

CTBC Bank Co., Ltd. - Ho Chi Minh City Branch
(previously known as Chinatrust Commercial Bank - Ho Chi Minh City Branch)

Report of the General Manager and
Audited financial statements

31 December 2013



CTBC Bank Co., Ltd. - Ho Chi Minh City Branch
(previously known as Chinatrust Commercial Bank - Ho Chi Minh City Branch)

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CTBC Bank Co., Ltd. - Ho Chi Minh City Branch
(previously known as Chinatrust Commercial Bank - Ho Chi Minh City Branch)

GENERAL INFORMATION

THE BANK

CTBC Bank Co., Ltd. - Ho Chi Minh City Branch, previously known as Chinatrust Commercial Bank - Ho Chi Minh City Branch, ("the Bank") is the branch established in the Socialist Republic of Vietnam by CTBC Bank Co., Ltd., a bank incorporated in Taiwan.

The Bank was established and operates in accordance with Banking License No. 04/NHNN-GP issued by the State Bank of Vietnam ("the State Bank" or "the SBV") on 6 February 2002, Business Registration No. 107058 dated 24 April 2002 and other amendments issued by Ho Chi Minh City Department of Planning and Investment. The Bank's operational duration is 20 years from the Banking License date.

On 23 September 2013, the SBV issued Decision No. 2129/QD-NHNN to approve the change in the Bank's name from Chinatrust Commercial Bank - Ho Chi Minh City Branch to CTBC Bank Co., Ltd. - Ho Chi Minh City Branch.

The Bank's principal activities are to provide banking services including 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 financial services and providing other banking services allowed by the SBV.

The Bank's office is located at 9th Floor, Kumho Asiana Plaza, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

GENERAL MANAGER AND HEAD OF ACCOUNTING DEPARTMENT

The General Manager and Head of Accounting Department during the financial year and at the date of this report are as follow:

<u>Name</u>	<u>Position</u>	<u>Date of appointment/resignation</u>
Mr. Lan, Tien Hsin	General Manager	Appointed on 1 April 2013
Mr. Ralph Wu	General Manager	Resigned on 29 March 2013
Ms. Vu Thi Hoang Ha	Head of Accounting Department	Appointed on 7 August 2006

LEGAL REPRESENTATIVE

The legal representative of the Bank for the period from 1 January 2013 to 29 March 2013 is Mr. Ralph Wu, General Manager.

The legal representative of the Bank for the period from 1 April 2013 to the date of this report is Mr. Lan, Tien Hsin, General Manager.

AUDITORS

The auditors of the Bank are Ernst & Young Vietnam Limited.

CTBC Bank Co., Ltd. - Ho Chi Minh City Branch
(previously known as Chinatrust Commercial Bank - Ho Chi Minh City Branch)

REPORT OF THE GENERAL MANAGER

The General Manager of CTBC Bank Co., Ltd. - Ho Chi Minh City Branch, previously known as Chinatrust Commercial Bank - Ho Chi Minh City Branch, ("the Bank") is pleased to present his report and the financial statements of the Bank as at and for the financial year ended 31 December 2013.

THE GENERAL MANAGER'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Bank's General Manager is responsible for the financial statements of each financial year which give a true and fair view of the state of affairs of the Bank and of the results of its operations and its cash flows for the year. In preparing those financial statements, the General Manager is required to:


- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business.


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

The General Manager confirmed that the Bank has complied with the above requirements in preparing the accompanying financial statements for the financial year ended 31 December 2013.

STATEMENT BY THE GENERAL MANAGER

I hereby state that, in my opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2013 and of the results of its operations and its cash flows for the financial year then ended in accordance with the Vietnamese Accounting Standards and Accounting System for Credit Institutions and with the statutory requirements relevant to preparation and presentation of financial statements.


Mr. Lan, Tien Hsin
General Manager



Ho Chi Minh City, Vietnam

19 March 2014



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2 Hai Trieu Street, District 1
Ho Chi Minh City, S.R. of Vietnam

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Reference: 60636262/13515548

INDEPENDENT AUDITORS' REPORT

To: CTBC Bank Co., Ltd. - Ho Chi Minh City Branch

We have audited the accompanying financial statements of CTBC Bank Co., Ltd. - Ho Chi Minh City Branch ("the Bank") as prepared on 19 March 2014 and as set out on pages 5 to 52, which comprise the balance sheet as at 31 December 2013, the income statement and the cash flow statement for the financial year then ended and the notes thereto.

The General Manager's Responsibility

The Bank's General Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the Vietnamese Accounting Standards and Accounting System for Credit Institutions and with the statutory requirements relevant to preparation and presentation of financial statements, and for such internal control as the General Manager determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



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Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Bank as at 31 December 2013, and of the results of its operations and its cash flows for the financial year then ended in accordance with the Vietnamese Accounting Standards and Accounting System for Credit Institutions and with the statutory requirements relevant to preparation and presentation of financial statements.

Other matters

The financial statements of the Bank for the year ended 31 December 2012 were audited by another audit firm which expressed an unmodified opinion on those financial statements on 25 March 2013.

The equivalent amounts in Vietnam Dong presented in the accompanying financial statements have been computed on the basis set forth in Note 4.19 to the financial statements and for reference purpose only.

Ernst & Young Vietnam Limited



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

Nguyen Quoc Tuan
Auditor
Audit Practicing Registration
Certificate No. 1841-2013-004-1

Ho Chi Minh City, Vietnam

19 March 2014

CTBC Bank Co., Ltd. - Ho Chi Minh City Branch
(previously known as Chinatrust Commercial Bank - Ho Chi Minh City Branch)

BALANCE SHEET
as at 31 December 2013

B02/TCTD

	Notes	31 December 2013		31 December 2012	
		US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
ASSETS					
Cash	5	600,218	12,626	1,014,963	21,351
Balances with the State Bank of Vietnam	6	4,165,479	87,625	11,225,631	236,142
Due from and loans to other banks		135,344,444	2,847,107	65,130,261	1,370,082
Due from other banks	7.1	128,965,459	2,712,917	59,274,092	1,246,890
Loans to other banks	7.2	6,478,985	136,292	6,006,169	126,346
Provision for loans to other banks	9	(100,000)	(2,102)	(150,000)	(3,154)
Loans and advances to customers		199,838,731	4,203,808	225,366,789	4,740,816
Loans and advances to customers	8	201,494,427	4,238,637	227,095,594	4,777,183
Provision for credit losses	9	(1,655,696)	(34,829)	(1,728,805)	(36,367)
Investment securities	10	41,191,573	866,506	34,750,566	731,013
Available-for-sale securities		40,239,139	846,471	33,782,072	710,640
Held-to-maturity securities		952,434	20,035	968,494	20,373
Fixed assets		240,643	5,062	364,657	7,671
Tangible fixed assets	11	240,643	5,062	364,657	7,671
Cost		766,816	16,131	867,545	18,250
Accumulated depreciation		(526,173)	(11,069)	(502,888)	(10,579)
Other assets		3,675,899	77,329	3,034,240	63,828
Receivables	12.1	243,958	5,132	219,953	4,627
Interest and fees receivable	12.2	3,250,843	68,385	2,636,470	55,461
Other assets	12.3	181,098	3,812	177,817	3,740
TOTAL ASSETS		385,056,987	8,100,063	340,887,107	7,170,903
LIABILITIES					
Due to and borrowings from other banks		49,307,383	1,037,232	82,995,579	1,745,895
Due to other banks	13.1	47,024,138	989,201	342,453	7,204
Borrowings from other banks	13.2	2,283,245	48,031	82,653,126	1,738,691
Customer deposits	14	240,195,104	5,052,744	167,910,894	3,532,174
Derivatives and other financial liabilities	15	203,128	4,273	-	-
Other liabilities		4,412,658	92,827	4,873,239	102,515
Interest and fees payable	16.1	1,175,016	24,718	1,296,286	27,269
Other payables	16.2	2,797,116	58,842	3,036,426	63,875
Provision for contingent liabilities and off-balance sheet commitments	9	440,526	9,267	540,527	11,371
TOTAL LIABILITIES		294,118,273	6,187,076	255,779,712	5,380,584
OWNER'S EQUITY					
Contributed capital		50,000,000	1,051,800	50,000,000	1,051,800
Reserves		6,147,279	129,314	5,272,581	110,914
Retained earnings		34,791,435	731,873	29,834,814	627,605
TOTAL OWNER'S EQUITY	18.1	90,938,714	1,912,987	85,107,395	1,790,319
TOTAL LIABILITIES AND OWNER'S EQUITY		385,056,987	8,100,063	340,887,107	7,170,903

CTBC Bank Co., Ltd. - Ho Chi Minh City Branch
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BALANCE SHEET (continued)
as at 31 December 2013

B02/TCTD

OFF-BALANCE SHEET ITEMS

	Notes	31 December 2013		31 December 2012	
		US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Contingencies		43,435,587	913,711	22,585,731	475,114
Guarantees		17,896,812	376,477	7,408,873	155,853
Letters of credit		25,538,775	537,234	15,176,858	319,261
Commitments		-	-	5,000,000	105,180
Loan commitment to customer		-	-	5,000,000	105,180
Total	29	43,435,587	913,711	27,585,731	580,294

Prepared by:



Ms. Vo Thi Dieu Hien
Accountant

Reviewed by:



Ms. Vu Thi Hoang Ha
Head of Accounting Department

Approved by:



Mr. Lan, Tien Hsin
General Manager

Ho Chi Minh City, Vietnam

19 March 2014

CTBC Bank Co., Ltd. - Ho Chi Minh City Branch
(previously known as Chinatrust Commercial Bank - Ho Chi Minh City Branch)

INCOME STATEMENT
for the financial year ended 31 December 2013

B03/TCTD

	Notes	2013		2012	
		US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Interest and similar income	19	13,208,340	277,851	15,551,693	327,145
Interest and similar expenses	20	(3,617,225)	(76,092)	(5,356,183)	(112,673)
Net interest and similar income		9,591,115	201,759	10,195,510	214,472
Fees and commission income		1,716,187	36,102	1,411,801	29,699
Fees and commission expenses		(197,961)	(4,164)	(219,904)	(4,626)
Net fees and commission income	21	1,518,226	31,938	1,191,897	25,073
Net gain from foreign currencies trading	22	590,942	12,431	811,184	17,064
Net gain from dealing of investment securities	23	1,701,021	35,783	-	-
Other income	24	223,129	4,694	545,692	11,479
Other expenses		-	-	-	-
Net other income		223,129	4,694	545,692	11,479
TOTAL OPERATING INCOME		13,624,433	286,605	12,744,283	268,088
Personnel expenses		(2,433,135)	(51,183)	(2,254,270)	(47,421)
Depreciation charges		(112,266)	(2,361)	(122,206)	(2,571)
Other operating expenses		(3,209,430)	(67,514)	(3,143,353)	(66,124)
TOTAL OPERATING EXPENSES	25	(5,754,831)	(121,058)	(5,519,829)	(116,116)
Net operating profit before credit loss expenses		7,869,602	165,547	7,224,454	151,972
Credit loss expenses		-	-	-	-
PROFIT BEFORE TAX		7,869,602	165,547	7,224,454	151,972
Corporate income tax expense	17	(2,038,283)	(42,879)	(1,767,944)	(37,190)
NET PROFIT AFTER TAX		5,831,319	122,668	5,456,510	114,782

Prepared by:



Ms. Vo Thi Dieu Hien
Accountant

Reviewed by:



Ms. Vu Thi Hoang
Head of Accounting Department

Approved by:



Ms. Lan, Tien Hsin
General Manager

Ho Chi Minh City, Vietnam

19 March 2014

CTBC Bank Co., Ltd. - Ho Chi Minh City Branch
(previously known as Chinatrust Commercial Bank - Ho Chi Minh City Branch)

CASH FLOW STATEMENT
for the financial year ended 31 December 2013

B04/TCTD

	Notes	2013		2012	
		US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest and similar receipts		12,853,364	270,383	14,764,664	310,589
Interest and similar payments		(3,738,495)	(78,643)	(5,551,892)	(116,790)
Fees and commission receipts		1,530,456	32,195	1,191,897	25,073
Net receipts from foreign currencies and investment trading		2,291,963	48,214	823,708	17,328
Other receipts		19	-	377	8
Payments to employees and other operating expenses		(5,573,051)	(117,235)	(5,955,648)	(125,283)
Corporate income tax paid during the year	17	(2,064,264)	(43,424)	(1,672,549)	(35,184)
Net operating cash flows before changes in operating assets and liabilities		5,299,992	111,490	3,600,557	75,741
Changes in operating assets		31,750,002	667,893	23,477,946	493,882
Decrease/(increase) in due from and loans to other banks		12,846,755	270,244	(10,929,249)	(229,908)
Increase in investment securities		(6,699,245)	(140,925)	(34,205,945)	(719,556)
Decrease in loans and advances to customers		25,601,167	538,546	68,726,867	1,445,738
Decrease/(increase) in other assets		1,325	28	(113,727)	(2,392)
Changes in operating liabilities		38,487,278	809,619	(81,241,049)	(1,708,986)
Decrease in due to and borrowings from other banks		(33,688,196)	(708,663)	(70,226,343)	(1,477,281)
Increase/(decrease) in customer deposits		72,284,210	1,520,570	(11,745,257)	(247,073)
Increase in derivatives and other financial liabilities		203,128	4,273	-	-
Decrease/(increase) in other liabilities		(311,864)	(6,561)	730,551	15,368
Net cash flows from/(used in) operating activities		75,537,272	1,589,002	(54,162,546)	(1,139,363)

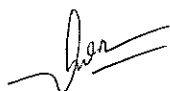
CTBC Bank Co., Ltd. - Ho Chi Minh City Branch
(previously known as Chinatrust Commercial Bank - Ho Chi Minh City Branch)

CASH FLOW STATEMENT (continued)
for the financial year ended 31 December 2013

B04/TCTD

	Notes	2013		2012	
		US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
CASH FLOWS FROM INVESTING ACTIVITY					
Purchase of fixed assets		(1,231)	(26)	(16,293)	(343)
Net cash flows used in investing activity		(1,231)	(26)	(16,293)	(343)
Net increase/(decrease) in cash and cash equivalents during the year		75,536,041	1,588,976	(54,178,839)	(1,139,706)
Cash and cash equivalents at the beginning of the year		58,195,115	1,224,192	112,373,954	2,363,898
Cash and cash equivalents at the end of the year	26	133,731,156	2,813,168	58,195,115	1,224,192

Prepared by:



Ms. Vo Thi Dieu Hien
Accountant

Reviewed by:



Ms. Vu Thi Hoang Ha
Head of Accounting Department

Approved by:



Mr. Lan, Tien Hsin
General Manager

Ho Chi Minh City, Vietnam

19 March 2014

CTBC Bank Co., Ltd. - Ho Chi Minh City Branch
(previously known as Chinatrust Commercial Bank - Ho Chi Minh City Branch)

NOTES TO THE FINANCIAL STATEMENTS
as at and for the financial year ended 31 December 2013

B05/TCTD

1. CORPORATE INFORMATION

Establishment and Operations

CTBC Bank Co., Ltd. - Ho Chi Minh City Branch, previously known as Chinatrust Commercial Bank – Ho Chi Minh City Branch, ("the Bank") is the branch established in the Socialist Republic of Vietnam by CTBC Bank Co., Ltd., a bank incorporated in Taiwan.

The Bank was established and operates in accordance with Banking License No. 04/NHNN-GP issued by the State Bank of Vietnam ("the State Bank" or "the SBV") on 6 February 2002, Business Registration No. 107058 dated 24 April 2002 and other amendments issued by Ho Chi Minh City Department of Planning and Investment. The Bank's operational duration is 20 years from the Banking License date.

On 23 September 2013, the SBV issued Decision No. 2129/QD-NHNN to approve the change in the Bank's name from Chinatrust Commercial Bank - Ho Chi Minh City Branch to CTBC Bank Co., Ltd. - Ho Chi Minh City Branch.

The Bank's principal activities are to provide banking services including 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 financial services and providing other banking services allowed by the SBV.

Contributed capital

The contributed capital of the Bank is US\$50,000,000 which was fully paid-up by CTBC Bank Co., Ltd. – Head Office, incorporated in Taiwan.

Location

The Bank's office is located at 9th Floor, Kumho Asiana Plaza, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

Employees

Total employees of the Bank as at 31 December 2013 were 67 persons (2012: 67 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 maintains its accounting records in United States dollars ("US\$") which was approved by the SBV according to Official Letter No. 515/CV-KTTC dated 20 May 2002.

3. ACCOUNTING STANDARDS AND SYSTEM

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

The Bank's General Manager confirms that the accompanying financial statements have been prepared in accordance with the Vietnamese Accounting Standards and Accounting System for Credit Institutions.

3. ACCOUNTING STANDARDS AND SYSTEM (continued)

3.2 Accounting standards and system

The financial statements of the Bank, expressed in US\$, are prepared in accordance with the Accounting System for Credit Institutions required under SBV Decision No. 479/2004/QD-NHNN dated 29 April 2004 and its related amendments; SBV Decision No. 16/2007/QD-NHNN dated 18 April 2007 regarding to the financial reporting mechanism for credit institutions and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

The accompanying financial statements have been prepared using accounting principles, procedures and reporting practices generally accepted in Vietnam. Accordingly, the accompanying balance sheet, income statement, cash flow statement and notes to the 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 intended to present its financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

3.3 Use of estimates

The preparation of the financial statements requires the General Manager 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 differ, resulting in future changes in such provisions.

Going concern

The Bank's General Manager has assessed the Bank's ability to continue as a going concern and recognised that the Bank has sufficient resources to maintain its business operations in a definite future. In addition, the General Manager is not aware of any significant uncertainties that may affect the Bank's ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern basis.

3.4 Changes in accounting policies and disclosures

The accounting policies adopted by the Bank in preparation of the financial statements for the financial year ended 31 December 2013 are consistent with those followed in the preparation of the financial statements for the financial year ended 31 December 2012.

CTBC Bank Co., Ltd. - Ho Chi Minh City Branch
(previously known as Chinatrust Commercial Bank - Ho Chi Minh City Branch)

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

B05/TCTD

3. ACCOUNTING STANDARDS AND SYSTEM (continued)

3.5 Accounting standards and regulations issued but not yet effective

The standards that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below.

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

On 21 January 2013, the SBV issued Circular No. 02/2013/TT-NHNN regulating classification of assets, making and use of provision in the operations 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.

Circular 02 will replace the current regulations on loan classification and provision for loans and advances to customers as 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/QĐ-NHNN dated 23 April 2012.

Significant changes in Circular 02 follow:

- ▶ Scope of loan classification: There is a requirement for classification and making provision for entrusted investments, entrustment for credit granting, credit cards, loans bought/sold, and due from other banks.
- ▶ Use of credit information: Circular 02 requires that result of classification of loans and off-balance-sheet commitments must be adjusted to a higher risk level following the result of the classification of other credit institutions. Credit institutions are also required to report their loan and off-balance-sheet commitment classification to Credit Information Center of the SBV (CIC) on a quarterly basis.
- ▶ Valuation of collaterals: Collateral assets exceeding VND200 billion or collateral assets of loans to related parties exceeding VND50 billion or loans subject to credit restrictions must be appraised by an independent valuer.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents comprise cash, balances with the SBV, treasury notes, and other short-term valuable papers which can be discounted with the SBV, balances due from and loans to other banks on demand or with an original maturity of less than three months from transaction dates and investment securities with maturity of less than three months from purchase dates that are readily convertible into certain amounts of cash and have insignificant risk of change in value.

4.2 Loans and advances to customers

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

CTBC Bank Co., Ltd. - Ho Chi Minh City Branch
(previously known as Chinatrust Commercial Bank - Ho Chi Minh City Branch)

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

B05/TCTD

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Provision for credit losses

Loan classification

Loans and advances to customers are classified and provided for allowance in accordance with the Law on Credit Institutions No. 47/2010/QH12 effective from 1 January 2011; Decision No. 1627/2001/QD-NHNN dated 31 December 2001 issued by the SBV on lending statutory; Decision No. 127/2005/QD-NHNN dated 3 February 2005 amending and supplementing Decision No. 1627/2001/QD-NHNN; Decision No. 493/2005/QD-NHNN dated 22 April 2005 and Decision No. 18/2007/QD-NHNN dated 25 April 2007 by the SBV on loan classification and provision. 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/QD-NHNN, loans and advances to customers are classified at the end of each quarter for the first three quarters and at 30 November for the fourth quarter of the financial year.

On 23 April 2012, the SBV issued Decision No. 780/QD-NHNN stipulating the loan classification for restructured loans and advances. Accordingly, credit institutions are permitted to keep unchanged the group of loans and advances which have been rescheduled or extended for repayment based on the assessment of the financial performance and the ability to repay the loans after restructuring or extension.

Specific provision

Specific provision is created based on the net credit exposure for each borrower using fixed provision rates as follows:

<u>Group</u>	<u>Category</u>	<u>Specific provision rate</u>
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.

General provision

In accordance with Decision No. 493/2005/QD-NHNN, a general provision is made for loan losses which have not been identified yet during the loan classification and making specific provision processes and for the Bank's 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 classified from groups 1 to 4.

Use of provision

The provision is recognised in the income statement as an expense and will be used to write off any loan 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 individual borrowers are deceased or missing.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Investments in securities

4.4.1 Available-for-sale securities

Available-for-sale securities include debt securities, which are held by the Bank for the purpose of investment and available-for-sale, not regularly traded but can be sold when there is a benefit. The Bank is neither the founding shareholder nor strategic partner nor has the ability to place certain influence in establishing and making the financial and operating policies of the investees through a written agreement on assignment of their representatives to the Board of Directors/Management.

Debt securities are initially recognised at face value at the purchase date. The accrued interest income (for debt securities with interest payment in arrears) and deferred interest income (for debt securities with interest payment in advance) are recognised in a separate account. Discount/premium which is the 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 recorded in a separate account. In subsequent periods, these securities are continuously recorded at face value, and the discount/ premium is amortised to the income statement on the straight-line basis over the remaining term of securities. Interest received in arrears is recorded on the following principle: the accrued interest incurred prior to the purchase is credited to the cost of such securities; and the accrued interest incurred after the purchase is recognised into the income statement under the cumulative method. Interest received in advance is amortised to the income statement on the straight-line basis over the term of securities.

Periodically, these securities are subject to review for impairment. Provision for available-for-sale securities is made when impaired in accordance with Circular No. 228/2009/TT-BTC issued by the Ministry of Finance dated 7 December 2009. In case the market value cannot be determined, no provision is required. Provision for a diminution in value is recognised into the income statement in "Net gain/(loss) from dealing of investment securities".

4.4.2 Held-to-maturity securities

Held-to-maturity securities are debt securities which are acquired by the Bank with the purpose of earning interest and which the Bank has the intention and ability to hold to maturity. Held-to-maturity investments have fixed or determinable payments and maturity date. In case these securities are sold before maturity, they will be transferred to trading securities or available-for-sale securities.

The securities are initially recognised at face value at the purchase date. The accrued interest income (for debt securities with interest payment in arrears) and deferred interest income (for debt securities with interest payment in advance) are recognised in a separate account. Discount/premium which is the 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 recorded in a separate account.

In subsequent periods, these securities are continuously recorded at face value, and the discount/ premium is amortised to the income statement on the straight-line basis over the remaining term of securities. Interest received in arrears is recorded on the following principle: the accrued interest incurred prior to the purchase is credited to the cost of such securities and the corresponding accrued interest income account; and the accrued interest incurred after the purchase is recognised into the income statement under the cumulative method. Interest received in advance is amortised to the income statement on the straight-line basis over the term of securities.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Investments in securities (continued)

4.4.2 Held-to-maturity securities (continued)

Periodically, these securities are subject to review for impairment. Provision for available-for-sale securities is made when impaired in accordance with Circular No. 228/2009/TT-BTC. In case the market value cannot be determined, no provision is required. Provision for a decline in value is recognised into the income statement in "Net gain/(loss) from dealing of investment securities".

4.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

When tangible fixed assets are sold or liquidated, their cost and accumulated depreciation are deducted from the balance sheet and any gain/(loss) resulting from their disposal are recorded to the income statement.

4.6 Depreciation

Depreciation of tangible fixed assets are calculated on a straight-line basis over the estimated useful life of tangible fixed assets as follows:

Leasehold improvement	5 years
Office equipments	3 - 5 years

4.7 Prepaid and deferred expenses

Prepaid and deferred expenses are amortised over the period for which the amount are paid or the period in which economic benefit are generated in relation to these expenses.

4.8 Payables and accruals

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

4.9 Lease

Lease payments of operating leasing contract are recognised into the income statement on a straight-line basis over the lease term.

4.10 Recognition of income and expenses

Interest income and interest expenses are recognised in the income statement on an accrual basis. The recognition of accrued interest income is suspended for loans classified in groups 2 to 5 in compliance with Decision No. 493/2005/QD-NHNN and Decision No. 18/2007/QD-NHNN. Suspended interest income is reversed and monitored in the off-balance sheet and recognised in the income statement upon actual receipt.

Fees and commission income are recognised when services are provided.

Fee from Letter of credit Negotiation is amortised in the income statement on a straight-line basic over the service term.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Foreign currency transactions

The Bank maintains its accounting system and records all transactions in original currencies. Monetary assets and liabilities denominated in currencies other than US\$ at year-end are re-translated into US\$ using the exchange rate ruling at the balance sheet date as announced by the SBV (*Note 35*). Income and expenses arising in currencies other than US\$ during the year are converted into US\$ at rates ruling at the transaction dates. Unrealised foreign exchange differences arising from the translation of monetary assets and liabilities at the balance sheet date are recognised in the income statement.

4.12 Corporate income tax

Current tax

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

Current income tax is charged or credited to the 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 to set off current tax assets against current tax liabilities and when the Bank intends to settle its current tax assets and liabilities on a net basis.

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

Deferred tax

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

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

- ▶ Where the deferred tax liability 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.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, 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.

The carrying amount of deferred tax assets is reviewed at the end of the financial year and reduced to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred 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 end of the financial year.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Corporate income tax (continued)

Deferred tax (continued)

Deferred tax is charged or credited to the 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 intends to settle its current tax assets and liabilities on a net basis.

4.13 Fiduciary assets

Assets held in a fiduciary capacity are not reported in the financial statements as they are not assets of the Bank.

4.14 Provision for off-balance-sheet commitments

According to Decision No. 493/2005/QD-NHNN and Decision No. 18/2007/QD-NHNN, credit institutions are required to make the classification and provision for guarantees, payment acceptances and non-cancelable loan commitments with specific effective date (generally called "off-balance sheet commitments") in compliance with Article 6 of Decision No. 493/2005/QD-NHNN. 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.

Provision for off-balance-sheet commitments is calculated similarly to the provision for loans and advances to customers as described in *Note 4.3*. Provision expense is recorded in "*Credit loss expense*" of the income statement and provision balance is recorded in "*Other liabilities*" of the balance sheet.

4.15 Derivatives

Forward and swap foreign currency contracts

For forward and swap 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 recorded as an asset item - "*Derivatives and other financial assets*" if it is positive or as a liability item - "*Derivatives and other financial liabilities*" if it is negative. This difference will then be allocated to "*Net gain/(loss) from foreign currencies trading*" on a straight-line basis over the contract term. At the balance sheet date, commitments related to forward and swap contracts are revalued at the Bank's spot exchange rate as at that date. Gain/(loss) arising from revaluation is recognised in the "*Net gain/(loss) from foreign currencies trading*".

4.16 Offsetting

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

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Employee benefits

4.17.1 Post employment benefits

Post employment benefits are paid to retired employees of the Bank by the Social Insurance Agency which belongs to the Ministry of Labor and Social Affairs. The Bank is required to contribute 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 has no further obligation.

4.17.2 Voluntary resignation and retrenchment benefits

Voluntary resignation benefits: The Bank has the obligation, under Section 42 of the Vietnam Labor Code amended on 2 April 2002, to pay allowance arising from voluntary resignation of employees, equal to one-half month's salary for each year of employment up to 31 December 2008 plus salary allowances (if any). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date.

Retrenchment benefits: The Bank has the obligation, under Section 17 of the Vietnam Labor Code, to pay allowance to employees who are retrenched as a result of the organisational restructuring or technological changes. In such case, the Bank shall pay to 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.

4.17.3 Unemployment benefits

According to Circular No. 04/2009/TT-BLDTBXH guiding Decree No. 127/2008/ND-CP on unemployment insurance, from 1 January 2009, the Bank is 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 pay to the Unemployment Insurance Fund.

4.18 Nil balance

Items or balances required by Decision No. 16/2007/QD-NHNN dated 18 April 2007 issued by the SBV on promulgation of financial statement reporting for credit institutions that are not shown in these financial statements indicate nil balance.

4.19 Financial information in Vietnam Dong

Solely for reference purpose only, the Bank also translated the financial information in million of Vietnam Dong ("VNDm") equivalence. The translations of the USD amounts into Vietnam Dong ("VND") are presented in the financial statements in compliance with Circular No. 244/2009/TT-BTC providing amendment of and addition to the enterprise accounting system issued by the Ministry of Finance on 31 December 2009. Accordingly, financial information presented in the financial statements including the current presentation and its comparatives in foreign currencies should be translated into VND equivalence using the exchange rate ruling at the balance sheet date. For the financial year ended 31 December 2013, the exchange rate announced by the SBV is VND 21,036/ US\$1.

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5. CASH

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
In US\$	418,756	8,809	409,294	8,610
In VND	181,462	3,817	605,669	12,741
	600,218	12,626	1,014,963	21,351

6. BALANCES WITH THE STATE BANK OF VIETNAM

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
In US\$	1,770,773	37,250	9,670,719	203,433
In VND	2,394,706	50,375	1,554,912	32,709
	4,165,479	87,625	11,225,631	236,142

Balances with the SBV include settlement and compulsory deposits. In 2013, compulsory deposits in VND and settlement deposits in foreign currencies earned interest at rates of 1.20% p.a and 0.05% p.a, respectively.

In accordance with the SBV's regulations, as at 31 December 2013, the Bank is required to maintain certain cash reserves with the SBV in the form of compulsory deposits, which are computed at:

- ▶ 3.00% and 1.00% of customer deposits in VND with original maturities of less than 12 months and over 12 months, respectively.
- ▶ 8.00% and 6.00% of customer deposits in foreign currencies with original maturities of less than 12 months and over 12 months, respectively.
- ▶ 1.00% of deposits from overseas credit institutions.

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7. DUE FROM AND LOANS TO OTHER BANKS

7.1 Due from other banks

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Demand deposits	4,465,459	93,936	16,274,092	342,342
In VND	633,939	13,336	390,039	8,205
In foreign currencies				
- Amount due from other banks	3,825,650	80,477	15,881,611	334,086
- Amount due from affiliates (Note 30)	5,870	123	2,442	51
Term deposits	124,500,000	2,618,981	43,000,000	904,548
In foreign currencies				
- Amount due from Head Office (Note 30)	121,500,000	2,555,874	43,000,000	904,548
- Amount due from other banks	3,000,000	63,107	-	-
	128,965,459	2,712,917	59,274,092	1,246,890

Interest rates of balances due from other banks at year-end are as follows:

	31 December 2013 % p.a	31 December 2012 % p.a
Demand deposits in VND	0.24 - 0.50	0.24 - 0.50
Demand deposits in foreign currencies	0.02 - 0.20	0.02 - 0.10
Term deposits in foreign currencies	0.40 - 1.20	0.30 - 0.97

7.2 Loans to other banks

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Loans to an affiliate in VND (Note 30)				
- Chailease International Leasing Co., Ltd.	6,478,985	136,292	6,006,169	126,346
	6,478,985	136,292	6,006,169	126,346

Interest rates of loans to an affiliate in VND at the year-end are as follows:

	31 December 2013 % p.a	31 December 2012 % p.a
Loans to an affiliate in VND	6.50 - 6.75	5.50 - 8.00

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8. LOANS AND ADVANCES TO CUSTOMERS

	<u>31 December 2013</u>		<u>31 December 2012</u>	
	<i>US\$</i>	<i>in VNDm (Note 4.19)</i>	<i>US\$</i>	<i>in VNDm (Note 4.19)</i>
Loans to economic entities	195,852,081	4,119,945	224,115,911	4,714,502
Loans for discounted commercial notes and valuable papers	5,642,346	118,692	2,979,683	62,681
	<u>201,494,427</u>	<u>4,238,637</u>	<u>227,095,594</u>	<u>4,777,183</u>

Interest rates of loans and advances to customers at the year-end are as follows:

	<u>31 December 2013</u>	<u>31 December 2012</u>
	<i>% p.a</i>	<i>% p.a</i>
Commercial loans in VND	5.60 - 11.30	7.47 - 14.27
Commercial loans in foreign currencies	1.50 - 6.60	1.50 - 6.60
Commercial loans for discounted commercial notes and valuable papers	1.80 - 4.95	2.00 - 2.79

8.1 Analysis of loan portfolio by quality

	<u>31 December 2013</u>		<u>31 December 2012</u>	
	<i>US\$</i>	<i>in VNDm (Note 4.19)</i>	<i>US\$</i>	<i>in VNDm (Note 4.19)</i>
Current	<u>201,494,427</u>	<u>4,238,637</u>	<u>227,095,594</u>	<u>4,777,183</u>

8.2 Analysis of loan portfolio by original term

	<u>31 December 2013</u>		<u>31 December 2012</u>	
	<i>US\$</i>	<i>in VNDm (Note 4.19)</i>	<i>US\$</i>	<i>in VNDm (Note 4.19)</i>
Short-term loans	148,186,090	3,117,243	159,014,273	3,345,024
Medium-term loans	38,261,725	804,874	47,637,292	1,002,098
Long-term loans	15,046,612	316,520	20,444,029	430,061
	<u>201,494,427</u>	<u>4,238,637</u>	<u>227,095,594</u>	<u>4,777,183</u>

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8. LOANS AND ADVANCES TO CUSTOMERS (continued)

8.3 Analysis of loan portfolio by ownership type

	31 December 2013			31 December 2012		
	US\$	in VNDm	%	US\$	in VNDm	%
Foreign direct invested companies	167,832,925	3,530,534	83.30	184,643,229	3,884,155	81.31
State-owned companies	17,799,301	374,426	8.83	26,265,603	552,523	11.57
Joint stock companies	7,756,469	163,165	3.85	433,834	9,126	0.19
Limited liability companies	4,358,232	91,680	2.16	6,909,762	145,354	3.04
Stated-owned joint stock companies	3,747,500	78,832	1.86	8,843,166	186,025	3.89
	201,494,427	4,238,637	100.00	227,095,594	4,777,183	100.00

8.4 Analysis of loan portfolio by economic sector

	31 December 2013			31 December 2012		
	US\$	in VNDm	%	US\$	in VNDm	%
Manufacturing and processing	163,246,820	3,434,060	81.02	172,351,190	3,625,580	75.89
Agriculture, forestry and fisheries	13,434,799	282,614	6.67	20,417,526	429,503	8.99
Real estates	12,511,896	263,200	6.21	11,225,274	236,135	4.94
Electricity, petroleum and water	12,300,912	258,763	6.10	22,861,543	480,915	10.07
Construction	-	-	-	240,061	5,050	0.11
	201,494,427	4,238,637	100.00	227,095,594	4,777,183	100.00

9. PROVISION FOR CREDIT LOSSES

The Bank has classified its loans to other banks, loans and advances to customers and off-balance sheet commitments in accordance with Article 6 of Decision No. 493/2005/QD-NHNN, Decision No. 18/2007/QD-NHNN and its policy on loan classification and provision for credit losses. Accordingly, the provision for credit losses at the year-end was made based on the classification of outstanding loan balances and off-balance sheet commitments as at 30 November.

Provision for credit losses comprised of:

	31 December 2013		31 December 2012	
	US\$	in VNDm	US\$	in VNDm
Provision for loans to other banks	100,000	2,102	150,000	3,154
Provision for loans and advances to customers	1,655,696	34,829	1,728,805	36,367
Provision for contingent liabilities and off-balance sheet commitments	440,526	9,267	540,527	11,371
	2,196,222	46,198	2,419,332	50,892

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9. PROVISION FOR CREDIT LOSSES (continued)

Changes in the provision for credit losses in 2013 are summarised as follows:

	<i>General provision for loans to other banks US\$</i>	<i>General provision for loans and advances to customers US\$</i>	<i>General provision for off-balance sheet commitment US\$</i>	<i>Total US\$</i>
Beginning balance	150,000	1,728,805	540,527	2,419,332
Reversal of provision	(50,000)	(73,109)	(100,001)	(223,110)
Ending balance	100,000	1,655,696	440,526	2,196,222

	<i>General provision for loans to other banks in VNDm (Note 4.19)</i>	<i>General provision for loans and advances to customers in VNDm (Note 4.19)</i>	<i>General provision for off-balance sheet commitment in VNDm (Note 4.19)</i>	<i>Total in VNDm (Note 4.19)</i>
Beginning balance	3,154	36,367	11,371	50,892
Reversal of provision	(1,052)	(1,538)	(2,104)	(4,694)
Ending balance	2,102	34,829	9,267	46,198

Changes in the provision for credit losses in 2012 are summarised as follows:

	<i>General provision for loans to other banks US\$</i>	<i>General provision for loans and advances to customers US\$</i>	<i>General provision for off-balance sheet commitment US\$</i>	<i>Total US\$</i>
Beginning balance	-	2,362,841	540,527	2,903,368
Charged/(reversed) for the year	150,000	(634,036)	-	(484,036)
Ending balance	150,000	1,728,805	540,527	2,419,332

	<i>General provision for loans to other banks in VNDm (Note 4.19)</i>	<i>General provision for loans and advances to customers in VNDm (Note 4.19)</i>	<i>General provision for off-balance sheet commitment in VNDm (Note 4.19)</i>	<i>Total in VNDm (Note 4.19)</i>
Beginning balance	-	49,703	11,371	61,074
Charged/(reversed) for the year	3,154	(13,336)	-	(10,182)
Ending balance	3,154	36,367	11,371	50,892

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9. PROVISION FOR CREDIT LOSSES (continued)

The breakdown of loan classification and provision for credit losses on loans to other banks, loans and advances to customers and off-balance sheet commitments as required by Decision No. 493/2005/QD-NHNN, Decision No. 18/2007/QD-NHNN and the Bank's policy on loan classification and provision for credit losses as at 30 November 2013 is as follows:

Classification	Loan balance		General provision	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Loans to other banks				
- Current	6,787,508	142,782	100,000	2,102
Loans and advances to customers				
- Current	192,309,263	4,045,418	1,655,696	34,829
Off-balance sheet commitments				
- Current	50,911,573	1,070,976	440,526	9,267
	250,008,344	5,259,176	2,196,222	46,198

The Bank has made adequate provision for credit losses in compliance with the SBV's regulations at the year-end.

10. INVESTMENT SECURITIES

	31 December 2013		31 December 2012	
	Face value	Carrying value	Face value	Carrying value
	US\$	US\$	US\$	US\$
Available-for-sale securities				
Government bonds (a)	39,681,346	40,239,139	33,026,089	33,782,072
Held-to-maturity securities				
Government bonds (b)	950,751	952,434	950,751	968,494
	40,632,097	41,191,573	33,976,840	34,750,566
	31 December 2013		31 December 2012	
	Face value	Carrying value	Face value	Carrying value
	in VNDm (Note 4.19)	in VNDm (Note 4.19)	in VNDm (Note 4.19)	in VNDm (Note 4.19)
Available-for-sale securities				
Government bonds (a)	834,737	846,471	694,737	710,640
Held-to-maturity securities				
Government bonds (b)	20,000	20,035	20,000	20,373
	854,737	866,506	714,737	731,013

(a) Available-for-sale Government bonds have term from 2 years to 5 years and bear interest at rates ranging from 6.70% p.a. to 9.50% p.a. Interest and principal are paid annually and at maturity dates, respectively.

(b) Held-to-maturity Government bonds have term of 3 years and bear interest at rate of 12.30% p.a. Interest and principal are paid annually and at maturity dates, respectively. These bonds are pledged at the SBV for making inter-bank transactions (Note 32.2).

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11. TANGIBLE FIXED ASSETS

	<i>Leasehold improvement US\$</i>	<i>Office equipments US\$</i>	<i>Total US\$</i>
Cost			
Beginning balance	365,596	501,949	867,545
New purchases	-	1,231	1,231
Disposals	-	(1,332)	(1,332)
Decreases	-	(100,628)	(100,628)
Ending balance	<u>365,596</u>	<u>401,220</u>	<u>766,816</u>
Accumulated depreciation			
Beginning balance	84,600	418,288	502,888
Charges for the year	73,119	39,147	112,266
Disposals	-	(1,199)	(1,199)
Decreases	-	(87,782)	(87,782)
Ending balance	<u>157,719</u>	<u>368,454</u>	<u>526,173</u>
Net book value			
Beginning balance	<u>280,996</u>	<u>83,661</u>	<u>364,657</u>
Ending balance	<u>207,877</u>	<u>32,766</u>	<u>240,643</u>

	<i>Leasehold improvement in VNDm (Note 4.19)</i>	<i>Office equipments in VNDm (Note 4.19)</i>	<i>Total in VNDm (Note 4.19)</i>
Cost			
Beginning balance	7,691	10,559	18,250
New purchases	-	26	26
Disposals	-	(28)	(28)
Decreases	-	(2,117)	(2,117)
Ending balance	<u>7,691</u>	<u>8,440</u>	<u>16,131</u>
Accumulated depreciation			
Beginning balance	1,780	8,799	10,579
Charges for the year	1,538	823	2,361
Disposals	-	(24)	(24)
Decreases	-	(1,847)	(1,847)
Ending balance	<u>3,318</u>	<u>7,751</u>	<u>11,069</u>
Net book value			
Beginning balance	<u>5,911</u>	<u>1,760</u>	<u>7,671</u>
Ending balance	<u>4,373</u>	<u>689</u>	<u>5,062</u>

Decreases reflect the transfers of certain fixed assets which have original costs of under VND30 million (equivalent to US\$1,426) and are not qualified as fixed assets into deferred expenses in compliance with Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013. These deferred expenses will be amortised for a period of 3 years (Note 12.3).

Cost of tangible fixed assets which have been fully depreciated but still in use as at 31 December 2013 amounted to US\$287,982.

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12 OTHER ASSETS

12.1 Receivables

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Office rental deposits	220,734	4,643	215,912	4,542
Deductible VAT	2,846	60	2,921	61
Others	20,378	429	1,120	24
	243,958	5,132	219,953	4,627

12.2 Interest and fees receivable

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
From investment securities	2,390,571	50,288	1,787,433	37,600
From loans and advances to customers	672,018	14,137	795,986	16,744
From due from and loans to other banks	39,381	828	33,327	701
Others	148,873	3,132	19,724	416
	3,250,843	68,385	2,636,470	55,461

12.3 Other assets

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Prepaid expense	168,252	3,542	177,817	3,740
Golf membership fee	131,560	2,767	146,740	3,087
Health care expense for employees	32,553	685	27,225	573
Others	4,139	90	3,852	80
Deferred expenses	12,846	270	-	-
	181,098	3,812	177,817	3,740

Deferred expenses are fixed assets which have original cost of under VN30 million and are not qualified as fixed assets in compliance with Circular No. 45/2013/TT - BTC issued by the Ministry of Finance dated 25 April 2013 (Note 11).

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13. DUE TO AND BORROWINGS FROM OTHER BANKS

13.1 Due to other banks

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Demand deposits from affiliates (Note 30)	126,114	2,654	342,453	7,204
In VND	89,462	1,882	101,671	2,139
In US\$	36,652	772	240,782	5,065
Term deposits	46,898,024	986,547	-	-
In VND	9,507,511	200,000	-	-
In foreign currencies	37,390,513	786,547	-	-
	47,024,138	989,201	342,453	7,204

13.2 Borrowings from other banks

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
In foreign currencies				
- From Head Office (Note 30)	854,671	17,980	28,653,126	602,747
- From affiliates (Note 30)	1,428,574	30,051	54,000,000	1,135,944
	2,283,245	48,031	82,653,126	1,738,691

Interest rates of balances due to and borrowings from other banks at the year-end are as follows:

	31 December 2013 % p.a	31 December 2012 % p.a
Term deposits in VND	0.22 - 3.20	-
Term deposits in foreign currencies	3.00 - 5.20	-
Borrowings in foreign currencies	0.69 - 3.20	0.14 - 3.20

14. CUSTOMER DEPOSITS

14.1 Analysis by type of products

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Demand deposits	126,388,438	2,658,708	70,865,732	1,490,732
In VND	31,528,792	663,240	26,952,305	566,969
In foreign currencies	94,859,646	1,995,468	43,913,427	923,763
Term deposits	113,785,869	2,393,599	97,045,162	2,041,442
In VND	40,006,508	841,577	35,560,705	748,055
In foreign currencies	73,779,361	1,552,022	61,484,457	1,293,387
Margin deposits	20,797	437	-	-
In VND	20,797	437	-	-
	240,195,104	5,052,744	167,910,894	3,532,174

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14. CUSTOMER DEPOSITS (continued)

14.1 Analysis by type of products (continued)

Interest rates of customer deposits at year-end are as follows:

	31 December 2013 % p.a	31 December 2012 % p.a
Demand deposit in VND	0.50	0.50
Demand deposit in foreign currencies	0.05	0.05
Term deposits in VND	1.20 - 7.00	1.20 - 11.90
Term deposits in foreign currencies	0.20 - 0.70	0.15 - 1.50

14.2 Analysis by type of customer and type of business

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Deposits from business entities	202,709,942	4,264,206	135,117,268	2,842,327
Foreign-invested enterprises	165,941,560	3,490,747	127,061,507	2,672,866
Private enterprises and others	35,611,834	749,131	7,206,997	151,606
State-owned enterprises	1,156,548	24,328	848,764	17,855
Deposits from individuals	37,485,162	788,538	32,793,626	689,847
	240,195,104	5,052,744	167,910,894	3,532,174

15. DERIVATIVES AND OTHER FINANCIAL LIABILITIES

	Nominal amount (using the exchange rate at the effective date) US\$	Carrying value (using the exchange rate at the balance sheet date)	
		Assets US\$	Liabilities US\$
Forward currency contracts as at 31 December 2013	12,000,000	-	203,128

	Nominal amount (using the exchange rate at the effective date) in VNDm (Note 4.19)	Carrying value (using the exchange rate at the balance sheet date)	
		Assets in VNDm (Note 4.19)	Liabilities in VNDm (Note 4.19)
Forward currency contracts as at 31 December 2013	252,432	-	4,273

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16. OTHER LIABILITIES

16.1 Interest and fees payable

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
On customers deposits	1,119,430	23,548	1,222,387	25,714
On amounts due to and borrowings from other banks	55,586	1,170	73,899	1,555
	1,175,016	24,718	1,296,286	27,269

16.2 Other payables

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Payables for internal activities	391,899	8,244	359,543	7,564
Payable to employees	326,410	6,866	301,282	6,338
Severance allowance	65,489	1,378	58,261	1,226
Payables for external activities	2,405,217	50,598	2,676,883	56,311
Management fee payable to Head Office (Note 30)	1,382,462	29,081	1,309,705	27,551
Taxes and other statutory obligations (Note 17)	555,834	11,694	576,704	12,131
Amounts due to customers	386,610	8,133	688,266	14,478
Unearned interest income from Letter of credit Discounting	20,254	426	6,865	144
Others	60,057	1,264	95,343	2,007
	2,797,116	58,842	3,036,426	63,875

17. STATUTORY OBLIGATIONS

	Beginning balance US\$	Movement during the year		Ending balance US\$
		Payable US\$	Paid US\$	
Corporate income tax	491,027	2,038,283	(2,064,264)	465,046
Personal income tax	51,878	631,224	(611,700)	71,402
Value-added tax	13,408	128,448	(123,028)	18,828
Withholding tax	20,391	27,705	(47,538)	558
	576,704	2,825,660	(2,846,530)	555,834

	Beginning balance in VNDm (Note 4.19)	Movement during the year		Ending balance in VNDm (Note 4.19)
		Payable in VNDm (Note 4.19)	Paid in VNDm (Note 4.19)	
Corporate income tax	10,329	42,879	(43,424)	9,784
Personal income tax	1,091	13,279	(12,868)	1,502
Value-added tax	282	2,702	(2,588)	396
Withholding tax	429	583	(1,000)	12
	12,131	59,443	(59,880)	11,694

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17. STATUTORY OBLIGATIONS (continued)

The Bank has the obligation to pay corporate income tax ("CIT") at the rate of 25% of taxable profits.

Current corporate income tax payables are determined based on taxable income of the current year. Taxable income differs from the one reported in the income statement since taxable income excludes incomes which are taxable or expenses which are deducted in prior years due to differences between the Bank's accounting policies and the tax regulations, and also excludes tax exempted income and non-deductible expenses. The current corporate income tax payables of the Bank are calculated based on the statutory tax rates applicable at the year-end.

17.1 Current corporate income tax

The provision for current CIT expense for the year is estimated as follows:

	2013		2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Profit before tax	7,869,602	165,547	7,224,454	151,972
<i>Less:</i>				
- Excess provision for credit losses	(223,109)	(4,693)	(333,091)	(7,007)
<i>Add:</i>				
- Non-deductible expenses	292,149	6,146	554,941	11,674
Taxable income	7,938,642	167,000	7,446,304	156,639
CIT expense for current year	1,984,661	41,748	1,861,576	39,160
CIT paid in advance	53,622	1,131	-	-
Over CIT expense in previous years	-	-	(93,632)	(1,970)
Total CIT expense	2,038,283	42,879	1,767,944	37,190
CIT payable at the beginning of the year	491,027	10,329	395,632	8,323
CIT paid during the year	(2,064,264)	(43,424)	(1,672,549)	(35,184)
CIT payable at the end of the year	465,046	9,784	491,027	10,329

17.2 Deferred tax

There is no deferred tax recognised in the year since there are no significant temporary differences between carrying value and tax base of assets and liabilities in the financial statements.

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18. CAPITAL AND RESERVES

18.1 Statement of changes in capital and reserves

Changes in the Bank's capital and reserves in 2013 are summarised as follows:

	<i>Contributed capital</i> US\$	<i>Supplementary capital reserve</i> US\$	<i>Financial reserve</i> US\$	<i>Retained earnings</i> US\$	<i>Total</i> US\$
Beginning balance	50,000,000	1,772,636	3,499,945	29,834,814	85,107,395
Net profit for the year	-	-	-	5,831,319	5,831,319
Create reserves for current year	-	291,566	583,132	(874,698)	-
Ending balance	50,000,000	2,064,202	4,083,077	34,791,435	90,938,714

	<i>Contributed capital</i> in VNDm (Note 4.19)	<i>Supplementary capital reserve</i> in VNDm (Note 4.19)	<i>Financial reserve</i> in VNDm (Note 4.19)	<i>Retained earnings</i> in VNDm (Note 4.19)	<i>Total</i> in VNDm (Note 4.19)
Beginning balance	1,051,800	37,289	73,625	627,605	1,790,319
Net profit for the year	-	-	-	122,668	122,668
Create reserves for current year	-	6,133	12,267	(18,400)	-
Ending balance	1,051,800	43,422	85,892	731,873	1,912,987

18.2 Statutory reserves

The Government promulgated Decree No. 57/2012/ND-CP dated 20 July 2012 stipulating the financial regime applicable to credit institutions and branches of foreign banks which takes effect from 15 September 2012. Accordingly, the Bank is required to make the appropriations of profit after tax to create statutory reserves as follows:

	<i>Percentage of profit after tax</i>	<i>Maximum balance</i>
Supplementary capital reserve	5% of profit after tax	100% contributed capital
Financial reserve	10% of profit after tax	25% contributed capital

The use of these reserves must be in compliance with Decree No. 57/2012/ND-CP.

Other reserves are subject to the Bank's decision.

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19. INTEREST AND SIMILAR INCOME

	2013		2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
From loans and advances to customers	9,351,475	196,718	11,781,322	247,832
From investment securities	3,348,391	70,437	1,514,413	31,857
From deposits and loans to other banks	498,230	10,481	2,247,290	47,274
From other credit activities	10,244	215	8,668	182
	13,208,340	277,851	15,551,693	327,145

20. INTEREST AND SIMILAR EXPENSES

	2013		2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
From customer deposits	2,845,134	59,850	4,280,518	90,045
From deposits and borrowings from other banks	772,091	16,242	1,075,665	22,628
	3,617,225	76,092	5,356,183	112,673

21. NET FEES AND COMMISSION INCOME

	2013		2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Fees and commission income	1,716,187	36,102	1,411,801	29,699
Settlement and treasury services	945,907	19,898	496,162	10,437
Trade finance activities	542,419	11,410	841,437	17,700
Guarantee activities	227,861	4,794	74,202	1,562
Fees and commission expenses	(197,961)	(4,164)	(219,904)	(4,626)
Settlement and treasury services	(197,961)	(4,164)	(219,904)	(4,626)
Net fees and commission income	1,518,226	31,938	1,191,897	25,073

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22. NET GAIN FROM FOREIGN CURRENCIES TRADING

	2013		2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Gain from foreign currencies trading	56,143,404	1,181,033	38,157,518	802,682
Spot foreign exchange	56,143,404	1,181,033	38,067,504	800,788
Currency derivatives	-	-	90,014	1,894
Loss from foreign currencies trading	(55,552,462)	(1,168,602)	(37,346,334)	(785,618)
Spot foreign exchange	(55,344,325)	(1,164,223)	(37,346,334)	(785,618)
Currency derivatives	(208,137)	(4,379)	-	-
Net gain from foreign currencies trading	590,942	12,431	811,184	17,064

23. NET GAIN FROM DEALING OF INVESTMENT SECURITIES

	2013		2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Net gain from dealing of Government bonds	1,701,021	35,783	-	-

24. OTHER INCOME

	2013		2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Reversal of provision for credit losses (Note 9)	223,110	4,694	484,036	10,182
Other income	19	-	61,656	1,297
Other income	223,129	4,694	545,692	11,479

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25. OPERATING EXPENSES

	2013		2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Personnel expenses	2,433,135	51,183	2,254,270	47,421
Salary and allowances	2,177,209	45,800	2,003,978	42,156
Social insurance, health insurance, unemployment insurance and union fee	145,947	3,070	183,751	3,865
Others	109,979	2,313	66,541	1,400
Depreciation charges	112,266	2,361	122,206	2,571
Other operating expenses	3,209,430	67,514	3,143,353	66,124
Management fee to Head office (Note 30)	1,385,538	29,146	1,319,366	27,754
Operating lease charges	1,210,351	25,461	1,188,238	24,996
Postage and telecommunication	124,020	2,609	122,238	2,571
Taxes and fees	123,716	2,602	187,583	3,946
Business trip expense	112,689	2,371	119,099	2,505
Advertisement, marketing and promotion	66,610	1,401	39,559	832
Deposit insurance expense	43,379	913	34,253	721
Printing expense	37,456	788	38,541	811
Professional expense	23,095	486	30,973	652
Water, electricity supply and other office supply	21,415	450	19,422	409
Training expense	15,563	327	9,167	193
Tools and equipment expense	8,266	174	9,321	196
Maintenance and repair expenses	5,001	105	3,308	70
Fixed assets insurance expenses	3,810	80	4,078	86
Others	28,521	601	18,207	382
	5,754,831	121,058	5,519,829	116,116

26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following balances on the balance sheet:

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Cash, gold and precious stones	600,218	12,626	1,014,963	21,351
Balances with the SBV	4,165,479	87,625	11,225,631	236,142
Demand deposits at other banks	4,465,459	93,936	16,274,092	342,342
Deposits with and loans to other banks with term less than three months	124,500,000	2,618,981	29,680,429	624,357
	133,731,156	2,813,168	58,195,115	1,224,192

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27. EMPLOYEES' INCOME

	2013		2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
I. Total average number of employees (persons)	66	66	67	67
II. Employees' income				
1. Total salary	1,710,376	35,980	1,459,175	30,695
2. Bonus	466,833	9,820	412,813	8,684
3. Other allowance	66,602	1,401	382,282	8,042
4. Total income (1+2+3)	<u>2,243,811</u>	<u>47,201</u>	<u>2,254,270</u>	<u>47,421</u>
5. Average salary per month	<u>2,160</u>	<u>45</u>	<u>1,815</u>	<u>38</u>
6. Average income per month	<u>2,833</u>	<u>60</u>	<u>2,804</u>	<u>59</u>

28. COLLATERALS AND MORTGAGES

Below shows the book value of collateral assets for loans and advances to customers at the year - end:

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Real estates	37,622,879	791,435	37,069,998	779,804
Account receivables	19,450,000	409,150	14,950,000	314,488
Term deposits	17,006,076	357,740	13,019,425	273,877
Others	37,688,568	792,817	16,335,156	343,626
	<u>111,767,523</u>	<u>2,351,142</u>	<u>81,374,579</u>	<u>1,711,795</u>

29. CONTINGENCIES AND COMMITMENTS

In the normal course of business, the Bank is a party to financial instruments which are recorded as off-balance sheet items. These financial instruments mainly comprise financial guarantees and commercial letters of credit. These instruments involve elements of credit risk in excess of the amounts recognised in the 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, contract performing and bidding, etc. The credit risk involved in issuing guarantees is essentially the same as that involved in extending facilities to other customers.

Commercial at sight letters of credit represent a financing transaction by 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 is limited as the merchandise shipped serves as collateral for the transaction.

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29. CONTINGENCIES AND COMMITMENTS (continued)

Deferred payment letters of credits represent the amounts at risk should the contract be fully drawn upon and the client defaults in repayment to the beneficiary. Deferred payment letters of credit that were defaulted by clients are 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 clients as assessed by the Bank.

Outstanding commitments and contingent liabilities at year-end are as follows:

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Contingences	43,456,384	914,148	22,585,731	475,114
Guarantees	17,896,812	376,477	7,408,873	155,853
Letters of credit				
- At sight letters of credit	20,018,585	421,111	13,780,652	289,890
- Deferred payment letters of credit	5,540,987	116,560	1,396,206	29,371
Commitments	-	-	5,000,000	105,180
- Loan commitments to customer	-	-	5,000,000	105,180
Less:				
- Margin deposits (Note 14)	(20,797)	(437)	-	-
	43,435,587	913,711	27,585,731	580,294

30. TRANSACTIONS WITH RELATED PARTIES

Related party transactions include all transactions undertaken with other entities to which the Bank is related. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. A party is deemed a related party to the Bank 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; or
 - ▶ has joint control over the Bank;
- (b) The party is a joint venture, associate in which the Bank is a venturer, associate;
- (c) The party is a member of the key management personnel of the Bank or its parent;
- (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 controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d).

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30. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with related parties during the current year are as follows:

<i>Relationships</i>	<i>Transactions</i>	<i>Amount US\$</i>	<i>Amount in VNDm (Note 4.19)</i>
Head Office	Interest income	342,384	7,202
	Interest expense	116,302	2,447
	Management fee	1,385,538	29,146
Affiliates	Interest income	467,171	9,827
	Interest expense	1,117	23

Balances with related parties as at 31 December 2013 are as follows:

<i>Relationships</i>	<i>Transactions</i>	<i>Receivable/(payable) US\$</i>	<i>Receivable/(payable) in VNDm (Note 4.19)</i>
Head Office	Term deposits	121,500,000	2,555,874
	Borrowings	(854,671)	(17,980)
	Management fee payable	(1,382,462)	(29,081)
Affiliates	Demand deposits	5,870	123
	Borrowings	(1,428,574)	(30,051)
	Demand deposits	(126,114)	(2,654)
	Lending	6,478,985	136,292

31. FINANCIAL RISK MANAGEMENT POLICIES

Risk is inherent in the Bank's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and individual employees of the Bank who are accountable for the risk exposures relating to their responsibilities. The Bank is exposed to credit risk, liquidity risk and market risk (the latter is divided into trading and non-trading risks). The Bank is also exposed to operational risk.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Bank's policy is to monitor those business risks through its strategic planning process.

31. FINANCIAL RISK MANAGEMENT POLICIES (continued)

31.1 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 applied the credit policies on lending procedures and implementation instructions that standardise the Bank's credit activities.

The Bank manages and controls credit risk by setting limits on the risk exposure it is willing to accept for individual counterparties and for geographical and industry concentrations and by monitoring exposures in relation to such limits. Counterparty limits are established by the use of a loan classification system, which a risk rating is assigned to each counterparty. Risk ratings are set in compliance with the SBV's regulations.

The Bank has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties based on the qualitative and quantitative factors.

(a) Financial assets not past due and not impaired

The Bank's financial assets not past due and not impaired include loans to customers classified as *Current loans* in accordance with Decision No. 493/2005/QD-NHNN, Decision No. 18/2007/QD-NHNN and Decision No. 780/QD-NHNN; securities, receivables and other financial assets not past due and no provision is required in accordance with Circular No. 228/2009/TT-BTC.

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

(b) Financial assets past due but not impaired

As at 31 December 2013, the Bank did not hold any financial assets that were overdue or impaired.

31.2 Market risk

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to the changes in market's interest rate. The Bank is exposed to interest rate risk due to the uncorrelation or mismatch in maturity date or repricing interest date of its assets, liabilities and off-balance sheet commitments in a specific period of time. The Bank manages this risk by matching the dates of interest rate re-pricing of assets and liabilities.

Analysis of assets and liabilities based on repricing date

The actual term of interest rate repricing is calculated from the balance sheet date to the next interest rate repricing date or the maturity date of the items on the balance sheet whichever is earlier.

The following assumptions and conditions have been adopted in the analysis of actual interest rate repricing terms of the assets and liabilities of the Bank:

- ▶ Cash, gold and precious stones and other assets (including fixed assets and other assets), derivatives and other financial liabilities and other liabilities are classified as non-interest bearing items.
- ▶ Balances with the SBV are considered as current and classified in the repricing period within 1 month accordingly.

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31. FINANCIAL RISK MANAGEMENT POLICIES (continued)

31.2 Market risk (continued)

(a) Interest rate risk (continued)

- ▶ The repricing period of interest rate of deposits and loans to other banks; loans and advances to customers; deposits from other banks and customer deposits are determined as follows:
 - Items which bear fixed interest rate for the entire contractual term: the repricing period of interest rate is determined based on the residual contractual term calculated from the balance sheet date to the maturity date.
 - Items which bear floating interest rate: the repricing period of interest rate is determined from the balance sheet date to the next interest reset date.
- ▶ The repricing period of interest rate of investment securities are calculated from the balance sheet date to the maturity date .

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31. FINANCIAL RISK MANAGEMENT POLICIES (continued)

31.2 Market risk (continued)

(a) Interest rate risk (continued)

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

	Non-interest bearing US\$	Subject to re-pricing of interest rate in period					Total US\$
		Up to 1 month US\$	From 1 to 3 months US\$	From 3 to 6 months US\$	From 6 to 12 months US\$	From 1 to 5 years US\$	
Assets							
Cash	600,218	-	-	-	-	-	600,218
Balances with the SBV	-	4,165,479	-	-	-	-	4,165,479
Due from and loans to other banks (*)	-	128,965,459	-	-	6,478,985	-	135,444,444
Loans and advance to customers (*)	-	151,237,927	39,523,880	9,894,820	742,850	94,950	201,494,427
Investment securities (*)	-	-	-	952,434	225,619	40,013,520	41,191,573
Fixed assets	240,643	-	-	-	-	-	240,643
Other assets (*)	3,675,899	-	-	-	-	-	3,675,899
Total assets	4,516,760	284,368,865	39,523,880	10,847,254	968,469	46,587,455	386,812,683
Liabilities							
Due to and borrowings from other banks	-	49,307,383	-	-	-	-	49,307,383
Customer deposits	20,797	72,874,218	18,183,089	140,703,750	8,413,250	-	240,195,104
Derivatives and other financial liabilities	203,128	-	-	-	-	-	203,128
Other liabilities (*)	3,972,132	-	-	-	-	-	3,972,132
Total liabilities	4,196,057	122,181,601	18,183,089	140,703,750	8,413,250	-	293,677,747
Sensitivity difference	320,703	162,187,264	21,340,791	(129,856,496)	(7,444,781)	46,587,455	93,134,936

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31. FINANCIAL RISK MANAGEMENT POLICIES (continued)

31.2 Market risk (continued)

(a) Interest rate risk (continued)

	Subject to re-pricing of interest rate in period						Total in VNDm (Note 4.19)
	Non-interest bearing in VNDm (Note 4.19)	Up to 1 month in VNDm (Note 4.19)	From 1 to 3 months in VNDm (Note 4.19)	From 3 to 6 months in VNDm (Note 4.19)	From 6 to 12 months in VNDm (Note 4.19)	From 1 to 5 years in VNDm (Note 4.19)	
Assets							
Cash	12,626	-	-	-	-	-	12,626
Balances with the SBV	-	87,625	-	-	-	-	87,625
Due from and loans to other banks (*)	-	2,712,917	-	-	-	136,292	2,849,209
Loans and advance to customers (*)	-	3,181,442	831,424	208,147	15,627	1,997	4,238,637
Investment securities (*)	-	-	-	20,036	4,746	841,724	866,506
Fixed assets	5,062	-	-	-	-	-	5,062
Other assets(*)	77,329	-	-	-	-	-	77,329
Total assets	95,017	5,981,984	831,424	228,183	20,373	980,013	8,136,994
Liabilities							
Due to and borrowings from other banks	-	1,037,232	-	-	-	-	1,037,232
Customer deposits	437	1,532,983	382,499	2,959,844	176,981	-	5,052,744
Derivatives and other financial liabilities	4,273	-	-	-	-	-	4,273
Other liabilities (*)	83,560	-	-	-	-	-	83,560
Total liabilities	88,270	2,570,215	382,499	2,959,844	176,981	-	6,177,809
Sensitivity difference	6,747	3,411,769	448,925	(2,731,661)	(156,608)	980,013	1,959,185

(*) excluding provisions

Interest rate sensitivity

The analysis on interest rate sensitivity was performed by CTBC Bank Co., Ltd. in Taiwan in terms of whole group. CTBC Bank Co., Ltd. - Ho Chi Minh City Branch performed the reports in compliance with the requirements of Head Office.

31. FINANCIAL RISK MANAGEMENT POLICIES (continued)

31.2 Market risk (continued)

(b) Currency risk

Currency risk is the risk that the value of a financial instrument fluctuates due to changes in foreign exchange rates.

The Bank is incorporated and operates in Vietnam, with US\$ as its reporting currency. The major currency of the Bank's transaction is US\$. The Bank's management has set limits on positions by currency. Positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

Below table shows a classification of assets and liabilities denominated in other currencies and translated into US\$ as at 31 December 2013:

	Equivalent to US\$			Total
	VND	EUR	Others	
Assets				
Cash	181,462	-	-	181,462
Balances with the SBV	2,394,706	-	-	2,394,706
Due from and loans to other banks (*)	7,112,924	430,607	6,566	7,550,097
Loans and advances to customers (*)	36,767,715	1,369,584	444,338	38,581,637
Investment securities (*)	41,191,573	-	-	41,191,573
Other assets (*)	2,705,559	11,260	1,534	2,718,353
Total assets	90,353,939	1,811,451	452,438	92,617,828
Liabilities				
Due to and borrowing from other banks	9,596,973	854,670	390,514	10,842,157
Customer deposits	71,556,097	955,946	93,396	72,605,439
Derivatives and other financial liabilities	12,203,128	-	-	12,203,128
Other liabilities (*)	1,120,545	138	8,766	1,129,449
Total liabilities	94,476,743	1,810,754	492,676	96,780,173
Foreign exchange position on-balance sheet	(4,122,804)	697	(40,238)	(4,162,345)
Foreign exchange position off-balance sheet	-	-	57,148	57,148
Foreign exchange position on and off-balance sheet	(4,122,804)	697	16,910	(4,105,197)

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31. FINANCIAL RISK MANAGEMENT POLICIES (continued)

31.2 Market risk (continued)

(b) Currency risk (continued)

	Equivalent to in VNDm (Note 4.19)			Total
	VND	EUR	Others	
Assets				
Cash	3,817	-	-	3,817
Balances with the SBV	50,375	-	-	50,375
Due from and loans to other banks (*)	149,628	9,058	138	158,824
Loans and advances to customers (*)	773,446	28,811	9,347	811,604
Investment securities (*)	866,506	-	-	866,506
Other assets (*)	56,914	237	32	57,183
Total assets	1,900,686	38,106	9,517	1,948,309
Liabilities				
Due to and borrowing from other banks	201,882	17,979	8,215	228,076
Customer deposits	1,505,254	20,109	1,965	1,527,328
Derivatives and other financial liabilities	256,705	-	-	256,705
Other liabilities (*)	23,574	3	184	23,761
Total liabilities	1,987,415	38,091	10,364	2,035,870
Foreign exchange position on-balance sheet	(86,729)	15	(847)	(87,561)
Foreign exchange position off-balance sheet	-	-	1,202	1,202
Foreign exchange position on and off-balance sheet	(86,729)	15	355	(86,359)

(*) excluding provisions

Foreign currency sensitivity

The analysis on foreign currency sensitivity was performed by CTBC Bank Co., Ltd. in Taiwan in terms of whole group. CTBC Bank Co., Ltd. - Ho Chi Minh City Branch performed the reports in compliance with the requirements of Head Office.

31. FINANCIAL RISK MANAGEMENT POLICIES (continued)

31.2 Market risk (continued)

(c) Liquidity risk

Liquidity risk is the risk which the Bank has difficulty in meeting its financial obligations. Liquidity risk occurs when the Bank cannot afford to settle debt obligations at the due dates in the normal or stress conditions. To minimise the liquidity risk exposure, the Bank diversified the mobilisation of deposits from various sources apart from its basic capital resources. In addition, the Bank has a flexible policy to control liquidity of assets, monitors the future cash flows and daily liquidity. The Bank also evaluates the estimated cash flows and the availability of current collaterals in case of obtaining more deposits.

Liquidity risks are mainly mitigated through the Bank's holding a high proportion of assets as cash and cash equivalents in the form of Nostro accounts, balances with the SBV, balances due to other banks. The risk-weighted ratios were also used to manage the Bank's liquidity.

The maturity term of assets and liabilities represents the remaining period of assets and liabilities determined from the balance sheet date to the settlement date in accordance with contractual terms and conditions.

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

- ▶ Balances with the SBV are classified as demand deposits which include compulsory deposits. The balance of compulsory deposits depends on the proportion and terms of the Bank's customer deposits.
- ▶ The maturity term of balances due from and loans to other banks; loans and advances to customers, are determined on the maturity date as stipulated in contracts. The actual maturity term may be altered because loan contracts may be extended.
- ▶ The maturity term of balances due to other banks; customer deposits are determined based on features of these items or the maturity date as stipulated in contracts. Vostro account and demand deposits are transacted as required by customers, and therefore, being 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, they last beyond the original maturity date.
- ▶ The maturity term of investment securities are determined based on the maturity date of each kind of securities, except for available-for-sale Government bonds which are considered as up to 1 month due to their high liquidity in the market.
- ▶ The maturity term of fixed assets is determined on the remaining useful life of assets.

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31. FINANCIAL RISK MANAGEMENT POLICIES (continued)

31.2 Market risk (continued)

(c) Liquidity risk (continued)

Below table shows an analysis of the Bank's maturity of assets and liabilities as at 31 December 2013:

	Current				Total US\$
	Up to 1 month US\$	From 1 to 3 months US\$	From 3 to 12 months US\$	From 1 to 5 years US\$	
Assets					
Cash	600,218	-	-	-	600,218
Balances with the SBV	4,165,479	-	-	-	4,165,479
Due from and loans to other banks (*)	128,965,459	-	-	6,478,985	135,444,444
Loans and advances to customers (*)	36,289,900	69,247,075	94,557,452	1,400,000	201,494,427
Investment securities (*)	40,239,139	952,434	-	-	41,191,573
Fixed assets	202	467	3,338	236,636	240,643
Other assets (*)	792,062	1,030,262	1,632,841	220,734	3,675,899
Total assets	211,052,459	71,230,238	96,193,631	8,336,355	386,812,683
Liabilities					
Due to and borrowings from other banks	49,307,383	-	-	-	49,307,383
Customer deposits	199,363,531	18,250,737	22,580,836	-	240,195,104
Derivatives and other financial liabilities	51,207	33,552	118,369	-	203,128
Other liabilities (*)	1,652,414	2,233,975	20,254	65,489	3,972,132
Total liabilities	250,374,535	20,518,264	22,719,459	65,489	293,677,747
Net liquidity difference	(39,322,076)	50,711,974	73,474,172	8,270,866	93,134,936

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31. FINANCIAL RISK MANAGEMENT POLICIES (continued)

31.2 Market risk (continued)

(c) Liquidity risk (continued)

	Current				Total in VNDm (Note 4.19)
	Up to 1 month in VNDm (Note 4.19)	From 1 to 3 months in VNDm (Note 4.19)	From 3 to 12 months in VNDm (Note 4.19)	From 1 to 5 years in VNDm (Note 4.19)	
Assets					
Cash	12,626	-	-	-	12,626
Balances with the SBV	87,625	-	-	-	87,625
Due from and loans to other banks (*)	2,712,917	-	-	136,292	2,849,209
Loans and advances to customers (*)	763,395	1,456,681	1,989,111	29,450	4,238,637
Investment securities (*)	846,471	20,035	-	-	866,506
Fixed assets	4	10	70	4,978	5,062
Other assets (*)	16,665	21,673	34,348	4,643	77,329
Total assets	4,439,703	1,498,399	2,023,529	175,363	8,136,994
Liabilities					
Due to and borrowings from other banks	1,037,232	-	-	-	1,037,232
Customer deposits	4,193,811	383,923	475,010	-	5,052,744
Derivatives and other financial liabilities	1,077	706	2,490	-	4,273
Other liabilities (*)	34,762	46,994	426	1,378	83,560
Total liabilities	5,266,882	431,623	477,926	1,378	6,177,809
Net liquidity difference	(827,179)	1,066,776	1,545,603	173,985	1,959,185

(*) excluding provisions

32. SUPPLEMENTARY 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 in Vietnam 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 for the presentation and disclosures of financial instruments, the concept of financial assets, financial liabilities and related concepts as presented is only applied for the presentation of this Note. Assets, liabilities and equity of the Bank have been recognised and measured in accordance with Vietnamese Accounting Standards and Accounting System for Credit Institutions and with the statutory requirements relevant to preparation and presentation of financial statements.

Supplementary disclosure of financial instruments in compliance with Circular 210 is presented as follows:

Financial assets

Financial assets of the Bank within the scope of Circular 210 comprise cash, gold and precious stones; balances with the SBV; due from and loans to other banks; investment securities; loans and advances to customers and other financial assets.

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

- *Financial asset at fair value through profit or loss:*

Is a financial asset that meets either of the following conditions:

 - 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 and effective hedging instrument).
 - b) Upon initial recognition it is designated by the Bank 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 has the positive intention and ability to hold to maturity other than:

 - a) Those that the Bank upon initial recognition designates as at fair value through profit or loss;
 - b) Those that the Bank designates as available for sale; and
 - 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:

 - a) Those that the Bank intends 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 upon initial recognition designates as available for sale; or

32. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES IN COMPLIANCE WITH CIRCULAR NO. 210/2009/TT-BTC (continued)

Financial assets (continued)

▪ *Loans and receivables (continued):*

- c) Those for which the Bank 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 under Circular 210 consist of due to and borrowings from other banks; customers deposits; derivatives and other financial liabilities and other liabilities.

According to Circular 210, financial liabilities are classified appropriately for the purpose of disclosure in the 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 and effective hedging instrument).
- b) Upon initial recognition it is designated by the Bank as at fair value through profit or loss.

▪ *Financial liabilities at amortised cost*

Financial liabilities are not categorised as at fair value through profit or loss will be classified financial liabilities at amortised cost.

Offsetting financial assets and liabilities

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

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32. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES IN COMPLIANCE WITH CIRCULAR NO. 210/2009/TT-BTC
(continued)

32.1 Carrying amount and fair value of financial assets and financial liabilities

The carrying amount and fair value of financial assets and liabilities of the Bank as at 31 December 2013 were as follows:

	Carrying amount					Fair value US\$
	Trading US\$	Held-to- maturity US\$	Loans and receivables US\$	Available- for-sale US\$	Other assets and liabilities at amortised cost US\$	
Cash (a)	-	-	-	-	600,218	600,218
Balances with the SBV (a)	-	-	-	-	4,165,479	4,165,479
Due from and loans to other banks	-	-	6,378,985	-	128,965,459	135,344,444
Loans and advances to customers	-	-	199,838,731	-	-	199,838,731
Available-for-sale securities	-	-	-	40,239,139	-	40,239,139
Held-to-maturity securities	-	952,434	-	-	-	952,434
Other financial assets	-	-	-	-	3,471,577	3,471,577
	-	952,434	206,217,716	40,239,139	137,202,733	384,612,022
Due to and borrowings from other banks	-	-	-	-	49,307,383	49,307,383
Customer deposits	-	-	-	-	240,195,104	240,195,104
Derivatives and other financial liabilities	203,128	-	-	-	-	203,128
Other financial liabilities	-	-	-	-	3,004,145	3,004,145
	203,128	-	-	-	292,506,632	292,709,760

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32. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES IN COMPLIANCE WITH CIRCULAR NO. 210/2009/TT-BTC
(continued)

32.1 Carrying amount and fair value of financial assets and financial liabilities (continued)

	Carrying amount						Fair value in VNDm (Note 4.19)
	Trading in VNDm (Note 4.19)	Held-to- maturity in VNDm (Note 4.19)	Loans and receivables in VNDm (Note 4.19)	Available- for-sale in VNDm (Note 4.19)	Other assets and liabilities at amortised cost in VNDm (Note 4.19)	Total in VNDm (Note 4.19)	
Cash (a)	-	-	-	-	12,626	12,626	12,626
Balances with the SBV (a)	-	-	-	-	87,625	87,625	87,625
Due from and loans to other banks	-	-	134,190	-	2,712,917	2,847,107	(b)
Loans and advances to customers	-	-	4,203,808	-	-	4,203,808	(b)
Available-for-sale securities	-	-	-	846,471	-	846,471	(b)
Held-to-maturity securities	-	20,035	-	-	-	20,035	(b)
Other financial assets	-	-	-	-	73,028	73,028	(b)
	-	20,035	4,337,998	846,471	2,886,196	8,090,700	
Due to and borrowings from other banks	-	-	-	-	1,037,232	1,037,232	(b)
Customer deposits	-	-	-	-	5,052,744	5,052,744	(b)
Derivatives and other financial liabilities	4,273	-	-	-	-	4,273	(b)
Other financial liabilities	-	-	-	-	63,195	63,195	(b)
	4,273	-	-	-	6,153,171	6,157,444	

(a) Fair value of these financial assets approximates their carrying value due to short-term maturity of these items.

(b) Fair value of these financial instruments cannot be determined due to there are no specific guidance and regulations of the SBV and other authorities.

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32. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES IN COMPLIANCE WITH CIRCULAR NO. 210/2009/TT-BTC (continued)

32.2 Pledged financial assets

	31 December 2013		31 December 2012		
	Book value		Book value		
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)	
Held-to-maturity Government bonds (Note 10)	<u>952,434</u>	<u>20,035</u>	(*) <u>968,494</u>	<u>20,373</u>	(*)

(*) These bonds are pledged at the SBV for making inter-bank transactions.

33. OPERATING LEASE COMMITMENT

The Bank leases its office in Ho Chi Minh City under non - cancellable operating lease arrangement. Future rental amounts due under the operating lease as at the balance sheet date are as follows:

	31 December 2013		31 December 2012	
	US\$	in VNDm (Note 4.19)	US\$	in VNDm (Note 4.19)
Due within one year	904,417	19,025	1,104,997	14,810
Due from two to five years	<u>1,877,376</u>	<u>39,492</u>	<u>2,904,066</u>	<u>54,302</u>
	<u>2,781,793</u>	<u>58,517</u>	<u>4,009,063</u>	<u>69,112</u>

34. EVENTS AFTER THE BALANCE SHEET DATE

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

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35. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST UNITED STATES DOLLARS AT YEAR-END

	31 December 2013 US\$	31 December 2012 US\$
VND	0.0000475	0.0000480
EUR	1.3785000	1.3255000
SGD	0.7908889	0.8178621
JPY	0.0095247	0.0115821
AUD	0.8919000	1.0387000

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Approved by:



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 Accountant



Ms. Vu Thi Hoang
 Head of Accounting Department




Ms. Lan, Tien Hsin
 General Manager

Ho Chi Minh City, Vietnam

19 March 2014