being "The Bank of Responsibility, the Bank of Hearts", DongA Bank's corporate social responsibility activities in 2013 were not only happening at head quarter but also spreaded out to the whole system. One of the most prominent activities was the "Actions for the community, actions for fellow colleagues" movement, which was started in order to celebrate the bank's 21st birthday.

Besides allocating 10 billion VND on the preferential loans for fishermen, DongA Bank also spent over 3.5 billion VND on social programs such as:

- Annual charity programs aiding the poor, the sick as well as young talents in the field of education.
- Charity fund for social welfare activities in the Mekong Delta area in order to support local residents.
- Charity fund for Hochiminh City heart patients
- Coordinate with Nguoi Lao Dong newspaper to raise fund for Central area flood victims.
- Offer support in when housing for Mother Ranh.
- Offer scholarships for poor yet striving students (Nguyen Dinh Chieu Scholarships, Marketing and Finance University Scholarships) .
- Sponsor Hochiminh City and Phunhuan aiding fund for the poor.
- Participate in "Stones for Truong Sa" campaign.
- Participate in "Together with worker to overcome hardship" and "Support for poor women" programs.
- Collaborate with Sport Journalist Club (Hochiminh City Journalist Club) to organize 2013 DongA Bank Cup Bicycle Race

Cultural and sports activities for employees.

In 2013, numerous cultural and sporting activities were organized for DongA Bank's employees by the bank's Work Union and Youth Union. These activities were greatly welcomed by staff. Specifically, in 2013, in celebration of Women's Day, DongA Bank organized a photo contest named "The brilliant color of flowers" and a writing contest named "The dear woman I love" for all employees. 90 photo entries and 15 writing entries were awarded with total prizes worth 40 million VND. In addition, DongA Bank also held other activities such as:

- Simultaneously organized Sports and Cultural festivals and competitions across the bank network in order to celebrate DongA Bank's 21st birthday. The sports festival was held from 27th May to 17th June with over 900 participants. The cultural festival was held from May to June 2013 at 6 network areas with over 1,500 contestants and audience members. The writing contest, "I love DongA Bank", was organized on the bank's internal portal and was also a big hit among the employees, generating lots of interesting entries and comments focusing on the 3 topics: How will I do it? What can I do? What have I seen?
- Organized DongA Bank's Cultural Day for the whole system and for Hochiminh City area.
- Organized "Good at work, good at home" voting pool and awarded 1,057 female employees with this title.
- Sent employees' kids to participate in Thanhda Summer Camp (from 23rd July to 27th July)
- Organized blood donation drive throughout network, which attracted 4,885 participants and gathered a total of 3,592 blood units for the community

UNION ACTIVITIES & CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES



2013 RESULTS

- DongA Bank's Communist Party received the title of Integrity and Competitiveness for many consecutive years. In 2013, the bank received the Excellent title of Integrity and Competitiveness.
 - DongA Bank's Youth Union continued to be ranked as top among the commercial banks and was honored to receive a certificate from the Central Youth Union.
 - Work Union continued to receive excellent title.
-
- Organized Mid Autumn parties for employees' kids and charity activities for orphans and needy children (Quang Ninh Branch, Customer Service Center, Card Center, Tayninh Branch, Bentre Branch, Hue Branch, Danang Branch, Ninhthuan Branch...)
 - Also, the welfare policy for employees was also concentrated on and performed nicely.



Subsidiary companies

- DongA Money Transfer
- DongA Securities and DongA Capital



DONGA MONEY TRANSFER



Although the economic conditions remained challenging, the amount of remittances to Vietnam in 2013 still showed positive growth. According to the World Bank, remittances to Vietnam in 2013 was 11 billion USD, up 10 % compared to 2012. Vietnam was ranked ninth in attracting remittances worldwide. Experts said that the increase in remittances was due to the stability of the macroeconomic situation in the foreign countries where Vietnamese were living. Also, it was also because Vietnam government had been keeping the amount of labour exports to 70,000 to 90,000 per year

In this context, DongA Money Transfer continued to maintain the number 1 position in the market with approximately 1.6 billion USD of remittance payment, which was 15% more than the target set by the company in 2012. This positive figure resulted from the company's effort to improve its competitiveness and quality of service.

By applying technology into business processes, the processing time per record was shortened and thus the company could offer service faster to customers. To date, 95% of the remittance records were processed within the day.

In addition, DongA Money Transfer also continued to expand its network of over-the-counter as well as home payment. This offered customers greater convenience. Choosing over-the-counter payment, customers could receive their money at any of DongA Money Transfer's transaction points nationwide.

Home payment was DongA Money Transfer's competitive edge. With the motto "Most convenient and fastest", the home payment service was expanded to some of the most remote areas in Vietnam, including the coastal and island areas. The service is available 24/7, even on public holidays. For new payment areas, new home payment service tellers

were added continuously in order to meet the demand. Compared to 2012, the number of payment areas had increased by 40%. The quality of home payment service was greatly enhanced thanks to training sessions that DongA Money Transfer organized for the tellers.

With these constant efforts, in 2013, the amount of remittance via home payment service had increased significantly and 90% of DongA Money Transfer's partners used this service. This showed that more and more customers and partners had trusted and chosen the home payment service.

Other than improving service quality, DongA Money Transfer also rolled out big promotions in order to attract new customers and to thank current customers. In particular, the Tet promotion attracted the most number of customers with great prizes including gold bars and cash. Promotions helped DongA Money Transfer increase monthly sales by 50%; sales for some partners even increased up to 100% during the time of promotions. This proved that DongA Money Transfer had succeeded in identifying the needs of customers.

REMITTANCE PAYMENT

Approximately **1.6**
billion USD

MORE THAN THE TARGET

over **15**
%

DONGA MONEY TRANSFER



Besides trying to develop relationships with new partners, DongA Money Transfer also regularly strengthened relationships with current partners. Other than traditional markets such as America, Canada and Australia, the company also focused on new markets with large amounts of export labour such as Taiwan, Malaysia, Japan and Korea. Together with partners, DongA Money Transfer also organized consulting and support sessions for export labour. Through this movement, DongA Money Transfer was widely recognized among the partners and was deemed as one of the most prestigious money transfer companies in Vietnam.

A team of highly qualified personnel was a key factor for DongA Money Transfer's stability and fast development. Numerous professional training programs were organized for staff. Also, the middle level managers were regularly sent for management skills enhancing courses. Work efficiency assessment tools were used smartly, helping the staff to identify work objectives and directions as well as to complete their tasks better. Besides training courses, DongA Money Transfer also offered an attractive welfare and remuneration policy for its staff, thus creating goodwill and cohesion in the company.

Leveraging on the achievements in 2013, in 2014 DongA Money Transfer Company shall continue to work towards improving service quality through specific strategies such as: maintaining and strengthening relationships with current partners, searching for new partners, expanding on home payment service, tightening risk management and anti-money laundering activities. With these orientations, DongA Money Transfer is confident to offer the best remittance service to customers and to maintain its number 1 position for service quality in customers' and partners' minds.

Thanks to the focused and detailed direction from the Board of Management as well as to high-quality service, DongA Money Transfer is honored to have received the following awards in 2013:

- **"Best Finance Company in Vietnam"** - for 2 consecutive years (2012 to 2013) – Awarded by Asian Banking and Finance.
- **"Best money transfer service in Vietnam"** - Awarded by Global Banking & Finance Review .
- **"Credible Brands 2013"** - Awarded by the Business Council Vietnam awarded under the assessment of Global Trade Alliance and Inter Conformity.

DONGA SECURITIES AND DONGA CAPITAL



2013 was a difficult year for the world economy. America, Europe, China and Japan all experienced problems such as slow growth rate or public debt crisis. Vietnam was not able to escape from the general difficult conditions of the work economy as well. Vietnam's domestic economy was facing many challenges such as: high inventories, slow purchasing power, enterprises finding it hard to get bank loans, and bad debts amongst the banking system yet to be settled. Nevertheless, Vietnam's macroeconomic condition in 2013 saw some positive changes. There was an improvement in macroeconomic indicators such as import-export, FDI and inflation.

In 2013 the index on the Vietnam stock market saw positive changes. At the beginning of the year, although experiencing slight growth, the stock index was complicated with fluctuating values. However, towards year-end, the situation improved significantly. Specifically, the VN-Index exceeded the 530-point mark and the HNX Index surpassed the 70-point mark. Liquidity was also improved. In 2013, many securities companies were affected badly by the economic condition. Numerous companies had to cut down on operations, layoff staff or even close down. Along with the restructuring of the economy, the securities industry gradually eliminated the weak stock companies and this was the golden opportunity for companies with potential and correct development orientation.

Facing the challenges of the economy and the market in recent years, DongA Securities has restructured itself with movements such as: associating revenue with salary for business team in order to boost sales, and improving job title system as well as job descriptions and KPI. Although the business results for 2013 are not as expected, the staff at DongA Securities are still optimistic and are giving of their best to the company. In 2013, DongA Bank and DongA

Securities established the MAKE A CHANGE committee in order to renovate the company as well as to come up with a long-term development strategy for the future. This is the crucial step for DongA Securities to become a strong and standard finance-stock company. Although the changing process only happened during the last 3 months of 2013, with the determination of the whole company, DongA Securities achieved very positive results through the deployment of their new organizational structure, enhancing staff skills and strengthening risk control activities.

2013 also marked a special event, which was DongA Securities being the only company among over 100 securities firms to be licensed by the Ministry of Finance to perform business valuation for equitization. This proved DongA Securities' leading position in the corporate finance consulting field and in Vietnam's stock marketing. It was also a favourable condition for DongA Securities to implement equitization services for state-owned companies, especially when the government has planned to increase the equitization of large state-owned companies in 2014.





DONGA COMMERCIAL JOINSTOCK BANK

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Hotline: 1900545464 - Swift Code: EACBVNVX

Website: www.dongabank.com.vn



The Bank of Responsibility
The Bank of Hearts

Financial statements

31 December 2013



CONTENTS

	<i>Page</i>
General information	4 - 5
Report of Management	6
Independent auditors' report	7
Consolidated balance sheet	8 - 10
Consolidated income statement	11
Consolidated cash flow statement	12 - 13
Consolidated cash flow statement	14 - 65

GENERAL INFORMATION

THE BANK

Dong A Commercial Joint Stock Bank ("the Bank") is a commercial joint stock bank established in the Socialist Republic of Vietnam.

The Bank is established and operates in accordance with Banking License No. 0009/NH-GP issued by the State Bank of Vietnam (SBV) on 27 March 1992 and Decision No. 135/QĐ-UB issued by the People's Committee of Ho Chi Minh City on 16 April 1995. The Bank's operational duration is 99 years.

The Bank's principal activities are to provide banking services including mobilising and receiving short, medium and long-term deposits from organisations and individuals; making short, medium and long-term loans and advances to organisations and individuals based on the nature and capability of the Bank's sources of capital; providing foreign exchange transactions, international trade financing services; discounting of commercial papers, bonds, and other valuable papers; providing settlement services and other banking services allowed by the State Bank of Vietnam.

The Bank's head office is located at 130 Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. As at 31 December 2013, the Bank had one (1) transaction center, two hundred and twenty seven (227) branches, transaction offices, transaction units and saving funds.

BOARD OF DIRECTORS

Members of the Board of Directors during the financial year ended 31 December 2013 and at the date of this report are:

NAME	TITLE	DATE OF APPOINTMENT
Mr. Pham Van Bu	Chairman	Appointed on 10 June 2010
Mr. Tran Phuong Binh	Vice Chairman	Appointed from 14 May 2013
Ms. Vu Thi Vang	Member	Appointed from 14 May 2013
Mr. Dang Phuoc Dua	Member	Until 7 March 2014
Mr. Trang Thanh Suong	Member	Appointed on 10 June 2010
Mr. Nguyen Dinh Truong	Member	Appointed on 10 June 2010
Mr. Tran Van Dinh	Member	Appointed on 10 June 2010
Mr. Cao Si Kiem	Member	Appointed on 30 March 2012

BOARD OF SUPERVISION

Members of the Board of Supervision during the financial year ended 31 December 2013 and at the date of this report are:

NAME	TITLE	DATE OF APPOINTMENT
Ms. Nguyen Thi Cuc	Chief Supervisor	Appointed on 10 June 2010
Mr. Nguyen Vinh Son	Member	Appointed on 10 June 2010
Ms. Phan Thi To Loan	Member	Appointed on 10 June 2010

GENERAL INFORMATION (NEXT)

MANAGEMENT AND CHIEF ACCOUNTANT

Members of management and Chief Accountant during the financial year ended 31 December 2013 and at the date of this report are:

<i>NAME</i>	<i>TITLE</i>	<i>DATE OF APPOINTMENT/RESIGNATION</i>
Mr. Tran Phuong Binh	General Director	Appointed on 25 March 1998
Ms. Nguyen Thi Kim Xuyen	Deputy General Director	Appointed on 15 January 2001
Ms. Nguyen Thi Ngoc Van	Deputy General Director	Appointed on 15 January 2001
Mr. Nguyen An	Deputy General Director	Appointed on 20 March 2008
Mr. Tran Dao Vu	Deputy General Director	Appointed on 2 March 2009
Mr. Le Tri Thong	Deputy General Director	Until 15 February 2014
Mr. Luong Ngoc Quy	Deputy General Director	Appointed on 3 April 2012
Mr. Nguyen Quoc Toan	Deputy General Director	Appointed on 3 April 2012
Ms. Vo Thi Kim Anh	Chief Accountant	Appointed on 1 October 1999

LEGAL REPRESENTATIVE

The legal representative of the Bank during the financial year ended 31 December 2013 and at the date of this report is Mr. Pham Van Bu, the Chairman.

According to Authorisation Letter No. 06/QD-HDQT-DAB dated 26 January 2011 of the Chairman, Mr. Tran Phuong Binh, the General Director, is authorised to sign off these consolidated financial statements.

AUDITORS

The auditor of the Bank is Ernst & Young Vietnam Limited.

REPORT OF MANAGEMENT

Management of Dong A Commercial Joint Stock Bank ("the Bank") presents its report and the consolidated financial statements of the Bank and its subsidiaries as at and for the financial year ended 31 December 2013.

MANAGEMENT'S RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements, which 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 each financial year. In preparing those consolidated financial statements, management is required to:

- select suitable accounting policies and 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;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank and its subsidiaries will continue in business.

Management is responsible for ensuring that proper accounting records are kept in order to disclose, with reasonable accuracy at any time, the consolidated financial position of the Bank and its subsidiaries and ensuring that the accounting records comply with the registered accounting system. 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.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements for the year ended 31 December 2013.

STATEMENT BY MANAGEMENT

Management hereby states 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 2013, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Accounting System for Credit Institutions and with statutory requirements relevant to preparation and presentation of the separate financial statements.

On behalf of management:



The image shows a red circular official stamp of the Dong A Commercial Joint Stock Bank. The text inside the stamp includes 'SĐ/K.K.D. 0301442379 - C.T.C.P', 'NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN ĐÔNG Á', and 'Q. PHÚ NHUẬN TP. HỒ CHÍ MINH'. A black ink signature is written over the stamp.

Mr. Tran Phuong Binh

General Director

Ho Chi Minh City, Vietnam

26 March 2014

INDEPENDENT AUDITORS' REPORT

Reference: 60752831/16378338

To: The shareholders of Dong A Commercial Joint Stock Bank

We have audited the accompanying consolidated financial statements of Dong A Commercial Joint Stock Bank ("the Bank") and its subsidiaries as prepared on 26 March 2014 and set out on pages 6 to 62, which comprise the consolidated balance sheet as at 31 December 2013, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management' responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Accounting System for Credit Institutions and with statutory requirements relevant to preparation and presentation of consolidated financial statements, and for such internal control as 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 an 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 are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about 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 of 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 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 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 give a true and fair view, in all material respects, of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2013, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Accounting System for Credit Institutions and with statutory requirements 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
26 March 2014

Ms. Hoang Thi Hong Minh
Auditor
Audit Practicing Registration
Certificate No. 0761-2013-004-1

CONSOLIDATED BALANCE SHEET

as at 31 December 2013

B02/TCTD-HN

	Notes	31/12/2013 VND million	31/12/2012 VND million
ASSETS			
Cash, gold and precious stones	5	4.357.934	4.827.650
Balances with the State Bank of Vietnam	6	2.436.220	1.891.120
Due from and loans to other banks	7	2.999.067	2.658.526
Due from other banks		599.067	1.657.808
Loans to other banks		2.400.000	1.008.280
Provision for loans to other banks		-	(7.562)
Trading securities	8	207.504	199.968
Trading securities		228.821	218.538
Provision for a decline in value of trading securities	13	(21.317)	(18.570)
Loans and advances to customers		52.153.117	49.756.163
Loans and advances to customers	9	53.048.986	50.650.056
Provision for credit losses	10	(895.869)	(893.893)
Investment securities		5.442.132	4.290.122
Available-for-sale investment securities	11	5.442.132	4.290.584
Provision for a diminution in value of investment securities	13	-	(462)
Long-term investments	12	305.702	451.169
Other long-term investments	12	333.269	502.578
Provision for a diminution in value of long-term investments	13	(27.567)	(51.409)
Fixed assets		1.615.082	1.379.110
<i>Tangible fixed assets</i>	<i>14.1</i>	<i>928.767</i>	<i>917.537</i>
Cost		1.651.182	1.566.995
Accumulated depreciation		(722.415)	(649.458)
<i>Intangible fixed assets</i>	<i>14.2</i>	<i>686.315</i>	<i>461.573</i>
Cost		767.717	521.870
Accumulated amortisation		(81.402)	(60.297)
Other assets		5.402.950	3.824.395
Receivables	15.1	835.173	1.225.688
Interest and fees receivable		4.062.139	2.077.206
Deferred tax asset	21	2	27.716
Other assets	15.2	510.212	493.785
Provision for other assets	32	(4.576)	-
TOTAL ASSETS		74.919.708	69.278.223

CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2013

B02/TCTD-HN

	Notes	31/12/2013 VND million	31/12/2012 VND million
LIABILITIES			
Due to and borrowings from other banks	16	1.476.492	5.874.350
Due to other banks		1.203.024	2.039.900
Borrowings from other banks		273.468	3.834.450
Due to customers	17	65.086.791	50.790.243
Grants, entrusted funds and loans exposed to risks	18	819.684	703.017
Valuable papers issued	19	37.569	4.323.124
Other liabilities		1.614.175	1.483.298
Interest and fees payable		1.044.564	550.730
Deferred tax liabilities	21	300	-
Other payables	20	533.309	897.678
Provision for contingent liabilities and off-balance sheet commitments	10	36.002	34.890
TOTAL LIABILITIES		69.034.711	63.174.032
OWNERS' EQUITY			
Capital		5.000.000	5.000.583
Charter capital	22.1	5.000.000	5.000.000
Other capital	32	-	583
Reserves	22.1	593.269	504.643
Retained earnings	22.1	291.728	598.965
TOTAL OWNERS' EQUITY		5.884.997	6.104.191
TOTAL LIABILITIES AND OWNERS' EQUITY		74.919.708	69.278.223

CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2013

B02/TCTD-HN

OFF-BALANCE SHEET ITEMS

	Notes	31/12/2013 VND million	31/12/2012 VND million
Contingent liabilities		4.283.597	4.097.519
Financial guarantees		3.800	1.200
Letters of credit		3.134.887	2.648.121
Other guarantees		1.144.910	1.448.198
	36	4.283.597	4.097.519

Prepared by:

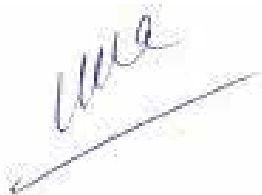
Reviewed by:

Approved by:



Ms. Bui Nguyen Bao Vi
Deputy Head of Accounting
Department

Ho Chi Minh City, Vietnam
26 March 2014



Ms. Vo Thi Kim Anh
Chief Accountant



Mr. Tran Phuong Binh
General Director

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2013

B03/TCTD-HN

	Notes	2013 VND million	2012 VND million
Interest and similar income	24	6.577.505	7.457.648
Interest and similar expense	25	(4.349.923)	(4.963.253)
Net interest and similar income		2.227.582	2.494.395
Fee and commission income		624.811	528.768
Fee and commission expenses		(207.162)	(120.071)
Net fee and commission income	26	417.649	408.697
Net gain/(loss) from foreign currencies and gold trading	27	54.145	(137.706)
Net loss from dealing of trading securities	28	(15.776)	(58.522)
Net (loss)/gain from dealing of investment securities	29	(82.126)	19.531
Other operating income		28.680	39.882
Other operating expenses		(12.643)	(3.617)
Net other operating income	30	16.037	36.265
(Loss)/income from long-term investments	31	(82.540)	20.731
TOTAL OPERATING INCOME		2.534.971	2.783.391
Personnel expenses		(702.088)	(572.186)
Depreciation and amortisation charges		(141.339)	(156.788)
Other operating expenses		(702.505)	(645.477)
TOTAL OPERATING EXPENSES	32	(1.545.932)	(1.374.451)
Net operating profit before credit loss expense		989.039	1.408.940
Credit loss expense	10	(558.844)	(631.784)
PROFIT BEFORE TAX		430.195	777.156
Current corporate income tax expense	21	(74.033)	(255.406)
Deferred corporate income tax (expense)/benefit	21	(28.014)	55.464
Total corporate income tax expense		(102.047)	(199.942)
NET PROFIT FOR THE YEAR		328.148	577.214
Basic earnings per share (VND)	23	656	1.192

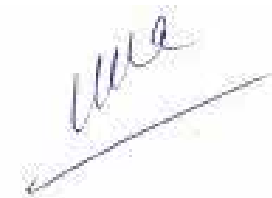
Prepared by:

Reviewed by

Approved by:



Ms. Bui Nguyen Bao Vi
Deputy Head of Accounting Department
Ho Chi Minh City, Vietnam
26 March 2014



Ms. Vo Thi Kim Anh
Chief Accountant



Mr. Tran Phuong Binh
General Director

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2013

B04/TCTD-HN

	Notes	2013 VND million	2012 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar receipts		4.595.905	6.387.510
Interest and similar payments		(3.856.089)	(4.886.203)
Net fees and commission receipts		417.649	408.697
Net payments from dealing of securities, gold and foreign currencies		(42.674)	(58.969)
Net other operating payments		(7.210)	(477)
Recovery from bad debts written-off previously	30	27.216	3.832
Payments to employees and other operating expenses		(1.437.154)	(1.285.031)
Corporate income tax paid during the year	21	(195.461)	(246.717)
Net operating cash flows before changes in net operating assets and liabilities		(497.818)	322.642
Changes in operating assets		(3.763.578)	(6.813.271)
Decrease in balances due from and loans to other banks		381.300	1.980.000
Increase in trading securities		(1.163.881)	(1.681.063)
Increase in loans and advances to customers		(2.398.930)	(6.646.978)
Decrease in provision for writing-off of loans, securities and long-term investments	10	(563.318)	(398.463)
Increase in other assets		(18.749)	(66.767)
Changes in operating liabilities		5.407.566	4.167.880
Decrease in borrowings from the Government and the State Bank of Vietnam		-	(839.958)
(Decrease)/increase in balances due to and borrowings from other banks		(4.397.858)	139.576
Increase in balances due to customers		14.296.548	14.726.230
Decrease in valuable papers issued		(4.285.555)	(549.450)
Increase in grants, entrusted funds and loans exposed to risks		116.667	93.886
Decrease in other liabilities		(316.344)	(9.387.741)
Reserves utilised during the year		(5.892)	(14.663)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Purchase of fixed assets		(263.924)	(138.497)
Proceeds from disposal of fixed assets		955	222
Payments for investments in other entities		(2.581)	-
Receipts from investments in other entities		74.386	70.684
Dividends receipts and profit shared from investments in other entities		14.964	20.731
Net cash flows used in investing activities		(176.200)	(46.860)

CONSOLIDATED CASH FLOW STATEMENT (continued)

for the year ended 31 December 2013

B04/TCTD-HN

	Notes	2013 VND million	2012 VND million
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in charter capital		-	500.000
Dividends paid	22.4	(198.017)	(625.321)
Net cash flows used in financing activities		(198.017)	(125.321)
Net increase/(decrease) in cash and cash equivalents during the year		771.953	(2.494.930)
Cash and cash equivalents at the beginning of the year	33	8.314.753	10.809.683
Cash and cash equivalents at the end of the year	33	9.086.706	8.314.753

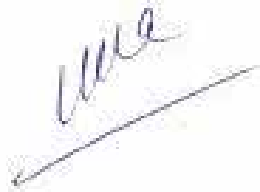
Prepared by:

Reviewed by:

Approved by:



Ms. Bui Nguyen Bao Vi
Vice Head of Accounting Department



Ms. Vo Thi Kim Anh
Chief Accountant



Mr. Tran Phuong Binh
General Director

Ho Chi Minh City, Vietnam
26 March 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2013

B05/TCTD-HN

1. CORPORATE INFORMATION

Dong A Commercial Joint Stock Bank ("the Bank") is a commercial joint stock bank incorporated and registered in the Socialist Republic of Vietnam.

Establishment and Operations

The Bank is established in Vietnam in accordance with Banking License No. 0009/NH-GP issued by the State Bank of Vietnam ("the SBV") on 27 March 1992 and Decision No. 135/QĐ-UB issued by the People's Committee of Ho Chi Minh City on 16 April 1995. The Bank's operational duration is 99 years.

The Bank's principal activities are to provide banking services including mobilising and receiving short, medium and long-term deposits from organisations and individuals; making short, medium and long-term loans and advances to organisations and individuals based on the nature and capability of the Bank's sources of capital; providing foreign exchange transactions, international trade financing services; discounting of commercial papers, bonds and other valuable papers; providing settlement services and other banking services allowed by the State Bank of Vietnam.

Charter capital

The charter capital of the Bank as at 31 December 2013 was VND5,000 billion (31 December 2012: VND5,000 billion), which was fully contributed by the shareholders.

Head office and branch network

The Bank's head office is located at 130 Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. As at 31 December 2013, the Bank had one (1) transaction center, two hundred and twenty seven (227) branches, transaction offices, transaction units and saving funds.

Subsidiaries

As at 31 December 2013, the Bank had two (2) subsidiaries as below:

<i>Subsidiary</i>	<i>Establishment decision</i>	<i>Principal activity</i>	<i>Ownership of the Bank</i>
Dong A Securities Company Limited	Decision No. 12/GPHDKD issued by the State Securities Commission on 20 May 2003	Securities trading	100%
Dong A Money Transfer Company Limited	Business License No. 4104000024 issued by the Department of Planning and Investment of Ho Chi Minh City on 20 August 2001	Money transfer	100%

In addition, Dong A Securities Company Limited also had one (1) subsidiary as below:

<i>Subsidiary</i>	<i>Establishment decision</i>	<i>Principal activity</i>	<i>Ownership of DAS</i>
Dong A Capital Company Limited	Decision No. 20/UBCK-GP issued by the State Securities Commission on 24 September 2007	Fund management	100%

Employees

Total employees of the Bank and its subsidiaries as at 31 December 2013 were 5,301 persons (31 December 2012: 5,206 persons).

2. FISCAL YEAR AND ACCOUNTING CURRENCY

2.1 Fiscal year

The Bank's fiscal year starts on 1 January and ends on 31 December

2.2 Accounting currency

The Bank and its subsidiaries maintain their accounting records in Vietnam Dong ("VND"). However, due to the Bank's large scale of operations, for the purpose of preparing these separate financial statements, the figures are rounded to and presented in millions of Vietnam Dong ("VND million"). This presentation does not impact the view of the readers on the consolidated financial position of the Bank and its subsidiaries and the consolidated results of their operations and their consolidated cash flows.

3. ACCOUNTING STANDARDS AND SYSTEM

3.1 Compliance with the Vietnamese Accounting Standards and Accounting System for Credit Institutions

Management confirms that the accompanying consolidated financial statements are prepared in accordance with the Vietnamese Accounting Standards and Accounting System for Credit Institutions.

3.2 Accounting standards and system

The consolidated financial statements of the Bank and its subsidiaries are prepared in accordance with the Accounting System for Credit Institutions required under Decision No. 479/2004/QĐ-NHNN issued on 29 April 2004 by the State Bank of Vietnam and subsequent amendments to Decision No. 479/2004/QĐ-NHNN; Decision No. 16/2007/QĐ-NHNN issued on 18 April 2007 by the State Bank of Vietnam regarding the financial reporting mechanism for credit institutions and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5)..

The accompanying consolidated financial statements have been prepared using accounting principles, procedures and reporting practices generally accepted in Vietnam. Accordingly, the accompanying consolidated balance sheet, consolidated income statement, consolidated cash flow statement and notes to the consolidated financial statements and their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not prepared to present the consolidated financial position, the consolidated financial performance and the consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam

3. ACCOUNTING STANDARDS AND SYSTEM (continued)**3.3 Consolidated financial statements**

The consolidated financial statements include the financial statements of the Bank and its subsidiaries as at and for the year ended 31 December each period. The financial statements of the subsidiaries are prepared for the same reporting period as the Bank using consistent accounting policies.

All intra-group balances, transactions, income and expenses and unrealised profits resulting from intra-group transactions are eliminated in full.

The financial statements of subsidiaries are fully consolidated from the date when the control is transferred to the Bank. The control is achieved when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities. The operating results of subsidiaries acquired or disposed during the period are included in the consolidated income statement from the date of acquisition or up to the date of disposal, as appropriate.

3.4 Basis of judgments and estimates

The preparation of the consolidated financial statements requires management make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income and expenses and the resultant provisions. Such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty and actual results may be differ, resulting in future changes in such provisions.

Going concern

Management of the Bank has assessed the Bank and its subsidiaries' ability to continue as a going concern and is satisfied that the Bank and its subsidiaries have sufficient resources to maintain their business in a definite future. In addition, management is not aware of any significant uncertainties that may affect the Bank and its subsidiaries' ability to continue as a going concern. Therefore, the consolidated financial statements are prepared on the going concern basis.

3.5 Changes in accounting policies and disclosures

The accounting policies adopted by the Bank and its subsidiaries in preparation of the consolidated financial statements are consistent with those followed in preparation of the consolidated financial statements for the financial year ended 31 December 2012.

On 25 April 2013, the Ministry of Finance issued Circular No. 45/2013/TT-BTC guiding management, use and depreciation of fixed assets. The Circular took effect on 10 June 2013. According to the provisions of this Circular, fixed assets must simultaneously satisfy the following three criteria:

- It is probable that future economic benefits associated with the assets will flow to the entity;
- The useful life of asset is over 1 year; and
- The cost of the asset can be measured reliability and has value of VND30 million or above.

Accordingly, since 10 June 2013, the Bank and its subsidiaries have ceased to depreciate the assets which cost valued at less than VND30 million, and has transferred these assets into prepaid expenses.

3. ACCOUNTING STANDARDS AND SYSTEM (continued)**3.6 Standards issued but not yet effective**

The standards that are issued, but not yet effective, up to the date of issuance of the Bank's separate financial statements are disclosed below. The Bank will adopt these standards when they become effective.

Circular No. 02/2013/TT-NHNN - Regulations on classification of asset, making and use of provision in the operations of credit institutions and foreign bank's branches ("Circular 02").

On 21 January 2013, the SBV issued Circular No. 02/2013/TT-NHNN regulating on the classification of asset, making and use of provision during the operation of credit institutions and foreign bank branches. On 27 May 2013, the SBV issued Circular No. 12/2013/TT-NHNN to amend Clause 1, Article 25 of Circular 02 which postpones the effective date of Circular 02 from 1 June 2013 to 1 June 2014. Furthermore, the SBV issued Circular No.09/2014/TT-NHNN dated 18 March 2014 which provides certain amendments and additions to Circular 02.

Circular 02 will replace current regulations on loan classification and provision for loans and advances to customers, which are stipulated in Decision No. 493/2005/QĐ-NHNN dated 22 April 2005, Decision No.18/2007/QĐ-NHNN dated 25 April 2007 and Decision No. 780/2012/QĐ-NHNN dated 23 April 2012.

Significant changes in Circular 02 compared to current regulations are as follows:

- Scope of loan classification: Credit institutions are also required to make classification and provision for entrusted investments, entrustment for credit granting, credit cards, loans factoring, and amounts due from other credit institutions. General provision for off-balance-sheet commitments is not compulsory.
- Use of credit information: Credit institutions are required to make adjustments of their classification of loans and off-balance-sheet commitments to higher risk groups following the information on loan classification obtained from the Credit Information Center of the SBV ("CIC"). Credit institutions are also required to report their classification of loans and off-balance-sheet commitments to the CIC on a quarterly basis. This requirement will become effective from 1 January 2015.
- Valuation of collaterals: Collateral assets exceeding VND200 billion or collaterals exceeding VND50 billion from a borrower who is a related party or a party which is subject to credit restrictions must be appraised by an independent valuer
- Restructure of loans: Credit institutions are permitted to restructure loans and keep the loan group unchanged as prior to the restructure provided that all requirements stipulated in Circular 09 are satisfied. This requirement will become expiry on 1 April 2015.

4. SIGNIFICANT ACCOUNTING POLICIES**4.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash, gold, precious stones, balances with the State Bank of Vietnam, treasury notes, and other short-term valuable papers which are qualified for discount with the State Bank of Vietnam, balances due from and loans to other banks with an original maturity of less than three months from transaction date and securities investments with maturity of less than three months (3) from purchase date.

4.2 Receivables

Receivables other than receivables from credit activities of the Bank and its subsidiaries are initially recognised at cost and continuously presented at cost in subsequent periods.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.2 Receivables (continued)**

Provision for doubtful debts is set up based on the aging schedule of overdue debts or expected losses which may occur in case where a debt has not yet been due for payment but a corporate debtor is bankrupted or liquidated; or individual debtor is missing, run away, being prosecuted, under a trial or serving sentences or dead. Provision expense occurred will be recognised into "Other operating expenses" in the consolidated income statement.

The Bank and its subsidiaries make provision for doubtful receivables under the guidance of Circular No. 228/2009/TT-BTC issued by the Ministry of Finance dated 7 December 2009. Accordingly, the provision rates applied for overdue receivables are as follows:

<i>Overdue</i>	<i>Provision rate</i>
From over 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%

4.3 Loans and advances to customers

Loans and advances to customers are presented at the outstanding principal balances at the end of the financial year.

4.4 Provision for credit losses*Loan classification*

The Bank classified loans and advances to customers in accordance with the Law on Credit Institutions No. 47/2010/QH12 effective from 1 January 2011; Decision No. 1627/2001/QĐ-NHNN dated 31 December 2001 issued by the State Bank of Vietnam on lending statutory; Decision No. 127/2005/QĐ-NHNN dated 3 February 2005 amending and supplementing Decision No. 1627/2001/QĐ-NHNN; Decision No. 493/2005/QĐ-NHNN dated 22 April 2005 and Decision No. 18/2007/QĐ-NHNN dated 25 April 2007 issued by the State Bank of Vietnam on loan classification, establishment and use of provision to resolve the credit risk in banking operations of credit institutions. Accordingly, loans are classified as Current, Special Mention, Substandard, Doubtful and Loss on the basis of payment arrears status and other qualitative factors.

Loans classified as Substandard, Doubtful and Loss are considered as non-performing loans.

According to Decision No. 493/2005/QĐ-NHNN, loans to customers will be classified at the end of each quarter for the first three quarters and on 30 November for fourth quarter in the fiscal year.

The Bank also applied Decision No. 780/QĐ-NHNN issued by the State Bank of Vietnam on 23 April 2012 stipulating the loan classification for restructured loans and advances. Accordingly, credit institutions are permitted to keep the same loan group as prior to the restructuring or extension of loans and advances, which have been rescheduled and extended for repayment based on the credit evaluation of the financial performance and the ability to repay the loans after restructuring or extension.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.4 Provision for credit losses (continued)***Specific provision*

Specific provisions are made on the net credit exposure of each borrower using fixed provision rates as follows:

<i>Group</i>	<i>Name</i>	<i>Specific provision rate</i>
1	Current	0%
2	Special Mention	5%
3	Substandard	20%
4	Doubtful	50%
5	Loss	100%

Net credit exposure for each borrower is calculated by subtracting from the loan balance the discounted value of collateral assets which is subject to certain accepted discount rates in accordance with Decision No. 493/2005/QD-NHNN and Decision No. 18/2007/QD-NHNN stipulated specific discount rates for certain accepted collaterals.

General provision

In accordance with Decision No. 493/2005/QD-NHNN, a general provision is made for credit losses which are yet to be identified during the loan classification and making of specific provision process and for the potential financial difficulties due to deterioration in loan quality. As such, the Bank is required to fully create and maintain a general provision at 0.75% of total loans and advances to customers, guarantees, payment acceptances and non-cancellable loan commitments with specific effective date which are classified in groups 1 to 4.

Bad debt resolution

The provision is recognised in the consolidated income statement as an expense and will be used to write-off any credit losses incurred. According to Decision No. 493/2005/QD-NHNN, the Bank should establish the Bad Debt Resolution Committee to approve the writing-off of loans classified in Group 5, or which corporate borrowers are bankrupted or liquidated, or which individual borrowers are deceased or missing.

4.5 Trading securities

Trading securities are debt, equity and other securities acquired by the Bank and its subsidiaries for resale in the short-term period for benefits from price variance.

Trading securities are initially recognised at cost on the transaction date and continuously presented at cost in subsequent periods.

Interest earned and dividends received in the holding period of trading securities is recognised in the consolidated financial statements on a cash basis.

These securities are subject to review for diminution in their values at the financial statements date. Trading securities are provided for allowance for decline in value when their carrying value is higher than the market value in compliance with Circular No. 228/2009/TT-BTC issued on 7 December 2009. In circumstances where securities' market prices are not available, no provision is made. Provision for decline in value of investments is recognised as "Net gain/(loss) from dealing of trading securities" into the consolidated income statement.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.6 Investment securities***Available-for-sale securities*

Available-for-sale securities include debt and equity securities which are held by the Bank and its subsidiaries for the purpose of investment and availability for sale, and are not regularly purchased and sold but can be sold any time when there is benefit. For equity securities, the Bank and its subsidiaries are neither the founding shareholder nor the strategic partner, nor has the ability to place certain influence on establishing and making financial and operating policies of the investees through a written agreement on assignments of its representatives to the Board of Directors or Management of the investees.

Available-for-sale equity securities are initially recognised at cost at the purchase date and continuously presented at cost in subsequent periods.

Available-for-sale debt securities are initially recognised at face value at the purchase date. The accrued interest income (for debt securities with interest payment in arrears) or deferred interest income (for debt securities with interest payment in advance) are recognised in a separate account. Discount/premium which is the negative/positive difference between the cost and the amount being the face value plus (+) accrued interest income (if any) or minus (-) deferred interest income (if any) is also recognised in a separate account.

In subsequent periods, these securities are continuously stated at face value, and the discount/premium (if any) is amortised to the consolidated income statement on a straight-line basis over the remaining term of securities. The interest received in arrears is recognised on the following principle: the accrued interest amount incurred prior to the purchase is credited to the value of such securities and the corresponding accrued interest income account; and the accrued interest amount incurred after the purchase is recognised into the consolidated income statement under the cumulative method. The interest received in advance is amortised to the income from investment securities on a straight-line basis over the remaining term of securities.

On a regular basis, available-for-sale investments are subject to review of impairment. Provision is made when their carrying value is higher than market value in compliance with Circular No. 228/2009/TT-BTC issued by the Ministry of Finance dated 7 December 2009. In case that fair value or market prices of securities are not available or cannot be determined reliably, no provision is made. Provision for a decline in value is recognised as "Net gain/(loss) from dealing of investment securities" into the consolidated income statement.

4.7 Other long-term investments

Other long-term investments represent capital contributions and investments in other entities which the Bank and its subsidiaries hold less than 20% voting rights and are the founding shareholder, the strategic partner, or has ability to make certain influence (not significant) on preparing and making the financial and operating policies of the investees through a written agreement on assignment of its representatives to the Board of Directors or Management of the investees.

Other long-term investments are initially recognised at cost at the purchase date and continuously presented at cost less provision for impairment of long-term investments (if any).

Provision for impairment of long-term investments is recognised in the consolidated income statement when their market values are lower than carrying values, or where there is other objective evidence of prolonged impairment of other long-term investments.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.7 Other long-term investments (continued)**

Provision for impairment of long-term investments is made if the investees incur net loss (except for the losses are estimated in the initial business plan prior to the investment is made) in compliance with Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Provision for impairment loss is computed by multiplying the excess of total actual contributions of all parties in the investee over the owners' equity of the investee by the percentage of investment capital of the Bank and its subsidiaries in total actual capital contributions of all parties in the investee.

4.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises the purchase price plus any directly attributable costs of bringing the asset to working condition for its intended use.

Cost related to additions, improvements and renewals are capitalised while expenditures for maintenance and repairs are charged to the consolidated income statement.

When assets are sold or liquidated, their costs and accumulated depreciation are removed from the consolidated balance sheet and any gains or losses resulting from their disposal are recorded on the consolidated income statement.

4.9 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or liquidated, their costs and accumulated amortisation are removed from the consolidated balance sheet and any gains or losses resulting from their disposal are recorded on the consolidated income statement.

4.10 Depreciation and amortisation

Depreciation and amortisation of tangible fixed assets and intangible assets is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and structures	6 - 50 years
Machinery and equipment	3 - 7 years
Vehicles	6 - 10 years
Office equipment	3 - 10 years
Other tangible assets	4 - 10 years
Accounting software and other applications	3 - 12 years
Other intangible assets	3 - 20 years

Land use rights with infinite useful lives are not amortised. Land use rights with definite useful lives are amortised on a straight-line basis over the term of land use rights.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.11 Payables and accruals**

Payables and accruals are recognised for amount to be paid in the future for goods and services received, whether or not billed to the Bank and its subsidiaries.

4.12 Provision for off-balance-sheet commitments

According to Decision No. 493/2005/QĐ-NHNN and Decision No. 18/2007/QĐ-NHNN of the State Bank of Vietnam, credit institutions must make a loan classification and provision for guarantees, payment acceptances and non-cancelable loan commitments (generally called off-balance-sheet commitments). Therefore, off-balance sheet commitments are classified into groups such as Current, Special Mention, Substandard, Doubtful and Loss based on the overdue status and other qualitative factors.

Specific provision and general provision for off-balance-sheet commitments are calculated similarly to provision for credit losses as described in Note 4.4. Provision expense is recognised as “Credit loss expense” in the consolidated income statement and provision balance is recognised as “Other liabilities” in the consolidated balance sheet.

4.13 Income and expense recognition

Interest income and expense are recognised in the consolidated income statement on an accrual basis. The recognition of accrued interest income is suspended when a loan is classified in groups 2 to 5 in accordance with Decision No. 493/2005/QĐ-NHNN and Decision No. 18/2007/QĐ-NHNN. Suspended interest income is reversed and monitored in the off-balance sheet and recognised in the consolidated income statement upon actual receipt.

Income from securities brokerage services is recognised in the consolidated income statement when the transaction has been processed.

Income from securities investment is determined by the difference between the selling price and the average cost of securities sold. Cost of securities sold is calculated using the moving weighted average method and cost of long-term bond is calculated using the weighted average method.

Entrusted investment portfolio management fee is recognised on an accrual basis according to the conditions and terms of contracts.

Service fees and commissions are recognised when incurred.

Dividend income from equity investments are recognised in the consolidated income statement when the Bank and its subsidiaries' right to receive the payment is established. For stock dividends and bonus shares, only number of shares are updated in the accounting records without recognising dividend income in the consolidated income statement.

4.14 Foreign currency transactions

The Bank and its subsidiaries maintain their accounting systems and record all transactions in functional currencies. Monetary assets and liabilities denominated in foreign currencies at the year end are translated into VND using exchange rates ruling at the consolidated balance sheet date (see list of exchange rates of applicable foreign currencies against VND as at 31 December in Note 42). Income and expenses arising in foreign currencies during the year are converted into VND at rates ruling at the transaction dates. Unrealised foreign exchange differences arising from the translation of monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are recognised in the consolidated income statement.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.15 Corporate income tax***Current tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (or recovered from) the tax authorities. The tax rates and tax laws are applied and enacted at the consolidated balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Bank and its subsidiaries to set off current tax assets against current tax liabilities and when the Bank and its subsidiaries intend to settle their current tax assets and liabilities on a net basis.

The Bank and its subsidiaries' tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

*Deferred tax**Deferred tax*

Deferred tax is provided for temporary differences between the tax base of assets and liabilities and their carrying amount for financial reporting purpose at the consolidated balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liabilities arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, except:

- Where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred income tax assets are reassessed at each consolidated balance sheet date and are recognised to the extent that it has become probable that future taxable profit will be sufficient for the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the consolidated balance sheet date.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**4.15 Corporate income tax (continued)***Deferred tax (continued)*

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Bank and its subsidiaries intend to settle their current income tax assets and liabilities on a net basis.

4.16 Fiduciary assets

Assets held in a fiduciary capacity are not reported in the consolidated financial statements since they are not owned by the Bank and its subsidiaries.

4.17 Derivative contracts

For forward contracts, the difference between VND equivalent of a foreign currency which the Bank is committed to buy/sell translated at contractual exchange rate and spot rate at the effective date of the contract is recognised as an asset - "Derivatives and other financial assets" if it is positive or as a liability - "Derivatives and other financial liabilities" if it is negative. This difference is subsequently amortised to "Net gain/(loss) from foreign currencies and gold trading" on a straight-line basis over the contract term. Forward contract commitments are revalued at the Bank's spot exchange rate at the consolidated balance sheet date and the gain/loss arising from the revaluation is recognised as "Net gain/(loss) from foreign currencies and gold trading".

4.18 Offsetting

Financial assets and financial liabilities are offset and reported at the net amount in the consolidated balance sheet if, and only if, the Bank and its subsidiaries have an enforceable legal right to offset financial assets against financial liabilities and the Bank and its subsidiaries have intention to settle on a net basis, or the realisation of assets and settlement of liabilities are made simultaneously.

4.19 Employee benefits**4.19.1 Post-employment benefits**

Post-employment benefits are paid to retired employees of the Bank and its subsidiaries by the Social Insurance Agency which belongs to the Ministry of Labor, Invalids and Social Affairs. The Bank and its subsidiaries are required to make contributions to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17% of an employee's basic salary on a monthly basis. The Bank and its subsidiaries have no further obligation to fund the post-employment benefits of its employees.

4.19.2 Voluntary resignation and retrenchment benefits

Voluntary resignation benefits: The Bank and its subsidiaries have the obligation, under the Vietnam Labor Code, to pay allowance arising from voluntary resignation of employees, equal to one-half month's salary for each year of employment plus salary allowances (if any) up to 31 December 2008. The average monthly salary used in this allowance calculation is the average monthly salary of the last six-month up to the resignation date.

Trợ cấp mất việc: The Bank and its subsidiaries have the obligation, under the Vietnam Labor Code, to pay allowance to employees who are retrenched as a result of organisational restructure or technological changes. In such case, the Bank and its subsidiaries shall pay to the employees an allowance for loss of work equivalent to the aggregate amount of one month's salary for each year of employment, but no less than two months' salary.

4.19.3 Unemployment insurance

According to Circular No. 04/2009/TT-BLĐTBXH guiding Decree No. 127/2008/ND-CP on unemployment insurance, from 1 January 2009, the Bank and its subsidiaries are obliged to pay unemployment insurance at 1% of its salary fund used for payment of unemployment insurance for insurance participants and deduct 1% of salary of each employee to simultaneously pay to the Unemployment Insurance Fund.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Appropriation of net profit

Net profit after tax is available for appropriation to shareholders after approval by the shareholders at the Annual General Meeting and after making appropriation to reserve funds in accordance with the Bank and its subsidiaries’ charter and Vietnamese regulatory requirements. Dividend is computed based on the retained earnings and distributed according to the shareholders’ respective ownerships.

4.21 Basic earnings per share

Basic earnings per share are computed by dividing net profit for the period attributable to ordinary shareholders of the Bank before any appropriation of statutory reserves and bonus and welfare fund by the weighted average number of ordinary shares outstanding during the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

5. CASH, GOLD AND PRECIOUS STONES

	31/12/2013 VND million	31/12/2012 VND million
Cash on hand in VND	3.220.972	1.373.536
Cash on hand in foreign currencies	1.123.167	1.138.474
Monetary gold	13.795	2.315.640
	4.357.934	4.827.650

6. BALANCES WITH THE STATE BANK OF VIETNAM

	31/12/2013 VND million	31/12/2012 VND million
Balances with the State Bank of Vietnam		
- In VND	2.045.488	1.602.757
- In foreign currencies	390.732	288.363
	2.436.220	1.891.120

Balances with the State Bank of Vietnam ("the SBV") include settlement and compulsory deposits. In accordance with the regulations of the SBV, the Bank is required to maintain certain cash reserves with the SBV in the form of compulsory deposits computed at 3.00% and 1.00% of customer deposits in VND; 8.00% and 6.00% of customer deposits in foreign currencies with original maturities of less than 12 months and above 12 months, respectively.

The Bank has complied with regulations of the SBV about compulsory reserves during the year.

7. DUE FROM AND LOANS TO OTHER BANKS

	31/12/2013 VND million	31/12/2012 VND million
Due from other banks	599.067	1.657.808
Loans to other banks	2.400.000	1.008.280
General provision for loans to other banks	-	(7.562)
	2.999.067	2.658.526

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

7. DUE FROM AND LOANS TO OTHER BANKS (continued)**7.1 Due from other banks**

	31/12/2013 VND million	31/12/2012 VND million
Tiền gửi không kỳ hạn		
- In VND	81.601	108.847
- In foreign currencies	517.466	548.961
Term deposits		
- In VND	-	1.000.000
	599.067	1.657.808

7.2 Loans to other banks

	31/12/2013 VND million	31/12/2012 VND million
Loans to other banks in VND	2.400.000	800.000
Loans to other banks in foreign currencies	-	208.280
	2.400.000	1.008.280
Provision for loans to other banks	-	(7.562)
	2.400.000	1.000.718

8. TRADING SECURITIES

Trading securities at as 31 December 2013 are as follows:

	31/12/2013 VND million	31/12/2012 VND million
Equity securities		
Issued by local economic entities	228.821	218.538
Provisions for trading securities	(21.317)	(18.570)
	207.504	199.968

The listing status of trading securities held by the Bank and its subsidiaries is as follows:

	31/12/2013 VND million	31/12/2012 VND million
Equity securities		
Listed	64.726	60.772
Non-listed	164.095	157.766
	228.821	218.538

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

9. LOANS AND ADVANCES TO CUSTOMERS

	31/12/2013 VND million	31/12/2012 VND million
Loans to local economic entities and individuals	51.320.767	48.286.460
Overdraft loans	688.179	1.374.584
Loans from grants and entrusted funds	611.446	585.494
Loans for discounted commercial notes and valuable papers	257.466	312.300
Compulsory loans	23.373	-
Other loans	147.755	91.218
	53.048.986	50.650.056

9.1 Analysis of loans by quality

	31/12/2013 VND million	31/12/2012 VND million
Current	47.338.126	46.361.463
Special mention	3.592.709	2.288.965
Substandard	831.628	834.339
Doubtful	630.249	507.073
Loss	656.274	658.216
	53.048.986	50.650.056

9.2 Analysis of loans by original terms

	31/12/2013 Triệu đồng	31/12/2012 Triệu đồng
Short-term loans	30.843.653	28.041.576
Medium-term loans	13.913.399	13.807.636
Long-term loans	8.291.934	8.800.844
	53.048.986	50.650.056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

9. LOANS AND ADVANCES TO CUSTOMERS (continued)

9.3 Analysis of loans by type of customer and ownership

	31/12/2013 VND million	%	31/12/2012 VND million	%
Loans to economic entities	37.292.269	70,30	37.546.464	74,13
Other joint stock companies	21.363.408	40,27	20.495.035	40,46
Other limited liability companies	14.308.964	26,97	15.111.685	29,83
Private enterprises	851.934	1,61	997.099	1,97
Joint stock companies with over 50% of equity interest or voting rights owned by the State; or controlled by the State	322.701	0,61	563.048	1,11
One-member limited liability companies wholly owned by the State	166.934	0,31	59.570	0,12
Cooperatives and united cooperatives	136.037	0,26	126.318	0,25
Public Service Units, the Party and other associations	84.142	0,16	129.674	0,26
Foreign-invested enterprises	58.149	0,11	63.505	0,13
Limited liability companies with two or more members with over 50% of equity interest owned by the State; or controlled by the State	-	-	530	0,00
Loans to individuals	15.756.717	29,70	13.103.592	25,87
	53.048.986	100,00	50.650.056	100,00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

9. LOANS AND ADVANCES TO CUSTOMERS (continued)

9.4 Analysis of loans by economic sectors

	31/12/2013 VND million	%	31/12/2012 VND million	%
Construction	12.885.353	24,29	13.106.973	25,88
Trading, repairing of motor vehicles, motor-cycles and other vehicles	10.947.419	20,64	12.838.124	25,35
Other services activities	9.263.414	17,46	2.212.752	4,37
Processing industry	7.655.164	14,43	6.476.351	12,79
Real estate trading activities	4.127.119	7,78	855.886	1,69
Agriculture, forestry and aquatic products	2.788.716	5,26	3.119.147	6,16
Logistics	1.680.472	3,17	927.643	1,83
Hotels and restaurants	1.152.952	2,17	276.132	0,54
Household services and products for personal consumption	1.027.183	1,94	9.418.681	18,59
Administration activities & supporting services	649.869	1,23	472.001	0,93
Financial, banking and insurance services	296.656	0,56	269.335	0,53
Entertainment	197.609	0,37	-	-
Information and communication	88.894	0,17	31.195	0,06
Mining exploration	66.976	0,13	81.779	0,16
Health care and social relief activities	62.948	0,12	60.027	0,12
Education and training	61.582	0,12	261.569	0,52
Electricity and gas supply and distribution	49.069	0,09	50.846	0,10
Water supply and waste treatment	28.439	0,04	19.228	0,04
Science and technology	14.702	0,02	10.056	0,02
State governance and national defense; Communist Party, unions, social obligations	4.290	0,01	162.316	0,32
Operation of international non-governmental organisations	160	0,00	15	0,00
	53.048.986	100,00	50.650.056	100,00

10. PROVISION FOR CREDIT LOSSES

Details of provision for credit losses as at 31 December 2013 are as follows:

	31/12/2013 VND million	31/12/2012 VND million
Loans to other banks	-	7.562
Loans to customers	895.869	893.893
Off-balance sheet commitments	36.002	34.890
	931.871	936.345

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

10. PROVISION FOR CREDIT LOSSES (continued)

Movements of provision for credit losses in the current year are as follows:

	Specific provision VND million	General provision VND million	Total VND million
Beginning balance	518.954	417.391	936.345
Provision charged in the year	612.276	11.556	623.832
Reversal of provision during the year	(64.988)	-	(64.988)
Provisions used to write-off bad loans	(563.318)	-	(563.318)
Ending balance	502.924	428.947	931.871

Movements of provision for credit losses in the previous year are as follows:

	Specific provision VND million	General provision VND million	Total VND million
Beginning balance	333.956	369.068	703.024
Provision charged in the year	746.091	64.740	810.831
Reversal of provision during the year	(179.047)	-	(179.047)
Provisions used to write-off bad loans	(382.046)	(16.417)	(398.463)
Ending balance	518.954	417.391	936.345

The breakdown of loan classification and provision as required by Decision No. 493/2005/QĐ-NHNN, Decision No. 18/2007/QĐ-NHNN, Decision No. 780/2012/QĐ-NH and the Bank's own policy as at 31 December 2013 is as follows:

	Balance VND million	Specific provision VND million	General provision VND million	Total provision VND million
Loans and advances to customers	53.048.986	502.924	392.945	895.869
Current		-	355.036	355.036
Special mention	3.592.709	68.446	26.945	95.391
Substandard	831.628	76.587	6.237	82.824
Doubtful	630.249	161.006	4.727	165.733
Loss	656.274	196.885	-	196.885
Off-balance sheet commitments	4.800.299	-	36.002	36.002
Current	4.800.299	-	36.002	36.002
	57.849.285	502.924	428.947	931.871

The Bank fully made specific and general provision in accordance with the State Bank of Vietnam's regulations as at 31 December 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

11. INVESTMENT SECURITIES

	31/12/2013 VND million	31/12/2012 VND million
Debt securities	5.340.885	4.016.581
Government bonds	2.835.591	1.466.581
Bonds issued by other banks	2.155.294	2.300.000
Bonds issued by Ho Chi Minh City People's Committee	300.000	200.000
Bonds issued by local economic entities	50.000	50.000
Equity securities	101.247	274.003
Securities issued by local economic entities	101.247	274.003
	5.442.132	4.290.584

11.1 Available-for-sale debt securities

		31/12/2013		31/12/2012	
		Face Value VND million	Carrying value VND million	Face Value VND million	Carrying value VND million
Government bonds	(a)	2.827.775	2.835.591	1.464.615	1.466.581
Bonds issued by Vietnam Development Bank	(b)	1.525.882	1.525.742	1.300.000	1.300.000
Bonds issued by Vietnam Bank for Social Policies	(c)	630.000	629.552	200.000	200.000
Bonds issued by Ho Chi Minh City People's Committee	(d)	300.000	300.000	200.000	200.000
Bonds issued by Coal and Mining Corporation of Vietnam	(e)	50.000	50.000	50.000	50.000
Commercial Joint Stock Bank		-	-	800.000	800.000
		5.333.657	5.340.885	4.014.615	4.016.581

(a) Government bonds have term from 2 years to 5 years and bear interest at rates ranging from 6.70% to 12.40% per annum.

(b) Bonds issued by Vietnam Development Bank have term from 2 years to 5 years and bear interest at rates ranging from 8.40% and 9.80% per annum.

(c) Bonds issued by Vietnam Bank for Social Policies have term from 3 years to 5 years and bear interest at rates ranging from 8.10% to 10.32% per annum.

(d) Bonds issued by Ho Chi Minh City People's Committee have term of 3 years and bear interest at rates ranging from 8.35% to 10.70% per annum.

(e) Bonds issued by Coal and Mining Corporation of Vietnam have term of 5 years and bear interest at rates of 11.90% per annum, and are unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

11. INVESTMENT SECURITIES (continued)

11.2 Listing status of available-for-sale securities

	31/12/2013 VND million	31/12/2012 VND million
Debt securities	5.340.885	4.016.581
Listed	5.290.885	3.166.581
Non-listed	50.000	850.000
Equity securities	101.247	274.003
Listed	-	5.366
Non-listed	101.247	268.637
	5.442.132	4.290.584

12. LONG-TERM INVESTMENTS

	31/12/2013 VND million	31/12/2012 VND million
Other long-term investments	333.269	502.578
Provisions for decline in value of long-term investments	(27.567)	(51.409)
	305.702	451.169

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

12. LONG-TERM INVESTMENTS (continued)

Details of long-term investments in economic entities at the end of the year are as follows:

	31/12/2013			31/12/2012		
	Face Value VND million	Cost VND million	Owner -ship %	Face value VND million	Cost VND million	Owner -ship %
Saigon M&C Real Estate JSC	31.383	94.147	3,00	31.383	94.147	3,00
Kinh Do Land Corporation	40.000	46.000	4,00	40.000	46.000	4,00
Hung Thinh Phat Metallurgy JSC	12.857	33.141	4,29	12.857	33.141	4,29
Nha Be Water Supply JSC	10.900	24.525	10,00	10.900	24.525	10,00
Dong A Real Estate JSC	20.900	20.900	6,97	20.900	20.900	6,97
Ben Thanh Water Supply JSC	9.360	19.188	10,00	9.360	19.188	10,00
Gia Dinh Water Supply JSC	9.500	13.680	10,00	9.695	13.863	10,21
Phu Hoa Tan Water Supply JSC	9.000	9.450	10,00	9.000	9.450	10,00
Century Synthetic Fiber Corporation	3.378	9.072	1,47	2.938	7.469	1,28
Global Insurance JSC	8.800	8.800	11,00	8.800	8.800	11,00
Thuan Phat Mobile Technology JSC	8.000	8.000	10,00	8.000	8.000	10,00
Viet Nam Credit Information JSC	7.962	7.962	9,84	7.962	7.962	9,84
Investments in other companies	24.420	38.404	(*)	73.874	209.133	(*)
		333.269			502.578	

(*) For these long-term investments, the Bank's ownership is 11% or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

13. PROVISIONS FOR DIMINUTION IN VALUE OF SECURITIES AND LONG-TERM INVESTMENTS

Movements of provisions for diminution in value of securities and other long-term investments during the year are as follows:

	31/12/2013 VND million	31/12/2012 VND million
Beginning balance		
- Trading securities	18.570	12.168
- Available-for-sale investment securities	462	-
- Other long-term investments	51.409	35.612
	70.441	47.780
(Decrease)/increase in the period		
- Trading securities (Note 28)	2.747	6.402
- Available-for-sale investment securities (Note 29)	(462)	462
- Other long-term investments (Note 32)	(23.842)	15.797
	(21.557)	22.661
Ending balance		
- Trading securities	21.317	18.570
- Available-for-sale investment securities	-	462
- Other long-term investments	27.567	51.409
	48.884	70.441

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

14. FIXED ASSETS**14.1 Tangible fixed assets**

Movements of tangible fixed assets in the current year are as follows:

	Buildings & structures VND million	Machinery & equipment VND million	Vehicles VND million	Office equipment VND million	Others VND million	Total VND million
Cost						
Beginning balance	685.398	633.453	84.714	117.451	45.979	1.566.995
Newly purchase	26.806	139.681	6.412	6.250	1.714	180.863
Transferred from construction in progress and purchases of fixed assets	29.123	4.463	-	5.644	3.496	42.726
Reclassification	-	980	(1.779)	1.056	(257)	-
Transfer to intangible fixed assets	(70.011)	-	-	-	-	(70.011)
Disposals	(6.668)	(1.016)	(1.451)	(750)	(240)	(10.125)
Transfer to prepaid expense	(78)	(32.270)	(392)	(19.389)	(7.137)	(59.266)
Ending balance	664.570	745.291	87.504	110.262	43.555	1.651.182
Accumulated depreciation						
Beginning balance	91.615	406.609	51.554	68.297	31.383	649.458
Depreciation charged	30.227	63.147	9.339	16.019	6.051	124.783
Reclassification	-	1.510	(758)	(570)	(182)	-
Transfer to intangible fixed assets	(4.852)	-	-	-	-	(4.852)
Disposals	(2.373)	(610)	(1.313)	(707)	(198)	(5.201)
Transfer to prepaid expense	(25)	(20.802)	(303)	(14.856)	(5.787)	(41.773)
Ending balance	114.592	449.854	58.519	68.183	31.267	722.415
Net book value						
Beginning balance	593.783	226.844	33.160	49.154	14.596	917.537
Ending balance	549.978	295.437	28.985	42.079	12.288	928.767

Other information of tangible fixed assets:

31/12/2013
VND million

Net book value of tangible fixed assets which are temporarily idle	77.316
Cost of tangible fixed assets fully depreciated but still in use	362.716

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

14. FIXED ASSETS (continued)

14.2 Intangible assets

Movements of intangible fixed assets in the current year are as follows

	Land use rights VND million	Accounting software and other applications VND million	Total VND million
Cost			
Beginning balance	382.710	139.160	521.870
Newly purchase	2.470	7.274	9.744
Transferred from construction in progress and purchases of fixed assets	166.400	-	166.400
Transfer from tangible fixed assets	70.011	-	70.011
Disposal	-	(194)	(194)
Transfer to prepaid expense	-	(114)	(114)
Ending balance	621.591	146.126	767.717
Accumulated amortisation			
Beginning balance	1.312	58.985	60.297
Amortisation charged	3.163	13.393	16.556
Transfer from tangible fixed assets	4.852	-	4.852
Disposal	-	(194)	(194)
Transfer to prepaid expense	-	(109)	(109)
Ending balance	9.327	72.075	81.402
Net book value			
Beginning balance	381.398	80.175	461.573
Ending balance	612.264	74.051	686.315

Other information of intangible fixed assets:

31/12/2013
VND million

Net book value of intangible fixed assets which are temporarily idle	108.807
Cost of intangible fixed assets fully depreciated but still in use	34.068

According to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013, the Bank and its subsidiaries have transferred net book value of all assets which do not meet the criteria for fixed assets recognition to prepaid expenses and amortise to operating expenses for the maximum period of three (3) years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

15. OTHER ASSETS

15.1 Receivables

	31/12/2013 VND million	31/12/2012 VND million
Construction in progress	77.330	60.987
Other receivables	757.843	1.164.701
	835.173	1.225.688

Other receivables are comprised of:

	31/12/2013 VND million	31/12/2012 VND million
Internal receivables	59.720	54.027
Advances for operating activities	51.694	44.360
Other receivables	8.026	9.667
External receivables	698.123	1.110.674
<i>Deposits for acquisition of land and houses for the Bank's branches and transaction offices</i>	192.266	191.375
<i>Advances for dividends (*)</i>	150.000	435.000
Deposits for office leases	126.867	260.115
Receivables from securities margin transactions	59.176	10.428
Corporate income tax receivable (Note 21)	57.450	-
Advances to investors for securities trading	37.839	49.051
Advances for purchase of fixed assets	29.653	14.837
Receivables from customers in securities trading	15.252	30.727
Receivables on interest subsidy from the SBV	12.394	13.882
Deductible input VAT	3.905	10.912
Receivables from cooperation investment contracts	-	69.349
Others	13.321	24.998
	757.843	1.164.701

(*) This represents the advances for interim dividends to the Bank's shareholders which will be offset against the Bank's undistributed earnings after obtaining resolution by the Annual General Meeting of the Shareholders (Note 22.1).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

15. OTHER ASSETS (continued)**15.2 Other assets**

	31/12/2013 VND million	31/12/2012 VND million
Foreclosed assets	398.347	391.936
Prepaid and deferred expenses	101.082	90.608
Other assets	10.783	11.241
	510.212	493.785

16. DUE TO AND BORROWINGS FROM OTHER BANKS

	31/12/2013 VND million	31/12/2012 VND million
Due to other banks	1.203.024	2.039.900
Borrowings from other banks	273.468	3.834.450
	1.476.492	5.874.350

16.1 Deposits from other banks

	31/12/2013 VND million	31/12/2012 VND million
Demand deposits		
- In VND	101.278	90.384
- In foreign currencies	1.746	3.976
	103.024	94.360
Term deposits		
- In VND	1.100.000	800.000
- In foreign currencies	-	1.145.540
	1.100.000	1.945.540
	1.203.024	2.039.900

16.2 Borrowings from other banks

	31/12/2013 VND million	31/12/2012 VND million
- In VND	-	2.500.000
- In foreign currencies	273.468	1.334.450
	273.468	3.834.450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

17. DUE TO CUSTOMERS

17.1 Analysis by products

	31/12/2013 VND million	31/12/2012 VND million
Demand deposits	8.960.746	6.878.276
Demand deposits in VND	8.548.523	6.524.711
Demand saving deposits in VND	67.741	44.429
Demand deposits in foreign currencies	325.178	297.623
Demand saving deposits in foreign currencies	19.304	11.513
Term deposits	55.494.515	43.279.843
Term deposits in VND	2.562.554	2.879.214
Term saving deposits in VND	48.120.922	37.031.730
Term deposits in foreign currencies	78.541	2.364
Term saving deposits in foreign currencies	4.732.498	3.366.535
Margin deposits	516.702	554.541
Margin deposits in VND	89.090	114.278
Margin deposits in foreign currencies	427.612	440.263
Deposits for specific purposes	114.828	77.583
	65.086.791	50.790.243

17.2 Analysis by type of customer and ownership

	31/12/2013 VND million	31/12/2012 VND million
Deposits by economic entities	5.534.998	4.741.348
Private enterprises and others	4.261.820	3.270.119
State-owned enterprises	1.269.048	1.467.400
Foreign-invested enterprises	4.130	3.829
Deposits by individuals	58.448.843	44.880.708
Deposits by others	1.102.950	1.168.187
	65.086.791	50.790.243

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

18. GRANTS, ENTRUSTED FUNDS AND LOANS EXPOSED TO RISKS

	31/12/2013 VND million	31/12/2012 VND million
Grants and entrusted funds from Bank for Investment and Development of Vietnam	531.214	421.304
Grants and entrusted funds from Japan Bank for International Cooperation	262.276	268.523
Grants and entrusted funds from Asian Development Bank	26.194	13.190
	819.684	703.017

Grants and entrusted funds from Bank for Investment and Development of Vietnam ("BIDV") in USD and VND are the entrusted funds from the World Bank through BIDV to sponsor for the Rural Finance Project I, II and III. Details of these loans are as follows:

- Medium-term loan bears interest at rate of 7.68% p.a (2012: 9.55% p.a).
- Long-term loan bears interest at rate of 7.68% p.a for loans in VND (2012: 9.55% p.a) and 0.75% p.a for loans in USD (2012: 0.75% p.a).

Grants and entrusted funds from Japan Bank for International Cooperation in VND are used for Small and Medium Enterprise Finance Program. These loans are medium and long-term loans which bear interest at rate of 5.88% p.a (2012: 7.68% p.a).

Grants and entrusted funds from Asian Development Bank in VND are used to sponsor for Financial Project ADB. These loans have term of 2, 3, 5, 7 and 14 years and bear interest at rate of 6.72% p.a (2012: from 8.76% p.a).

19. VALUABLE PAPERS ISSUED

	31/12/2013 VND million	31/12/2012 VND million
Certificates of gold deposit		
Term under 12 months	-	3.158.982
Promissory notes		
Dưới 12 tháng	37.569	1.164.142
	37.569	4.323.124

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

20. OTHER PAYABLES

	31/12/2013 VND million	31/12/2012 VND million
Internal payables	67.753	57.033
Bonus and welfare fund	67.073	53.532
Payables to employees	680	3.501
External payables	465.556	840.645
Pending payables to customers	95.215	100.469
Receipts from additional shares issued for charter capital increasing	89.129	-
Deposits of investors for securities trading	87.815	70.105
Payables to foreign money transfer companies	47.968	36.552
Short-term loans (*)	40.000	76.845
Blocked deposits	27.086	16.894
Taxes and obligations to the State budget	15.139	84.136
Remittance payables	12.535	54.570
Payables to the SBV for interest subsidy	9.233	9.216
Payables of dividends, principal and interest of bonds on behalf of investors	7.178	1.698
Dividends payable to the Bank's shareholders (Note 22.4)	7.068	2.585
Loan interest received in advance from customers	6.810	5.527
Advances from customers	2.101	2.184
Payables to custody center	189	1.506
Certificate of gold deposits matured and awaiting settlement	-	186.861
Gold kept on behalf of customers	-	170.518
Other payables	18.090	20.979
	533.309	897.678

(*) These are short-term loans from economic entities to Dong A Securities Limited Company, a subsidiary of the Bank.

21. OBLIGATIONS TO THE STATE BUDGET

	Beginning balance VND million	Amount incurred during the year Payables VND million	Paid VND million	Ending balance VND million
Value added tax ("VAT")	7.095	31.338	(31.608)	6.825
- VAT on services	7.095	30.376	(30.651)	6.820
- VAT on foreign exchange	-	962	(957)	5
Corporate income tax (Note 15.1)	63.978	74.033	(195.461)	(57.450)
Other taxes	13.063	38.747	(43.496)	8.314
	84.136	144.118	(270.565)	(42.311)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

Corporate income tax

The Bank and its subsidiaries have obligations to pay corporate income tax ("CIT") at the rate of 25% of taxable profits.

The Bank and its subsidiaries' tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

The consolidated CIT expense comprises the CIT expense of the Bank and its subsidiaries. The Bank and its subsidiaries are responsible for preparing and submitting their separate CIT returns to the local tax authorities.

Current CIT expense of the Bank and its subsidiaries for the year is as follows:

	31/12/2013 VND million	31/12/2012 VND million
Current CIT expense	74.033	255.406
Expense/(benefit) deferred tax	28.014	(55.464)
	102.047	199.942

Current CIT

Current corporate income tax payables are determined based on taxable income of the current year. Taxable income is different from the one reported in the separate income statement since taxable income excludes incomes which are eligible for tax or expense which is subtracted in other years due to the differences between the Bank and its subsidiaries' accounting policies and the current tax regulations, and also excludes non-taxable income and non-deductible expenses. The current corporate income tax payables of the Bank and its subsidiaries are calculated based on the statutory tax rate applicable at the year-end

Current CIT expense for the year is calculated as follows:

	31/12/2013 VND million	31/12/2012 VND million
Profit before tax	430.195	777.156
Unrealised foreign exchange (losses)/gains in previous year which were realised in the current year	(110.863)	110.992
Tax exempt dividend income	(14.964)	(20.731)
Unrealised foreign exchange (gains)/losses	(1.202)	110.863
Tax losses of subsidiaries	33.294	44.657
Nondeductible expenses	815	978
Cost of transfer of land use rights	-	(2.700)
Other	8	-
Estimated taxable income	337.283	1.021.215
CIT expense of the Bank	68.984	249.544
CIT expense of subsidiaries	5.049	5.760
Adjustments for CIT expense for the previous year	-	102
Total estimated CIT expense for the year	74.033	255.406
CIT payables at beginning of the year	63.978	55.289
CIT paid during the year	(195.461)	(246.717)
CIT (receivables)/payables at year-end	(57.450)	63.978

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

21. OBLIGATIONS TO THE STATE BUDGET (continued)**Corporate income tax (continued)***Deferred CIT*

Provisions for deferred CIT incurred during the year pertains mainly to origination or reversal of unrealised foreign exchange gains/(losses) resulting from the re-translation of assets and liabilities denominated in foreign currencies into VND at the year-end and losses from transfer of land use rights.

Provisions for deferred CIT is presented by the Bank and its subsidiaries as follows:

	Consolidated balance sheet		Effect on the consolidated income state- ment	
	31/12/2013 VND million	31/12/2012 VND million	2013 VND million	2012 VND million
Deferred tax assets				
Unrealised foreign exchange losses arise/(reverse)	-	27.716	(27.716)	27.716
Losses from transfer of land use rights	2	-	2	-
	2	27.716		
Deferred tax liabilities				
Unrealised foreign exchange gains (arise)/reverse	(300)	-	(300)	27.748
	(300)	-		
Net deferred CIT (expense)/benefit			(28.014)	55.464

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

22. OWNERS' EQUITY AND RESERVES**22.1 Statement of changes in owners' equity**

	Charter capital	Capital supplemental reserve	Financial reserve	Investment & development reserve	Other re- serves	Other capital	Retained earnings	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Beginning balance	5.000.000	143.385	352.181	7.151	1.926	583	598.965	6.104.191
Net profit for the year	-	-	-	-	-	-	328.148	328.148
Appropriation to reserves for previous year	-	29.926	58.834	987	4.188	-	(93.935)	-
Appropriation to welfare and bonus fund for previous year	-	-	-	-	-	-	(53.950)	(53.950)
Dividends paid for previous year	-	-	-	-	-	-	(487.500)	(487.500)
Reserves utilised during the year	-	-	-	-	(5.892)	-	-	(5.892)
Other increase/(decrease)	-	-	(8.084)	-	8.667	(583)	-	-
Ending balance	5.000.000	173.311	402.931	8.138	8.889	-	291.728	5.884.997

The Bank paid dividends in cash amounting to VND487,500 million for the year 2012 in accordance with the Resolution of the shareholders at the Bank's 21st Annual General Meeting held on 27 April 2013. In 2013, the Bank also made an advance of interim dividends for the current year in cash amounting to VND150,000 million (Note 15.1) which will be offset against the retained earnings after receiving the Resolution approved by the Annual General Meeting of shareholders.

Retain earnings at the end of the year are as follows:

	VND million
Retained earnings before dividends	291.728
Advances for interim dividends (Note 15.1)	(150.000)
Remaining retained earnings which will be used for reserves and final dividends	141.728

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

22. OWNERS' EQUITY AND RESERVES (continued)**22.1 Statement of changes in owners' equity (continued)**

Details of shares issued by the Bank are as follows

	31/12/2013 shares	31/12/2012 shares
Authorised shares	500.000.000	500.000.000
Issued and paid-up shares	500.000.000	500.000.000
Ordinary shares	500.000.000	500.000.000
Outstanding shares	500.000.000	500.000.000
Ordinary shares	500.000.000	500.000.000
Par value (VND/share)	10.000	10.000

22.2 Reserves of the Bank

According to Decree No. 57/2012/ND-CP effective from 15 September 2012, commercial joint stock banks should make the following reserves from profit after tax:

	Amount	Maximum balance
Capital supplementary reserve	5% of net profit after tax	100% charter capital
Financial reserve	10% of net profit after tax	25% charter capital

Other reserves are made in accordance with the Resolution of the shareholders at the Annual General Meeting.

The Bank will make these reserves for 2013 after the Resolution of the shareholders at the Annual General Meeting in 2014

22.3 Reserves of subsidiariesDong A Securities Company Limited

In accordance with Decision No. 27/2007/QĐ-BTC issued by the Ministry of Finance on 24 April 2007, securities companies are required to create statutory reserves from net profit after tax as follows:

	Amount	Maximum balance
Capital supplemental reserve	5% of net profit after tax	100% charter capital
Financial reserve	5% of net profit after tax	10% charter capital

Other reserves are created according to this subsidiary's charter as follows:

	Amount	Maximum balance
Investment and development reserve	10% lợi nhuận sau thuế	Không quy định
Internal training fund	5% lợi nhuận sau thuế	Không quy định
Bonus fund	5% lợi nhuận sau thuế	Không quy định
Welfare fund	5% lợi nhuận sau thuế	Không quy định

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

22. OWNERS' EQUITY AND RESERVES (continued)**22.3 Reserves of subsidiaries (continued)**Dong A Capital Company Limited

Reserves are created according to this subsidiary's charter as follows:

	% of net profit after tax
Capital supplemental reserve	10%
Financial reserve	10%
Investment and development reserve	10%
Internal training fund	5%
Bonus fund	5%
Welfare fund	5%

Dong A Money Transfer Company Limited

Reserves are created according to this subsidiary's charter as follows:

	% of net profit after tax
Financial reserve	10%
Investment and development reserve	5%

22.4 Dividends

	2013 VND million	2012 VND million
Dividends payable at the beginning of the year	2.585	57.906
Dividends declared in the year		
- Final dividends of previous year	52.500	135.000
- Interim dividends of current year	150.000	435.000
	202.500	570.000
Dividends paid in the year	(198.017)	(625.321)
Dividends payable at the end of the year	7.068	2.585

23. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net profit after tax attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period.

Information for calculating basic earnings per share of the Bank is as follows:

	2013 VND million	2012 VND million
Net profit attributable to ordinary shareholders of the Bank (VND million)	328.148	577.214
Weighted average number of outstanding ordinary shares during the period (shares)	500.000.000	484.426.230
Basic earnings per share (VND/share)	656	1.192

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

24. INTEREST AND SIMILAR INCOME

	2013 VND million	2012 VND million
Interest income on loans	6,102.108	6,721.558
Interest income on debt securities investments	423.820	372.990
Interest income on deposits	38.182	344.538
Other income from credit activities	13.395	18.562
	6.577.505	7.457.648

25. INTEREST AND SIMILAR EXPENSES

	2013 VND million	2012 VND million
Interest expense on deposits	4,106.289	4,346.916
Interest expense on borrowings	151.885	203.220
Interest expense on valuable papers issued	91.749	413.117
	4.349.923	4.963.253

26. NET FEES AND COMMISSION INCOME

	2013 VND million	2012 VND million
Fees and commission income	624.811	528.768
Settlement services	402.084	342.184
Money transfer services	69.154	58.922
Phone card services	66.454	6.543
Guarantee transactions	35.884	43.044
Brokerage services	18.069	39.452
Asset maintenance	4.825	1.351
Investment securities and financial advisory services	4.601	21.265
Treasury services	2.416	3.116
Other income	21.324	12.891
Fees and commission expenses	(207.162)	(120.071)
Phone card services	(64.775)	(6.224)
Expenses of Card center	(29.629)	(27.431)
Settlement services	(28.084)	(19.821)
Treasury services	(24.805)	(4.218)
Postal and telecommunication	(22.946)	(22.271)
Advisory services	(15.658)	(20.631)
Brokerage services	(8.186)	(12.080)
Other expenses	(13.079)	(7.395)
	417.649	408.697

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

27. NET GAIN/(LOSS) FROM FOREIGN CURRENCIES AND GOLD TRADING

	2013 VND million	2012 VND million
Income from foreign currencies and gold trading	91.860	462.730
Income from spot foreign exchange	63.495	65.923
Income from gold trading	28.355	385.313
Income from currency derivatives	10	11.494
Expense from foreign currencies and gold trading	(37.715)	(600.436)
Expense from spot foreign exchange	(19.045)	(124.802)
Expense from gold trading	(18.663)	(458.685)
Expense from currency derivatives	(7)	(16.949)
	54.145	(137.706)

28. NET LOSS FROM DEALING OF TRADING SECURITIES

	2013 VND million	2012 VND million
Income from trading securities	2.077	68.774
Expenses from trading securities	(15.106)	(120.894)
Provision for decline in value of trading securities (Note 13)	(2.747)	(6.402)
	(15.776)	(58.522)

29. NET (LOSS)/GAIN FROM DEALING OF INVESTMENT SECURITIES

	2013 VND million	2012 VND million
Income from trading investment securities	2.667	24.489
Expense from trading investment securities	(85.255)	(4.496)
Reversal of/(provision for) decline in value of investment securities (Note 13)	462	(462)
	(82.126)	19.531

30. NET OTHER OPERATING INCOME

	2013 VND million	2012 VND million
Recovery of bad debts written off	27.216	3.832
Reversal of severance allowance	-	34.632
Income from other operating activities	1.464	1.418
	28.680	39.882
Other operating expenses	(12.643)	(3.617)
	16.037	36.265

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

31. (LOSS)/INCOME FROM LONG-TERM INVESTMENTS

	2013 VND million	2012 VND million
Dividends received during the year:	14.964	20.731
- from trading equity securities	-	7.085
- from investment equity securities	856	6.459
- from other long-term investments	14.108	7.187
Loss from disposal of long-term investments	(97.504)	-
	(82.540)	20.731

32. OTHER OPERATING EXPENSES

	2013 VND million	2012 VND million
Other tax expenses and fees	3.900	11.979
Expenses for employees	702.088	572.186
Salaries and allowances	628.719	511.972
Salary related allowances	70.899	60.204
Others	2.470	10
Asset expenditures	362.113	366.588
Depreciation and amortisation of fixed assets	141.339	156.788
Office rental	107.135	110.171
Repair and maintenance	74.205	81.171
Tools and equipment	35.493	15.070
Insurance for assets	3.941	3.388
Other operating expenses	428.487	354.968
General and administration	96.357	68.334
Non-deductible input VAT	47.408	33.153
Advertisement, marketing, promotion	43.224	39.493
Postage and telecommunication	40.194	26.009
Utilities	40.064	37.085
Material and printing	36.473	36.880
Gas and fuel	32.100	25.326
Meeting and conference	25.893	28.885
Business trips	17.001	15.079
Training	2.513	1.510
Other expenses	47.260	43.214
Insurance for customer deposits	68.610	52.933
(Reversal of)/provision for decline in value of other long-term investments (Note 13)	(23.842)	15.797
Provision for doubtful debts	4.576	-
	1.545.932	1.374.451

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

33. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represented in the consolidated cash flow statement comprise the following amounts in the consolidated balance sheet:

	31/12/2013 VND million	31/12/2012 VND million
Cash, gold and precious stones	4.357.934	4.827.650
Balances with the SBV	2.436.220	1.891.120
Demand deposits at other banks	599.067	657.808
Due from and loans to other banks with term of less than three months	1.781.300	1.008.280
Less: Deposits of investors for securities trading	(87.815)	(70.105)
	9.086.706	8.314.753

34. EMPLOYEES' INCOME

	2013	2012
I. TOTAL NUMBER OF EMPLOYEES (PERSONS)	5.301	5.206
II. EMPLOYEES' INCOME (VND MILLION)		
1. Total salary fund paid	462.743	395.204
2. Lunch allowance	32.155	27.309
3. Bonus	137.674	92.151
4. Total income (1+2+3)	632.572	514.664
5. Average monthly salary (VND/employee)	7.274.461	6.326.098
6. Average monthly income (VND/employee)	9.944.224	8.238.315

33. TYPE AND VALUE OF COLLATERAL ASSETS

Below table shows the book value of collaterals and mortgages from loans and advances to customers as at the year end

	31/12/2013 VND million	31/12/2012 VND million
Real estates	47.895.588	44.353.628
Valuable papers	6.849.460	6.409.711
Inventories	6.516.308	5.671.354
Transportation vehicles	2.527.864	1.964.696
Machinery and equipment	2.412.989	1.325.641
Saving books	2.178.944	1.808.549
Others	2.930.392	2.621.614
	71.311.545	64.155.193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

36. CONTINGENT LIABILITIES AND COMMITMENTS

In the normal course of business, the Bank is a party to financial instruments that are recorded in the off-balance sheet items. These financial instruments mainly comprise financial guarantees and commercial letters of credit ("L/C"). These instruments involve elements of credit risk in excess of the amounts recognised 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 the Bank to guarantee the performance of a customer to a third party including guarantee for borrowings, settlement, performance of contracts and bidding. The credit risk involved in issuing guarantees is essentially the same as that involved in extending loans to other customers.

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

Deferred payment letters of credit 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 defaulted by customers are recognised by the Bank as granting of a compulsory loan with a corresponding liability representing the financial obligation of the Bank to pay the beneficiaries and to fulfill the guarantor obligation.

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

The outstanding contingent liabilities and commitments as at 31 December are as follows:

	31/12/2013 VND million	31/12/2012 VND million
Financial guarantees	3.800	1.200
Letters of credit	3.550.920	3.118.813
Other guarantees	1.245.579	1.532.047
	4.800.299	4.652.060
Less: Margin deposits	(516.702)	(554.541)
Contingent liabilities and commitments	4.283.597	4.097.519

37. RELATED PARTY TRANSACTIONS

Related party transactions include all transactions undertaken with other entities to which the Bank and its subsidiaries is related. Parties are considered as related parties if one party is able to control over or significantly influence to the other party in making decision of financial and operational policies. A party is deemed to be related to the Bank and its subsidiaries if:

(a) Directly, or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under common control with, the Bank (including parents and subsidiaries);
- has an interest in the Bank that gives it significant influence over the Bank;
- has joint control over the Bank;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

37. RELATED PARTY TRANSACTIONS (continued)

- (b) The party is a joint venture in which the Bank is a venture;
(c) The party is a member of the key management personnel of the Bank;
(d) The party is a close member of the family of any individual referred to in (a) or (c); or
(e) The party is an entity that is, directly or indirectly, controlled, jointly controlled or significantly influenced by, or of which, significant voting power in such entity resides with any individual referred to in (c) or (d).

Significant transactions with related parties during the year ended 31 December 2013 are as follows:

Related party	Transaction	Amount VND million
Senior management of the Bank	Deposits	316.388
	Withdrawals	310.320
	Loans	39.014
	Collection of principals	40.225
Major shareholders (ownership from 5% of charter capital and above)	Deposits	5.668.416
	Withdrawals	5.672.534
	Loans	203.128
	Collection of principals	274.253
Other related parties (*)	Deposits	2.804.070
	Withdrawals	2.735.387
	Loans	585.982
	Collection of principals	559.457
	Advance for office building	51.072

Receivables and payables with related parties as at 31 December 2013 are as follows:

Related party	Transaction	Receivables/ (payables) VND million
Senior management of the Bank	Term saving deposit	(38.152)
Major shareholders (ownership from 5% of charter capital and above)	Loans	241.628
	Demand deposits	(16.220)
	Term saving deposit	(18.500)
Other related parties (*)	Loans	1.300.183
	Deposits for rent	165.000
	Advance for office building	53.948
	Demand deposits	(20.849)
	Term deposits	(103.852)
	Blocked deposits	(7.906)

(*) Other related parties represent enterprises in which the Bank and its subsidiaries have equity interest and the representatives in the Board of Directors and management of these entities

38. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS

The use of financial instruments, including accepting deposits from customers and investing in financial instruments in high-quality assets to achieve sufficient interest margins, is the core of the Bank's activities. From risk management perspectives, this primarily involves providing loans to commercial and retail borrowers with varied creditworthiness, in both local and foreign currencies, as well as off-balance sheet commitments such as guarantees and letters of credit. Moreover, the Bank also places its mobilised funds in investment securities or loans to other banks. Foreign exchange and interest rate exposures are managed through the use of position limits, avoiding undue concentrations and entering into counterbalancing positions in order to offset exposures. Through holding a high proportion of assets as primary quality financial instruments, the balance sheet structure enables the Bank and its subsidiaries to avoid significant exposures within the scope of its operations and manage its liquidity position.

In addition, the effective implementation of a number of the Bank's internal risk management procedures has been enhanced. This helps monitoring the Bank's fund movements more effectively and efficiently and reducing possible errors and unnecessary complexities.

38.1 Credit risk

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

In managing credit risk, the Bank has effectively applied the credit policies focusing on lending procedures and implementation instructions that standardise its credit activities.

The Bank manages and controls credit risk by setting credit limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Bank has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Credit limit for each counterparty is established by the use of a credit scoring system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision.

(a) Financial assets neither past due nor impaired

The Bank and its subsidiaries' financial assets which are neither past due nor impaired include loans and advances to customers classified as Current loans in compliance with Decision No. 493/2005/QD-NHNN and Decision No. 18/2007/QD-NHNN; securities, receivables and other financial assets which are not past due and no provision is required in accordance with Circular No. 228/2009/TT-BTC.

The Bank and its subsidiaries believes that they can recover fully and timely these financial assets in the near future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

38. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)**38.1 Credit risk (continued)****(b) Financial assets past due but not impaired**

Aging of financial assets past due but not impaired is presented as below:

	<i>Up to 90 days</i>	<i>Past due From 91 to 180 days</i>	<i>From 181 to 360 days</i>	<i>Over 360 days</i>
	VND million	VND million	VND million	VND million
ASSETS				
Loans and advances to customers	286.617	243.224	38.877	54.586

These financial assets are past due but not impaired since the Bank and its subsidiaries hold adequate collateral assets such as real estate properties, movable assets, valuable papers and other assets.

(c) The maximum exposure to credit risk before collateral held or other credit enhancements

The maximum exposures to credit risk relating to financial asset groups, which are equivalent to their carrying values in the consolidated balance sheet, are listed below:

	31/12/2013 VND million	31/12/2012 VND million
Credit risk exposures relating to on balance sheet assets		
Due from and loans to other banks	2.999.067	2.666.088
- Individuals	15.756.717	13.103.592
- Corporates	37.292.269	37.546.464
Trading securities	228.821	218.538
Investment securities		
- Available-for-sale debt securities	5.340.885	4.016.581
Other financial assets	4.379.642	2.464.854
Credit risk exposures relating to off-balance sheet assets		
Financial guarantees	3.800	1.200
Letters of credit	3.550.920	3.118.813
Other guarantees	1.245.579	1.532.047

This table presents the worst scenario which the Bank suffers the maximum credit exposures on 31 December 2013 and 31 December 2012. However, these amounts are not offset by collaterals and hedging.

38. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)**38.2 Market risk****(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market's interest rate..

The Bank and its subsidiaries frequently assess their interest rate gaps, compare them with those in domestic and international markets, and then apply appropriate adjustments timely.

Analysis of assets and liabilities based on re-pricing interest rate date

The term of interest rate re-pricing is calculated from the consolidated balance sheet date to the next interest re-pricing date or the maturity date of the items on the consolidated balance sheet whichever is earlier.

The following assumptions and conditions have been adopted in the analysis of re-pricing terms of the Bank and its subsidiaries' assets and liabilities:

- Cash, gold and precious stones; long-term investments, other assets (including fixed assets, investment properties and other assets) and other liabilities are classified as non-interest bearing items.
- Balances with the State Bank of Vietnam are considered as current and the re-pricing term is therefore considered within 1 month.
- The repricing term of investment securities and trading securities is determined based on the maturity term of each kind of securities as at the consolidated balance sheet date.
- The repricing term of balances due from and loans to other banks; loans to customers; borrowings from the Government and the State Bank of Vietnam; deposits and borrowings from other banks and deposits from customers are determined as follows:
 - Items which bear fixed interest rates for the entire contractual term: The re-pricing term is determined based on the remaining contractual term calculated from the consolidated balance sheet date.
 - Items which bear floating interest rates: The re-pricing term is determined based on the next interest re-pricing date subsequent to the consolidated balance sheet date.
- The re-pricing term of valuable papers is determined based on the remaining maturity term of each valuable paper.
- The re-pricing term of grants, entrusted funds and loans exposed to risks is determined based on the remaining contractual term calculated from the consolidated balance sheet date.

Interest rate sensitivity

No analysis on interest sensitivity was performed at 31 December 2013 since the Bank and its subsidiaries do not have sufficient data and technology.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

38. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)**38.2 Market risk (continued)****(a) Interest rate risk (continued)**

Below table shows an analysis of the interest re-pricing period of assets and liabilities of the Bank and its subsidiaries as at 31 December 2013.

	Overdue VND million	Non- interest bearing VND million	Interest re-pricing period					Total VND million
			Up to 1 month VND million	1 - 3 months VND million	3 - 6 months VND million	6 - 12 months VND million	1 - 5 years VND million	
Assets								
Cash, gold and precious stones	-	4,357,934	-	-	-	-	-	4,357,934
Balances with the SBV	-	-	2,436,220	-	-	-	-	2,436,220
Due from and loans to other banks	-	-	2,799,067	200,000	-	-	-	2,999,067
Trading securities	-	228,821	-	-	-	-	-	228,821
Loans and advances to customers	5,710,860	-	27,630,191	16,232,344	1,324,632	1,602,776	548,183	53,048,986
Investment securities	-	101,247	15,959	224,840	149,993	250,063	4,700,030	5,442,132
Long-term investments	-	333,269	-	-	-	-	-	333,269
Fixed assets	-	1,615,082	-	-	-	-	-	1,615,082
Other assets	44,717	5,362,809	-	-	-	-	-	5,407,526
Total assets	5,755,577	11,999,162	32,881,437	16,657,184	1,474,625	1,852,839	5,248,213	75,869,037
Liabilities								
Due to and borrowings from the SBV and other banks	-	-	2,799,067	200,000	-	-	-	2,999,067
Due to customers	-	-	36,170,302	10,644,645	9,067,779	6,654,563	2,547,237	65,086,791
Grants, entrusted funds and loans exposed to risks	-	-	4,961	20,491	39,674	116,399	622,263	819,684
Valuable papers issued	-	-	23,756	11,736	1,656	421	-	37,569
Other liabilities	-	1,578,173	-	-	-	-	-	1,578,173
Total liabilities	-	1,578,173	37,475,511	10,876,872	9,109,109	6,771,383	3,169,500	68,998,709
Interest sensitivity	5,755,577	10,420,989	(4,594,074)	5,780,312	(7,634,484)	(4,918,544)	2,078,713	6,870,328

Note: Total assets represent gross carrying value that does not include provision for credit losses and impairment of investments.

38. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)**38.2 Market risk (continued)****(b) 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 and its subsidiaries were incorporated and operate in Vietnam with VND as the required reporting currency. The major currency of the Bank and its subsidiaries' transactions is also VND. The Bank and its subsidiaries' loans and advances to customers are mainly denominated in VND with the remainder mainly in USD. However, some transactions are denominated in currencies other than VND and USD. The Bank and its subsidiaries has set limits to control the positions of currencies. Positions are monitored on a daily basis and hedging strategies are used to ensure positions of the currencies are maintained within established limits.

Foreign currency sensitivity

No analysis on foreign currency sensitivity was performed for the year ended 31 December 2013 since the Bank and its subsidiaries do not have sufficient data and technology.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

38. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)**38.2 Market risk (continued)****(b) Currency risk (continued)**

	EUR equivalent VND million	USD equivalent VND million	Gold equivalent VND million	Other currencies equivalent VND million	Total VND million
Assets					
Cash, gold and precious stones	112.263	782.274	13.795	228.630	1.136.962
Balances with the SBV	-	390.732	-	-	390.732
Due from and loans to other banks	21.160	89.685	-	406.621	517.466
Loans and advances to customers	25.637	4.463.949	-	-	4.489.586
Other assets	772	45.292	-	219	46.283
Total assets	159.832	5.771.932	13.795	635.470	6.581.029
Liabilities and owners' equity					
Due to and borrowings from the SBV and other banks	28	275.179	-	7	275.214
Due to customers	270.760	4.694.746	-	621.153	5.586.659
Grants, entrusted funds and loans exposed to risks	-	2.376	-	-	2.376
Other liabilities	12.148	40.642	-	13.851	66.641
Total liabilities and owners' equity	282.936	5.012.943	-	635.011	5.930.890
Currency position on-balance sheet items	(123.104)	758.989	13.795	459	650.139
Currency position on off-balance sheet items	96.815	(229.966)	-	111.298	(21.853)
Currency position on and off-balance sheet items	(26.289)	529.023	13.795	111.757	628.286

Note: Total assets represent gross carrying value that does not include provision for credit losses and impairment of investments.

38. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)**38.2 Market risk (continued)****(c) Liquidity risk**

Liquidity risk is risk when the Bank and its subsidiaries have difficulties in fulfilling their obligations for financial liabilities. Liquidity risk arises when the Bank and its subsidiaries may not afford to settle debt obligation when it is due in the normal or stress periods. In order to reduce liquidity risk exposure, the Bank and its subsidiaries diversify the mobilisation of deposits from various sources apart from its basic capital resources. In addition, the Bank and its subsidiaries have flexible policies to manage liquidity of assets, monitor future cash flows and daily liquidity. The Bank and its subsidiaries also evaluate the estimated cash flows and the availability of current collateral assets in case of obtaining more deposits.

Liquidity risks are mainly mitigated through the Bank and its subsidiaries' holding a large base of cash and cash equivalents in the form of Nostro accounts, balances with the State Bank of Vietnam and due from other banks and valuable papers. The risk-weighted ratios are also used to manage the Bank and its subsidiaries' liquidity risk.

The maturity term of assets and liabilities represents the remaining terms of these assets and liabilities as calculated from the consolidated balance sheet date to the maturity date in accordance with contractual terms and conditions.

The following assumptions and conditions are applied in the analysis of maturity of the Bank and its subsidiaries' assets and liabilities:

- Balances with the State Bank of Vietnam are classified as demand deposits which include the compulsory reserves. The balance of compulsory deposits depends on the proportion and terms of the Bank's customer deposits.
- The maturity term of investment securities is calculated based on the maturity date of each type of securities.
- The maturity term of due from and loans to other banks and loans to customers are based on the contractual maturity date. The actual maturity term may differ as loan agreements are often extended.
- The maturity of long-term investments is considered as more than one year since these investments do not have specific maturity date.
- The maturity term of deposits and borrowings from other banks and customers' deposits is determined based on either the nature of these amounts or their maturity date. Vostro accounts and demand deposits are transacted as required by customers, and therefore, classified as current accounts. The maturity term of borrowings and term deposits is determined based on the maturity date in contracts. In fact, these amounts may be rotated, and therefore, may last beyond the original maturity date.
- The maturity term of fixed assets is determined on the remaining useful life of assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

38. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)**38.2 Market risk (continued)****(c) Liquidity risk**

Below table presents the analysis of the remaining maturity of assets and liabilities of the Bank and its subsidiaries as at 31 December 2013.

	Overdue		Current				
	Over 3 months Triệu đồng	Up to 3 months Triệu đồng	Up to 1 month Triệu đồng	1 - 3 months Triệu đồng	3 - 12 months Triệu đồng	1 - 5 years Triệu đồng	Over 5 years Triệu đồng
Assets							
Cash, gold and precious stones	-	-	4.357.934	-	-	-	4.357.934
Balances with the SBV	-	-	2.436.220	-	-	-	2.436.220
Due from and loans to other banks	-	-	2.799.067	200.000	-	-	2.999.067
Trading securities	-	-	-	228.821	-	-	228.821
Loans to customers	3.592.709	2.118.151	6.499.112	4.493.469	17.131.924	12.720.732	53.048.986
Investment securities	-	-	15.959	224.840	400.056	4.801.277	5.442.132
Long-term investments	-	-	-	-	-	333.269	333.269
Fixed assets	-	-	479.045	1.002	10.443	221.965	1.615.082
Other assets	19.717	25.000	38.719	4.184.845	239.185	455.676	5.407.526
Total assets	3.612.426	2.143.151	16.626.056	9.332.977	17.781.608	18.532.919	75.869.037
Liabilities							
Due to and borrowing from the SBV and other banks	-	-	1.276.492	200.000	-	-	1.476.492
Due to customers	-	-	36.170.302	10.644.645	15.722.342	2.547.237	65.086.791
Grants, entrusted funds and loans exposed to risks	-	-	4.961	20.491	156.073	622.263	819.684
Valuable papers issued	-	-	23.756	11.736	2.077	-	37.569
Other liabilities	-	-	217.532	1.198.852	152.256	9.533	1.578.173
Total liabilities	-	-	37.693.043	12.075.724	16.032.748	3.179.033	68.998.709
Net liquidity	3.612.426	2.143.151	(21.066.987)	(2.742.747)	1.748.860	15.353.886	6.870.328

Note: Total assets represent gross amount that does not include provision for credit losses and impairment of investments.

39. ADDITIONAL DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES IN COMPLIANCE WITH CIRCULAR NO. 210/2009/TT-BTC

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") which is effective for financial years beginning on or after 1 January 2011.

Because Circular 210 only provides guidance for the presentation and disclosures of financial instruments, the concepts of financial assets, financial liabilities and other related concepts presented as follows are solely applied for the disclosure of this note. Assets, liabilities and equity of the Bank and its subsidiaries have been still recognised and accounted for in accordance with the Vietnamese Accounting Standards and Accounting System for Credit Institutions and comply with relevant regulations stipulated by the State Bank of Vietnam.

Financial assets

Financial assets of the Bank and its subsidiaries within the scope of Circular 210 comprise cash, gold, precious stones, balances with the State Bank of Vietnam, due from other banks, loans and advances to customers and other banks, trading and investment securities, receivables and other assets under monetary derivative contracts.

According to Circular 210, financial assets are classified appropriately, for the purpose of disclosure in the consolidated financial statements, into one of the following categories:

Financial asset at fair value through profit or loss:

- a) It is classified as held for trading. A financial asset is classified as held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
 - it is a derivative (except for a derivative that is a financial guarantee contract or a designated effective hedging instrument).
- b) Upon initial recognition it is designated by the Bank and its subsidiaries as at fair value through profit or loss. .
- Held-to-maturity investments:

are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank and its subsidiaries have the positive intention and ability to hold to maturity other than:

 - a) those that the Bank and its subsidiaries upon initial recognition designate as at fair value through profit or loss;
 - b) those that the Bank and its subsidiaries designate as available for sale; or
 - c) those that meet the definitions of loans and receivables.
- Loans and receivables:

are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:

39. ADDITIONAL DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES IN COMPLIANCE WITH CIRCULAR NO. 210/2009/TT-BTC (continued)Financial assets (continued)

- Loans and receivables (continued)
 - a) Those that the Bank and its subsidiaries intend to sell immediately or in the near term, which shall be classified as held for trading, and those that the Bank upon initial recognition designates as at fair value through profit or loss;
 - b) Those that the Bank and its subsidiaries upon initial recognition designate as available for sale; or
 - c) Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

Available-for-sale assets:

are non-derivative financial assets that are designated as available for sale or are not classified as:

- a) Loans and receivables;
- b) Held-to-maturity investments;
- c) Financial assets at fair value through profit or loss.

Financial liabilities

Financial liabilities of the Bank and its subsidiaries under Circular 210 consist of borrowings from the Government and the State Bank of Vietnam, deposits and borrowings from other banks, due to customers, grants, entrusted funds and loans exposed to risks, valuable papers issued by the Bank, payables and other liabilities under monetary derivative contracts.

According to Circular 210, financial liabilities are classified appropriately, for the purpose of disclosure in the consolidated financial statements, into one of the following categories:

- Financial liabilities at fair value through profit or loss is a financial liability that meets either of the following conditions:
 - a) It is classified as held for trading. A financial liability is classified as held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
 - it is a derivative (except for a derivative that is a financial guarantee contract or a designated effective hedging instrument).
 - b) Upon initial recognition it is designated as at fair value through profit or loss.
- Financial liabilities at amortised cost
Financial liabilities which are not categorised as at fair value through profit or loss will be classified as financial liabilities at amortised cost

Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset and reported at the net amount on the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

39. ADDITIONAL DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES IN COMPLIANCE WITH CIRCULAR NO. 2/10/2009/TT-BTC (continued)

The carrying value and fair value of financial instruments of the Bank and its subsidiaries as at 31 December 2013 are presented as below:

Carrying value						
Assets	Other assets					Fair value VND million
	Trading VND million	Held-to- maturity VND million	Loans and receivables VND million	Available- for-sale VND million	ties at amor- tised cost VND million	
Cash, gold and precious stones	-	-	-	-	4,357,934	4,357,934
Balances with the SBV	-	-	-	-	2,436,220	2,436,220
Due from and loans to other banks	-	-	2,400,000	-	599,067	2,999,067 (*)
Trading securities	207,504	-	-	-	-	207,504 (*)
Loans and advances to customers	-	-	52,153,117	-	-	52,153,117 (*)
Available-for-sale securities	-	-	-	5,442,132	-	5,442,132 (*)
Other financial assets	-	-	-	-	4,379,642	4,379,642 (*)
	207,504	-	54,553,117	5,442,132	11,772,863	71,975,616
Due to and borrowings from other banks	-	-	-	-	1,476,492	1,476,492 (*)
Due to customers	-	-	-	-	65,086,791	65,086,791 (*)
Grants, entrusted funds and loans exposed to risks	-	-	-	-	819,684	819,684 (*)
Valuable papers issued	-	-	-	-	37,569	37,569 (*)
Other financial liabilities	-	-	-	-	1,521,002	1,521,002 (*)
	-	-	-	-	68,941,538	68,941,538

(*) Fair value of their financial assets and liabilities cannot be determined because there is no specific guidance of fair value determination under the Vietnamese Accounting Standards and Accounting System for Credit Institutions and relevant regulations stipulated by the State Bank of Vietnam.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2013

B05/TCTD-HN

40. COMMITMENTS AND ASSETS HELD UNDER CUSTODY**40.1 Capital and operating lease commitments**

	31/12/2013 VND million	31/12/2012 VND million
Capital commitments for constructions and purchase of office equipment	163.729	201.979
Non-cancellable operating leases		
- due within one year	70.791	75.415
- due from two to five years	127.797	147.980
- due after five years	60.410	55.948
	258.998	279.343

40.2 Assets held under custody

	31/12/2013 VND million	31/12/2012 VND million
Gold held under custody	5.650.686	7.405.352

41. EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE

There have been no significant events occurred after the consolidated balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.

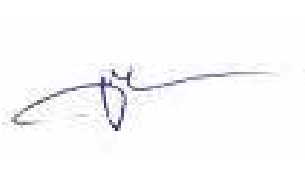
42. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VIETNAM DONG AT THE YEAR END

	31/12/2013 VND	31/12/2012 VND
USD	21.036	20.828
EUR	28.900	27.430
GBP	34.650	33.560
CHF	23.560	22.700
JPY	199	241
SGD	16.550	16.970
CAD	19.600	20.810
AUD	18.590	21.530

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

B05/TCTD-HN

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