

365 DAYS

FOR CONTINUED SUCCESS

2011
ANNUAL REPORT

JSC BANK FOR FOREIGN TRADE OF VIETNAM



Vietcombank

Vietcombank

Ngân hàng hàng đầu vì **Việt Nam thịnh vượng**

The leading bank for a **prosperous Vietnam**



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Vietcombank

continues to assert
its position as

VIETNAM'S LEADING BANK

In 2011, Vietcombank successfully achieved its business target: to affirm leading position in import/export payment, forex trading, card, remittance, while maintaining key ratios such as owner's equity, total assets, capital mobilization, lending, profit, etc.; It is highly recognized by both international and domestic organisations as "Best Bank in Vietnam" and "The most famous Banking Brand" respectively. These achievements, thanks to the efforts from Vietcombank's dedicated team of dynamic and creative professionals, have enabled Vietcombank to

DEVELOP YEAR AFTER YEAR.



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FRIENDLINESS every *Minute*

01

VIETCOMBANK PROFILE

- 08 An overview of Vietcombank
- 10 Vietcombank's domestic and international achievements in 2011

4,217
VND billion
PROFIT AFTER TAX IN 2011



PROFIT AFTER TAX (VND billion)



19,698
VND billion
IN CHARTERED CAPITAL



Vietcombank was established on 1/4/1963 from the Foreign Exchange Bureau (of the State Bank of Vietnam). During its 48 years of development, Vietcombank has made significant contributions to the stability and growth of the economy, upholding the role of a major foreign

infrastructure; financed its subsidiaries, joint ventures and affiliates, contributed capital to other enterprises, while simultaneously funded credit growth and capital trading. As of 31/12/2011, Vietcombank reached over VND 19,698 billion in chartered capital.

INNOVATION - STANDARD - SAFETY - EFFECTIVENESS
and finally become a regional bank in terms of scale and management capacity, even while actively involved in re-structuring credit institutions in Vietnam.

On 30/09/2011, Vietcombank successfully concluded an agreement on strategic partnership with Mizuho Corporate Bank (MHCB) – a member of Mizuho Financial Corporation (Japan) by selling Mizuho 15% of its equity capital.

products such as Internet Banking, VCB-Money (Home Banking), SMS Banking, Phone Banking, etc. with a motto of "Bring the Bank to you".

Vietcombank's team of professional employees are well-trained in finance and banking, with a wide array of experience and good knowledge about the market economy, proficiency in foreign languages, and have a good sense for a modern and integrated business environment. Thanks to their contribution, Vietcombank remains the primary choice for large corporations, domestic and foreign enterprises, and as many as 6 million individuals. In an effort to overcome all difficulties and challenges, to continue its 50 years of development, and to preserve its

1963

ON 1/4/1963, VIETCOMBANK WAS ESTABLISHED FROM THE FOREIGN EXCHANGE BUREAU (OF THE STATE BANK OF VIETNAM).

2008

ON 2/6/2008, AS THE FIRST STATE-OWNED COMMERCIAL BANK SELECTED FOR PILOT PRIVATIZATION BY THE GOVERNMENT, JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM (VIETCOMBANK) OFFICIALLY CAME INTO OPERATION.

2009

ON 30/6/2009, VIETCOMBANK OFFICIALLY LISTED (STOCK CODE: **VCB**) ON THE HO CHI MINH STOCK EXCHANGE (HOSE).

2011

ON 30/09/2011, VIETCOMBANK SUCCESSFULLY CONCLUDED AN AGREEMENT ON STRATEGIC PARTNERSHIP WITH MIZUHO CORPORATE BANK (MHCB) – A MEMBER OF MIZUHO FINANCIAL CORPORATION (JAPAN) BY SELLING MIZUHO 15% OF ITS EQUITY CAPITAL.

trade bank in facilitating efficient domestic economic growth, as well as exerting considerable influence on the regional and global financial communities. After nearly half a century of operation, Vietcombank has affirmed its position as a leading bank, providing a wide range of financial services in both international trade and traditional services such as capital trading, capital mobilization, credit, project finance, etc. as well as modern banking activities such as forex trading and derivatives, card service, e-banking, etc.

As the first state-owned commercial bank selected for pilot privatization by the Government, Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) officially came into operation on 2/6/2008, after successfully implementing the equitization plan through IPO on 26/12/2007. After the equitization, Vietcombank has repeatedly raised its chartered capital, successfully met investors' and shareholders' expectations on capital safety; invested in tangible assets and technological

Vietcombank officially listed (stock code: **VCB**) on the Ho Chi Minh Stock Exchange (HOSE) on 30/6/2009. The listing of over 112 million VCB shares in 2009 greatly contributed to enlivening and speeding up the growth of Vietnam stock market, as well as affirming Vietcombank's commitment to continuous development, while aiming towards efficiency, standardization and transparency.

Originally established as a specialized bank for foreign trade, Vietcombank today has a wide network of 1 Head Office in Hanoi, 1 Operation Center, nearly 400 branches and transaction offices all over the country, 3 subsidiaries in Vietnam, 2 subsidiaries in other countries, 1 representative office in Singapore and 5 joint ventures. In addition, Vietcombank has also developed an Autobank system with 1,700 ATMs and 22,000 Points of Sale (POS) across the country. Moreover, the Bank's operations are supported by a network of more than 1,300 correspondent banks in 100 countries and territories.

This strategic agreement not only carries immense benefits to both banks, but also signifies foreign investors' faith in the recovery of Vietnam's financial market and the future prospects of its economy.

The year 2010 marked Vietcombank's successful initial strategic transformation to a financial services giant through utilizing its advantages, strengthening its position as a leading wholesale bank while developing its retail business for diversification and profit maximization. In 2011, Vietcombank made an impact via enhancing customer care programs, improving service quality and issuing policies suitable to different market segments. Specifically, the Bank successfully focused on service quality improvement to meet customers' increasingly diverse demands.

With its strength in technology, Vietcombank is a pioneer in applying advanced technology to develop an automatic banking system and launch many e-banking

defined corporate culture, Vietcombank has constantly aimed for sustainable development, thereby affirms its leading position in many important fields such as import/export payment, forex trading, card, overseas money transfer, while maintaining important ratios such as owner's equity, total assets, capital mobilization, lending, profit, etc.

In 2011, Vietcombank was recognized by international organizations as "Best Bank in Vietnam" and was also a leading bank in terms of national brand index, and the most famous banking brand.

In 2012, Vietcombank is determined to overcome all difficulties and challenges, to take full advantage of all resources and opportunities for sustainable and strong development according to the motto: "Innovation - Standard - Safety - Effectiveness", and finally become a regional bank in terms of scale and management capacity, as well as actively involving in re-structuring credit institutions in Vietnam.

VIETCOMBANK'S DOMESTIC AND INTERNATIONAL ACHIEVEMENTS IN 2011



BEST VIETNAMESE TRADE BANK IN 2011

awarded by Trade Finance Magazine of Euromoney Institutional Investor Plc for 4 consecutive years (2008 – 2011).



THE BEST DOMESTIC TRADE FINANCE BANK, VIET NAM in 2011

awarded by The Asian Banker.

THE ASIAN BANKER TALENT AND LEADERSHIP DEVELOPMENT AWARD IN 2011

awarded by The Asian Banker.

THE ASIAN BANKER PROMISING YOUNG BANKER AWARD, 2011

in Pacific Asia, awarded by The Asian Banker to Mr. Pham Quang Dung – Deputy General Director of Vietcombank.



BEST TRADE FINANCE BANK IN VIET NAM

awarded by Global Trade Review (UK).



VIETCOMBANK WAS RANKED AMONG THE WORLD'S TOP 1000 BANKS

by The Banker.



THƯƠNG HIỆU NỔI TIẾNG

MOST FAMOUS BRAND IN BANKING SECTOR

from the results of a survey jointly conducted by FTA Market Research Vietnam – official Vietnamese representative of Esomar (European Society for Opinion and Marketing Research) and Vietnam Chamber of Commerce and Industry (VCCI).

LEADING BANK BY NATIONAL BRAND POWER INDEX

from the results of a survey conducted by Nielsen.

VIETNAM STRONG BRAND NAME OF 2011 (for 9 consecutive years: 2003 – 2011)

voted and awarded by the Ministry of Trade and Industry and Vietnam Economics Times.

THE BIGGEST INCOME TAX PAYMENT BANK IN VIETNAM, AMONG THE 10 BIGGEST CORPORATE INCOME TAX PAYERS

ranked by Vietnam Report, VNR500 Advisory Board and Vietnam General Department of Taxation.

MESSAGE FROM
CHAIRMAN AND CHIEF EXECUTIVE OFFICER



Thanks to close supervision and prompt direction of the Government and the State Bank, support and assistance by the governmental and municipal authorities, customers' and shareholders' close and effective cooperation, not to mention the great effort from the Bank's Leadership and its many employees, by the end of 2011, Vietcombank recorded positive achievements: a growth of 19.2% in total assets, 16.0% in total capital, 18.4% in loan outstandings, NPL ratio stood at 2.03%, import/export payment turnover increased 25.5%, engrossing nearly 20% market share of the whole country, profit and income was better than 2010 and the network was constantly expanding...

366.722
VND billion
TOTAL ASSETS, A 19.2%
INCREASE COMPARED TO 2010



We have experienced 2011 and welcomed 2012 with hopes for a better economy and nice plan and wishes for each person. It is time to look back on the year behind us to define the state of mind for the coming year.

In 2011, the global economy faced high inflation, complicated European sovereign debt crisis, a changing financial market with bullish gold prices and bearish stock markets, etc. The national economy also had difficulties, especially in the first few months of the year, with hyper-inflation, deficit trade balance, etc. However, thanks to synchronous implementation of solutions to contain the inflation, stabilize macroeconomic condition, and guarantee the social security under the Resolution No. 11/NQ-CP dated 24/02/2011 by the Government, since the middle of the year, the economy as a whole has made positive changes such as gradually controlled inflation and better balance of international payment. In that context, the banking industry has also faced difficulties and challenges, such as high NPLs, stressful liquidity at some banks, complicated fluctuations of exchange rates and gold prices. The State Bank has strictly followed the Government's direction and employed timely drastic measures in order to stabilize the currency market, reasonably control credit growth, strengthen inspection and supervision measures, and to ensure the safety of banking activities.

Vietcombank continued to affirm its position as a major commercial bank in the economy. Particularly in 2011, Vietcombank had successfully completed the selection of a foreign strategic partner, marked by the signing of the strategic cooperation agreement with Mizuho Corporate Bank Ltd – a member of Mizuho Financial Group (the 3rd largest financial group in Japan). This

NGUYEN HOA BINH
Chairman

agreement has opened up opportunities for business cooperation and sustainable development between both parties according to the current competitive yet associative trend of the economy.

2011 has passed and we joyfully welcome 2012 with fresh belief, willpower and determination despite difficulties and challenges ahead. In 2012, the economy has to make an important transition, strengthen its internal force as a premise for the developments set for the 2011-2020 period; also in this year, we start implementing the economic restructuring policy associated with the renovation of the development model pursuant to the Resolution of the third Central Conference, Session 11th. This is a very important and complicated mission, focusing on 03 important areas, including the restructuring of financial market, with the main focus on the systematic restructuring of commercial banks and financial institutions. Closely following the directions of the Government and State Bank of Vietnam, Vietcombank will initiatively and actively arrange and restructure by reviewing, strengthening and improving all operations; Concentrate on the completion and effective implementation of the Bank's development policy for the period 2011 - 2020; Coordinating with its strategic partner, Mizuho, to make basic breakthroughs in business administration and operations as indicated in the motto: **"Innovation – Standard – Safety – Efficiency"**.

Amidst the celebration of our achievements, armed with a firm belief in our future and the values associated with **"Vietcombank's culture"**, which have been affirmed for nearly 50 years since their creation, Vietcombank is determined to overcome all difficulties and challenges, fully utilize all resources and effectively exploit all opportunities to develop more sustainably in 2012.

NGUYEN PHUOC THANH
Chief Executive Officer

KEY FINANCIAL
FIGURES 2007 - 2011

| | Unit | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|-------------|---------|---------|---------|---------|---------|
| TOTAL ASSETS | VND billion | 197,363 | 222,090 | 255,496 | 307,621 | 366,722 |
| Shareholder's Equity | VND billion | 13,528 | 13,946 | 16,710 | 20,737 | 28,639 |
| Gross loans/Total assets | % | 48.34% | 50.79% | 55.43% | 57.50% | 57.11% |
| Net interest income | VND billion | 2,109 | 2,318 | 2,788 | 3,336 | 2,449 |
| Net non-interest income | VND billion | 6,114 | 8,940 | 9,287 | 11,531 | 14,871 |
| Total operating expenses | VND billion | (1,628) | (2,592) | (3,494) | (4,578) | (5,700) |
| Net operation income before provision | VND billion | 4,486 | 6,348 | 5,793 | 6,953 | 9,171 |
| Provision for credit risks | VND billion | (1,337) | (2,757) | (789) | (1,384) | (3,474) |
| Profit before tax | VND billion | 3,149 | 3,590 | 5,004 | 5,569 | 5,697 |
| Corporate income tax | VND billion | (759) | (862) | (1,060) | (1,266) | (1,480) |
| Profit after tax | VND billion | 2,390 | 2,728 | 3,945 | 4,303 | 4,217 |
| Net profit | VND billion | 2,380 | 2,711 | 3,921 | 4,282 | 4,197 |
| Number of branches | branch | 59 | 63 | 70 | 72 | 77 |
| Number of employees | persons | 9,190 | 9,212 | 10,401 | 11,415 | 12,565 |
| Common shares | million | | 1,210 | 1,210 | 1,322 | 1,970 |
| Dividend payout | %/year | | 12.0 | 12.0 | 12.0 | 12.0 |
| PROFITABILITY RATIOS AND SECURITY RATIOS | | | | | | |
| PROFITABILITY RATIOS | | | | | | |
| NIM | | 2.26% | 3.26% | 2.81% | 2.83% | 3.41% |
| Non-interest income/Total income | | 34.47% | 25.93% | 30.02% | 28.93% | 16.47% |
| ROAE | | 19.23% | 19.74% | 25.58% | 22.55% | 17.08% |
| ROAA | | 1.31% | 1.29% | 1.64% | 1.50% | 1.25% |
| SECURITY RATIOS | | | | | | |
| Net loans/Total deposit | | 67.42% | 70.50% | 83.57% | 84.88% | 86.68% |
| NPLs/Gross loans | | 3.87% | 4.61% | 2.47% | 2.83% | 2.03% |
| BIS CAR | | 9.20% | 8.90% | 8.11% | 9.0% | 11.14% |

TOTAL ASSETS

Unit: VND billion



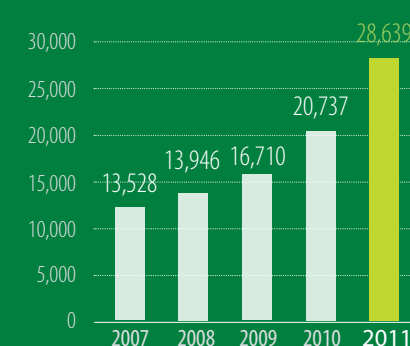
TOTAL ASSETS - GROWTH RATE

Unit: VND billion



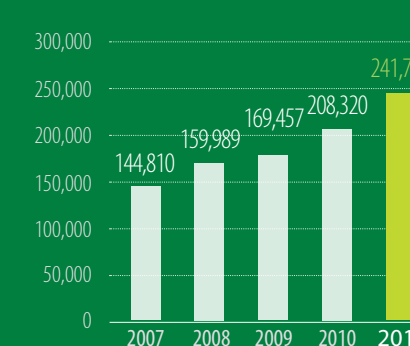
TOTAL EQUITY

Unit: VND billion



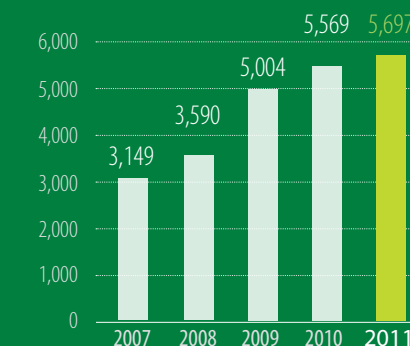
FUND MOBILIZATION

Unit: VND billion



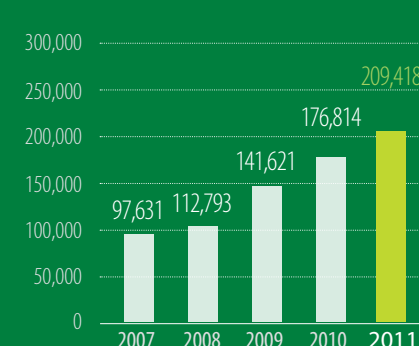
CONSOLIDATED PROFIT BEFORE TAX

Unit: VND billion



GROSS LOANS

Unit: VND billion



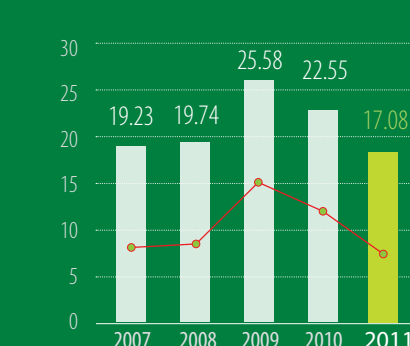
ROAA

Unit: %



ROAE

Unit: %



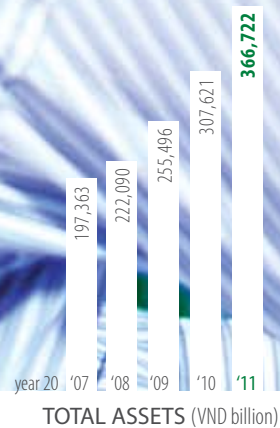


ENDEAVOUR every *Second*

02

REPORT FROM BOARD OF MANAGEMENT

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- 30 Business guidelines in 2012



366,722 VND billion
TOTAL ASSETS IN 2011



14,871 VND billion
NET NON-INTEREST INCOME

** Net non-interest income stood at VND 14,871 billion, a 29% increase compared to 2010 (VND 11,531 billion).

| NET NON-INTEREST INCOME | | | | | Unit: VND billion |
|-------------------------|-------|-------|--------|--------|-------------------|
| 2007 | 2008 | 2009 | 2010 | 2011 | |
| 6,114 | 8,940 | 9,287 | 11,531 | 14,871 | |

Overview of global and Vietnam economy in 2011

In 2011, the global economy continued its downturn with hyperinflation, unpredictable price shifts, and widespread European public debt crisis. Influenced by the world's unfavourable economic landscape, the Vietnamese economy in 2011 again faced a series of challenges such as increased inflation, stagnant production and business, unstable financial market...

Soon aware of 2011's difficulties and disadvantages, at the beginning of the year, the Government enacted Resolution No. 11/NQ - CP to stabilize the macroeconomy and restrain inflation. Thanks to synchronous implementation of solutions, as the 4th quarter 2011 drew to a close, the macroeconomy had made optimistic progress: GDP increased 5.98%; inflation slowed down to an average 18.13% for the whole year; import and export turnover increased dramatically; balance of trade deficit contracted, exchange rate was stable.

In 2011, the banking sector encountered many difficulties and challenges, such as increased NPLs, strained liquidity at some banks, complicated fluctuations in interest rates, exchange rates and gold prices. It is also an important transitional year for reforming the

banking system. Following the Government's guidance, the State Bank promptly took drastic measures to stabilize the monetary market, control credit growth at a reasonable rate, and provide enhanced supervision as well as regular inspections to ensure banking safety. By 31/12/2011, total credit increased by 12.0%; capital mobilized from the economy increased by 11.0%; total means of payment grew 10.0% compared to statistics at the end of 2010.

Though 2011 was with a year of financial market fluctuations, Vietcombank has achieved positive business outcomes and continued to assert its position as Vietnam's leading bank thanks to a systemic effort led by the strict and drastic measures employed by its Board of Management and the ready support from its shareholders.

Vietcombank

continues to assert its position as
VIETNAM'S LEADING BANK

4,217
VND billion

FINANCIAL RESULTS

Consolidated profit before tax reached VND 5,697 billion, up 2.3% compared to 2010 and reached 100.8% of the set target of Shareholders' General Meeting (VND 5,650 billion). Profit after tax was VND 4,217 billion.

366,722
VND billion

TOTAL ASSETS

Total assets stood at VND 366,722 billion, a 19.2% increase compared to 2010, exceeding the set target of Shareholders' General Meeting (up 15%) by 4.2%.

241,700
VND billion

CAPITAL MOBILIZATION

Capital mobilization from the economy was VND 241,700 billion, an increase of 16.0%, higher than growth rate of the entire system (approximately 11%), meeting 96.7% of the set target of Shareholders' General Meeting.

17.08% RETURN ON
AVERAGE EQUITY - ROAE

1.25% RETURN ON
AVERAGE ASSETS - ROAA

PROFITABILITY RATIOS

Return on average equity (ROAE) was 17.08%
Return on average assets was 1.25%

**RATE OF DIVIDEND
PAYMENT WAS 12%**

28,639
VND billion

OWNER'S EQUITY

Owner's equity of Vietcombank was VND 28,639 billion, 8.1% (VND 7,902 billion) higher than that in 2010.

209,418
VND billion

LENDING

Loans to customers were VND 209,418 billion, up 18.4%, with growth rate controlled below 20.0%.

2.03%

USD 38.8 billion

NPL

NPL/Gross loans ratio of 2011 was 2.03%, well below the limit of 2.8% set by Shareholders' General Meeting.

RETAIL BANKING SERVICES

With diversified product ranges based on advanced technology, whole-hearted and professional services, Vietcombank attracted over 6 million retail customers. In 2011, Vietcombank performed well in capital mobilization, individual loans, card services, money transfer, e-banking...

CARD SERVICES

The year 2011 ended with Vietcombank's successful card business. Vietcombank maintained its leading position in almost every key card operation and dominated the market against competitors. The success not merely showed the fulfillment of 8 card business targets but also symbolizes market recognition for the Vietcombank brandname.

STRATEGIC PARTNERSHIP

In 2011, Vietcombank successfully selected its foreign strategic partner – Mizuho Corporate Bank, marking a milestone for opening up long-term cooperation between Vietcombank and Mizuho.

EXPORT AND IMPORT PAYMENT

Vietcombank continued its leading position in export and import payment with a market share of 19.2%. Revenue from export and import payment was USD 38.8 billion, up 25.5%, exceeding the target.

SOCIAL WELFARE ACTIVITIES

Vietcombank is concerned about social welfare and regards it as its responsibility and part of its culture. In 2011, Vietcombank spent over VND 100 billion on social welfare programmes.

FOREIGN ACTIVITIES

In 2011, Vietcombank continued to enhance its foreign relation and communication activities through advertising, promotion programmes to call on investment, festivals, sponsoring for major events, strengthening cooperation with banks and financial groups. Also, Vietcombank has strictly followed regulations on information disclosure, maintained regular communication with investors, which enabled investor community to better understand Vietcombank and created opportunities for business cooperation, better contributed to the strengthening of Vietcombank's image and reputation.

PERFORMANCE IN 2011

Capital mobilization

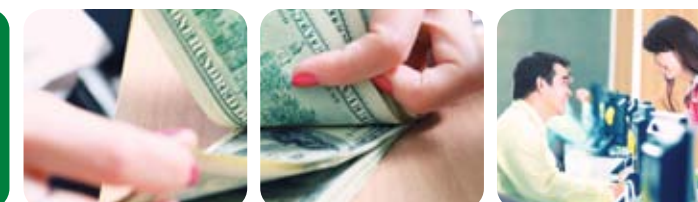
In 2011, capital mobilization was extremely difficult due to tightened monetary and strict foreign exchange policies. Capital mobilization nevertheless faced even tougher challenges resulting from unhealthy competition instigated by other credit institutions.

Against such complicated market development, Vietcombank's Board of Management has considered capital mobilization its top priority for the year. Vietcombank on one hand conformed to the State Bank's regulations and on the other hand flexibly sought solutions to speed up capital mobilization such as strengthening customer care policies, diversifying mobilization products, etc. In addition, Vietcombank

proactively mobilized overseas capital, and actively participated in the operations on inter-bank market.

By 31/12/2011, capital mobilized from the economy reached VND 241,700 billion, higher than the average growth rate of the entire sector. Particularly, capital mobilized from residents was VND 121,587 billion, up 23.0%, making up 50.4% of capital mobilized from the economy. These figures reflected the society's recognition of Vietcombank's reputation and brandname. Capital mobilized from finance & accounting was VND 120,113 billion, increasing 9.7% and equal to 90.3% of the year's target. Capital mobilized from inter-bank market was VND 86,829 billion, or 24.7% higher than that of 2010.

209,418
VND billion
LOAN OUTSTANDING UP 18.4%



Credit activities

As a big commercial bank, in addition to complying with the policy of credit growth control of the State Bank, Vietcombank always flexibly follows market development to adjust credit activities to assure the highest safety and efficiency for its operations. Vietcombank has planned credit growth at a reasonable rate, assigned and controlled loan outstanding ceiling for each branch, reduced loan outstanding growth

rate for those with high rate of non-performing loans, especially controlled medium-term and long-term loan outstandings in foreign currency in order to conform to safety rates as stipulated by the State Bank and assure safe liquidity for the bank. By 31/12/2011, loan outstanding was VND 209,418 billion, up 18.4%, fulfilled the target and maintained the market share of 8.1%.

| | Unit | 2010 | 2011 | Growth rate |
|------------------------------------|-------------|---------|---------|-------------|
| Short-term outstanding | VND billion | 94,715 | 123,312 | 30.2% |
| Medium-term, long-term outstanding | VND billion | 82,099 | 86,106 | 4.9% |
| Outstanding in VND (11/NQ - CP) | VND billion | 114,480 | 135,863 | 18.7% |
| Outstanding in foreign currency | USD million | 3,228 | 3,467.6 | 7.4% |
| Outstanding for SME | VND billion | 30,242 | 29,891 | -1.2% |

Credit activities (cont.)

Credit structure

Vietcombank has controlled the growth rate of foreign currency and of medium-term, long-term loans in order to assure its liquidity and prudential ratios.

By currency: By December 2011, outstanding in foreign currency increased by 7.4%, outstanding in VND increased by 18.7%.

By term: Short-term loans has increased significantly, by 30.2% compared to 2010, whereas medium-term and long-term outstanding increased by 4.9% only.



Credit programmes in the year

Agricultural and Rural Development Programme: By 31/12/2011, agricultural and rural loan outstanding was over VND 26,000 billion, up 31.0%, with density of rural loans increased from 11.5% to 12.7%.

Loans on export finance: In 2011, loan outstanding for export finance was above VND 22,000 billion, up by 64.0%, making up 10.7% of total loans outstanding (compared to 7.7% of last year).



Credit quality

Vietcombank regularly attaches special importance to the management of credit quality. NPL is restricted to 2.03%, lower than the target set by Shareholders' General Meeting.

Deduction and utilization of provision for risks

As at 31/12/2011, Vietcombank had made 100% of general provision and specific provision based on regulations on loan classification issued by the State Bank. Balance of provision for risks by 31/12/2011 as stated in the consolidated audited financial report was VND 5,328 billion, of which general provision was VND 1,464 billion and specific provision fund was VND 3,864 billion.

Investment

To improve investment efficiency, in 2011 Vietcombank initiatively reviewed and re-structured the investment portfolio by withdrawing capital from Shinhanvina and Gia Dinh Bank. In addition, Vietcombank increased investments in some subsidiaries and made other investments.

By 31/12/2011, total equity capital invested in joint venture and joint stock companies was VND 2,826 billion, accounting for 13.9% of chartered capital and fund of chartered capital additional investment of Vietcombank, adherent to the regulations by applicable laws. Total return on investment in 2011 was VND 1,003 billion, 104.00% higher than 2010, exceeding the target by 114.0%. Investment structure was diverse: finance – banking and support sector made up 67.5%, insurance 12.88%, office leasing and real estate 12.11% and other investments 7.51%.

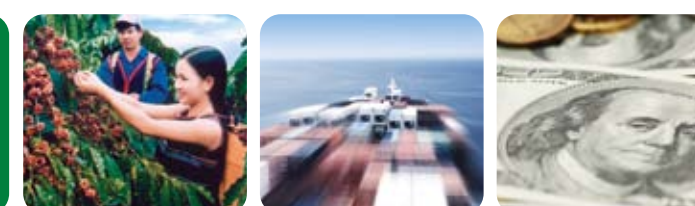
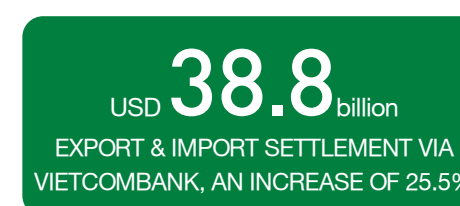


Export and import settlement and forex trading

The unstable economic conditions at home and abroad in 2011, as well as the Government's limitations on recipients of loans for import have created many difficulties for export and import settlement. However, with advantages of the brandname, quality products and highly qualified human resources, Vietcombank's export and import settlement has maintained its top rank though a remarkable growth rate. During the year, Vietcombank implemented centralized credit programme for export and introduced payment products and services for customers by contacting key export associations, advertising trade finance services. As a result, in 2011, returns on export and import settlement via Vietcombank was USD 38.8 billion, an increase of 25.5% compared to the previous year, accounting for 19.2% market share of total export and import turnover of the country. Especially, return

on export settlement via Vietcombank increased dramatically (by 32.3%) compared to the previous year, accounting for 22.6% the market share of the country. Export and import settlement of Vietcombank covers all markets, from USA, Taiwan, Hong Kong, Singapore, Japan, South Korea, to China and Europe.

To uphold the position of a major bank for export and import settlements, in 2011, despite many difficulties, Vietcombank still maintained return on foreign currency purchase and sales at approximately USD 34.5 billion. Vietcombank has also diversified its products and implemented many solutions to utilize various sources of foreign currency in order to fulfill payment commitments, and to ensure a supply of foreign currency for importers of essential products in the economy.



4,624 VND billion

RETURN OF INTERNATIONAL CREDIT CARD UTILIZATION, UP 43%. RETURN ON INTERNATIONAL CARD PAYMENT REACHED 1 BILLION USD, INCREASED 30.4% AND ACCOUNTING FOR AN OVERWHELMING 50% OF THE MARKET.

Retail banking services

Vietcombank has always strived to promote retail activities and to be the leading bank in applying modern technologies to retail activities in Vietnam. Therefore, Vietcombank's customer base has been sharply increasing to approximately 6 million individual customers by the end of 2011. From 2008 to 2011, Vietcombank acquired over 800,000 customers annually, mainly due to the increase in the Connect24 cards. In 2011, Vietcombank implemented many attractive resident capital mobilizing programmes such as Spring Travel with Vietcombank, Full Happiness with National Independence Day, 15-month Savings for a Luxury Apartment, etc. Total deposits from

individuals by the end of 2011 was satisfactory with VND 121,587 billion, up 23.0%, claiming a market share of 14%. By 31/12/2011, lending to individuals totaled VND 21,000 billion, increasing by 8.0% compared to 2010. Overseas transfer of foreign currency continued to be Vietcombank's strength with a turnover of USD 1.43 billion for the year, making up 15% of national market share. As one of the pioneer banks in applying modern technologies to the development of e-banking products, Vietcombank appealed to a large number of customers by implementing many e-banking products such as SMS Banking, Internet Banking, online savings...

Card business

The year 2011 ended successfully for Vietcombank's card business. Vietcombank continued to assert its leading position in the card market for key operations, generating a wide gap in market shares from its competitors. This success not only reflected a successful fulfillment of its 8 targets for card business but also signified public recognition of Vietcombank's brandname. In 2011, Vietcombank issued over 1 million cards of various types, nearly 1.5 times the planned target. Return on card utilization and payment increased dramatically. Return of international credit card utilization was USD 4,624 billion, up 43% compared to 2010. Especially, return on international card payment reached 1 billion USD, increased 30.4% compared with that of 2010 and accounting for an overwhelming 50% of the market.



Vietcombank always pays special attention to safety and security for the card system nationwide. In 2011, Vietcombank implemented several effective risk prevention programmes such as supervising, warning, preventing suspicious activities, card forgeries and was praised by international card organizations as a highly effective bank in crime prevention and risk management for card activities in Vietnam. In 2011, Vietcombank continued to have the largest POS network in Vietnam with almost 22,000 machines (28% of the market), as well as the largest ATM network with 1,700 ATMs.

Vietcombank also leads the market in new card services and products development. In 2011, Vietcombank implemented several card products and services in order to give its customers higher utility and improve Vietcombank's reputation in the market, such as the project for inter-bank money transfer via card using e-banking, cooperation in retail banking with Metro, Big C, etc., cooperation with Vietnam Mobile Information Company.

1.43 USD billion

OVERSEAS TRANSFER OF FOREIGN CURRENCY, MAKING UP 15% OF NATIONAL MARKET SHARE.

Technology and product development

Vietcombank always regards technology as the key to develop, expand business operations, and improve risk control and system management efficiency. In 2011, the information technology system operation was maintained stably, acted as a solid basis for developing modern products, services and promptly providing information for business management and efficiency improvement. In

addition, to meet longterm strategic development targets, Vietcombank has prepared premises for implementing important projects in 2012 such as: Core Banking system, centralized trade finance processing system, data management and analysis, etc. By constantly updating its technological base, Vietcombank always provides diverse products and services to meet customers' increasing demand.



OVER VND **100** BILLION
FOR MAJOR SOCIAL WELFARE
PROGRAMMES IN 2011

Network development, human resource improvement and scientific research.

In 2011, Vietcombank established 4 new branches (Ninh Thuan, Trung Do, Bac Lieu, and Viet Tri) and 21 transaction offices, increasing the total number of branches and front offices to 381 nationwide. Vietcombank's operation is also supported by more than 1,300 correspondent banks in nearly 100 countries and territories.

In addition, Vietcombank pays special attention to developing and training human resources and regards them as the key to the bank's success and efficiency. By the end of 2011, Vietcombank had 12,565 employees. The staff quality is controlled from the start with a

serious recruitment policy. Officers are employed for suitable positions. Senior leaders all have modern knowledge and experience in finance.

The Board of Management has also placed emphasis on developing training programmes for the staff to improve human resource quality. Within the year, Vietcombank has appointed nearly 5,000 officers to attend practical training programmes.

In 2011, Vietcombank paid attention to and promoted scientific research, with the application of many subjects for the Bank's better business efficiency.



MORE THAN **1,300**
CORRESPONDENT BANKS IN NEARLY
100 COUNTRIES AND TERRITORIES, NEARLY
400 BRANCHES AND TRANSACTION OFFICES
ALL OVER THE COUNTRY.

Inspection, supervision, risk management

In the competitive and changing business environment of 2011, Vietcombank had defined several goals: assuring stability, sustainable business, good profit growth rate while paying special attention to the improvement of system management and risk control quality. The system is comprehensively managed from HO to branches through regular inspection, supervision of lending activities with subsidised interest rate, foreign currency lending, lending to businesses that are in bad shape, compliance with the State Bank's regulations on interest rates, exchange rates and conformity to the bank's procedures and regulations. Meanwhile, remote supervision of underlying branches, companies was strengthened to give early warnings to prevent risks. In addition, Vietcombank continuously reviews documents, regulations, procedures, rules on the operations, makes revision and amendment in accordance with reality.

Vietcombank is also concerned about improving the quality of risk management, ensuring safety ratios in accordance with the State Bank's regulations. The market risk control team has actively assisted the Board of Management in making decisions suitable to market development. In terms of operational risk control, Vietcombank provides training opportunities to branches and makes recommendations on monitoring operational risks in professional work while maintaining the directive of "Assuring safety and security for information technology system", learns from experience to notify and prevent repeated risks, etc. Also, Vietcombank improves the efficiency of credit risk control, initiatively screens and re-structures the list of customers, provides loans for good customers who have the potential to develop, manages credit list, analyzes credit risks by sector, and manages group of relevant customers.

Social welfare contribution

While recognizing the importance of business activities, Vietcombank is also concerned about social welfare, which it regards not only as a responsibility to the community, but also a demonstration of Vietcombank's culture in a period of global integration. In 2011, Vietcombank spent over VND 100 billion for major social welfare programmes such as "A Day for the Poor" fund, "Connecting Hands" programme, blood drives, "Lighting Vietnamese Children's Dreams" programme, donations for victims of the earthquake in Japan,

"Truong Son Sentimental Attachments", support for Vietnamese heroic mothers, complimentary visits to old veterans, etc. With such meaningful actions, Vietcombank has upheld the tradition of "drinking water, remember its source", shown Vietcombank's gratitude for revolutionary martyrs, at the same time helped to "light" the dreams of poor pupils and people living in disadvantageous areas, to share the pain and carry hope for unlucky people, enabling them to be a part the community.

“ We have yet seen any positive prospects for the global economy in 2012 due to ensuing crisis in sovereign debt, unemployment and inflation control. In 2012, Vietnam’s economy will continue to be influenced by external factors, its outcome is expected to be negative.

Business guidelines in 2012

The National Assembly set up general objectives to give priority to restricting inflation, stabilize macroeconomy, and maintain growth at a reasonable rate in combination with renovating growth model and re-structuring the economy. Specific objectives are to keep inflation below 10%; GDP growth rate of 6-6.5%; state budget deficit at 4.8% of GDP, growth rate of total export turnover 13%; import deficit to be 11-12% of total export turnover and total development investment of 33.5% of GDP.

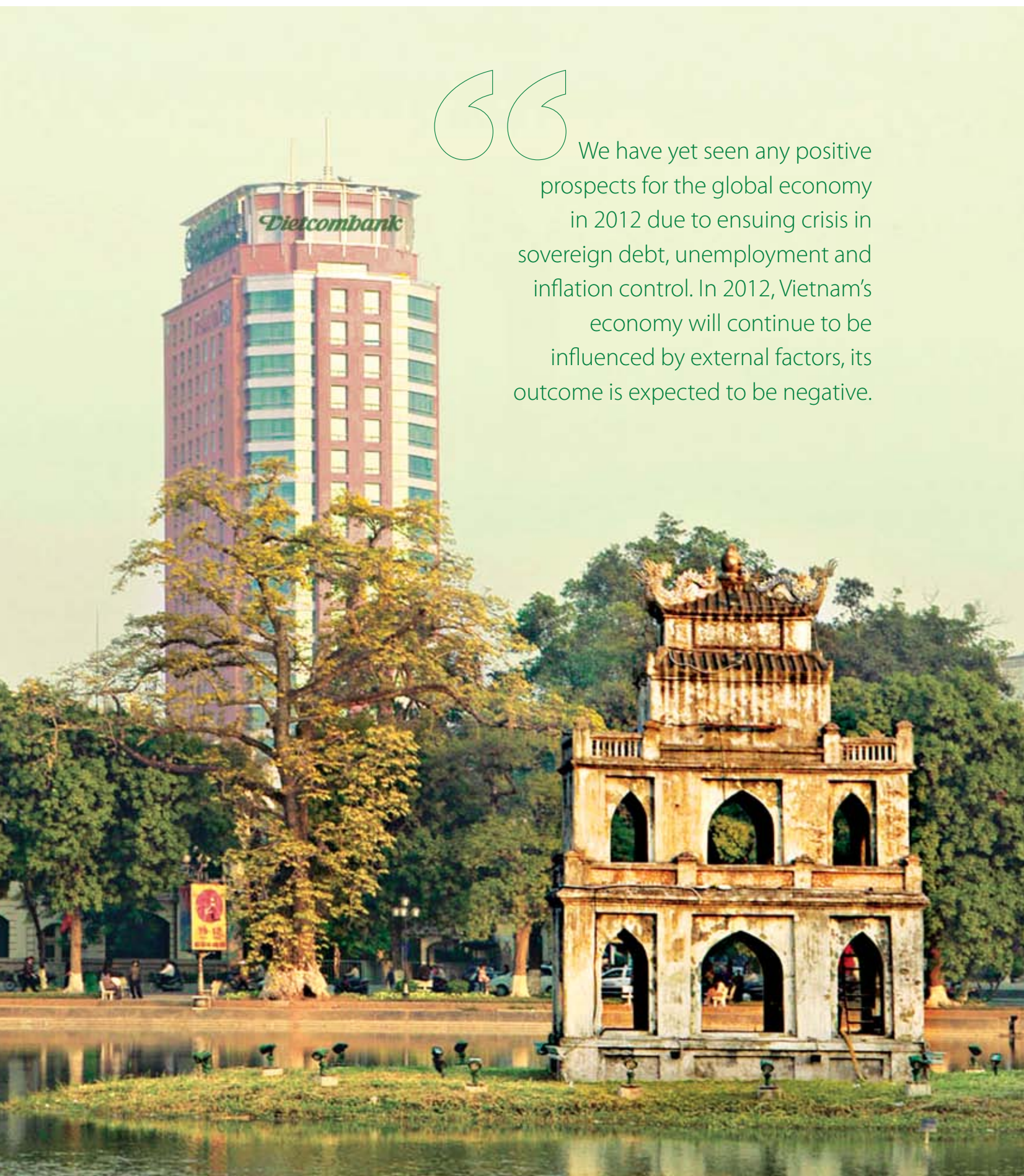
To achieve the objectives set by the National Assembly, the State Bank has provided the following guidelines and major solutions: (i) the State Bank continues to manage monetary policy closely and flexibly to give priority to controlling inflation, stabilize macro economy,

support economic growth at a reasonable rate (ii) total means of payment increases by 14 - 16%, credit grows 15 - 17%; interest rate and exchange rate are moderated at reasonable rate to comply with macro-economic balances, monetary and foreign exchange market developments. In 2012, another special focus is on re-structuring the economy, which concentrates on re-structuring the banking system.

Based on an analysis of the business environment, and adherent to the guidelines issued by the Government and the State Bank, Vietcombank will operate under the motto “Renovation – Standard – Safety – Efficiency”, initiatively re-structuring and cooperating with Mizuho to create a breakthrough in corporate management and business operations.

SOME KEY BUSINESS CRITERIA IN 2012 SET BY THE LEADERSHIP OF VIETCOMBANK

| CRITERIA | Unit | 2012 |
|--|--------------|---------------|
| Total assets | VND billion | ↑ 18% |
| Total loan outstanding | VND billion | ↑ 17% |
| Total fund mobilization | VND billion | ↑ 18% |
| Profit before tax | VND billion | ↑ 15% |
| Number of employees | persons | ↑ maximum 12% |
| ROA | | 1.22% |
| ROE | | 15.0% |
| CAR | | Minimum 12.0% |
| Number of branches and transaction offices | | 81 |
| NPLs/Gross loans | | Below 2.8% |
| Dividend | %/face value | 12% |





In order to achieve these business objectives in 2012, maintain growth rate and market share, at the same time improve business efficiency, Vietcombank will focus on seriously completing the following tasks and solutions:



1 STRENGTHEN FUND MOBILIZATION – THE TOP PRIORITY TASK

- » Focus on mobilizing capital in VND and from residents; Maintain capital resources in foreign currency, continue to uphold the strengths in external relations to mobilize capital from international market.
- » Implement individual fund raising programmes and overlapping products to continuously maintain deposit balance, specific products based on advanced technology. Research and implement linked products, cross-selling, products which combine capital mobilization and credit lending with the commitment to deposit following the guideline "Make a difference". Continue to offer medium-term and long-term capital mobilizing products to take advantage of long-term funds.
- » Promote customer care, keep track of and efficiently maintain corporate customers with big deposit balance. Diversify customers, attach special importance to exploiting deposits from SMEs, and reduce the dependence on big customers. Closely monitor mobile capital resources of customers in order to flexibly keep customers' capital resources in foreign currency as well as in VND.
- » Conform to the State Bank's regulations on interest rate. Research and apply suitable internal interest rate policy to encourage branches in capital mobilizing promotion.

2 ENSURE THE SAFETY, QUALITY AND EFFICIENCY OF CREDIT GROWTH. CONTINUE THE GOOD MANAGEMENT IN INVESTMENT SECTOR AND INVESTMENT BUSINESS

- » Monitor credit growth in compliance with capital growth. Monitor medium-term and long-term credit growth and growth of foreign currency. Closely follow management policies of the State Bank and liquidation situation of the system to issue suitable credit policy.
- » Give priority to allocating capital resources for agriculture, rural areas; exports, supporting industries, current capital for small and medium sized enterprises using large quantities of labours, effective projects compliant with the local economic advantages. Limit loans to the commodities named in the list of imports that are not encouraged. Control nonproduction outstanding loans.
- » Strengthen credit quality control and risks prevention, especially for customers with large loan outstandings. Boost up NPL collection and settlement activities. Focus on settling NPLs by various methods, devise specific schedules for each customer.

3 IMPROVE SERVICE QUALITY, MAINTAIN MARKET SHARE

- » **Maintain the strong position in forex trading:** Closely follow guidelines from the State Bank to make reasonable decisions on forex trading; promote customers relation, enhance marketing, understand customers' demand, find suitable business solutions to attract and balance the sources of foreign currency to serve customers.
- » **Maintain the market share of export and import settlement, promote export settlement:** Increase the competitiveness of products, focus more on keeping current and attracting new exporters.
- » **Quicken the development of retail banking services:** Continue to standardize retail banking products and services, diversify the list of products, services on the basis of a uniform interest rate policy and standard fee schedule applicable to the entire system; Expand the retail network, enhance internet/sms/phone/mobile banking; Implement dynamic sales model in the entire system.
- » **Maintain the growth rate and market share in card business:** Maintain and develop card services, prioritize intensive development, improve service quality, promote online card payment. Take advantage of the Bank's leading position to focus on developing a widespread POS network. Strengthen the efficiency of risk management with flexible, diverse and prompt policies and measures to ensure security, safety for both customers and the Bank.

4 CONTINUE RE-STRUCTURING THE PORTFOLIO ACCORDING TO EFFICIENCY CRITERIA

- » Continue reviewing, re-structuring subsidiaries to ensure business efficiency and legal compliance.
- » Continue inspecting investments; withdraw capital from inefficient investments which do not support Vietcombank's operations.

DYNAMISM every *hour*



03

INFORMATION ON INVESTORS RELATION AND MANAGEMENT

38 Members and structure of Board of Directors and Supervisory Board

41 Shareholding's rate and changes in shareholding's rate of Board of Directors' members

41 Statistics of Shareholders



PROFIT BEFORE TAX (VND billion)

5,697 VND billion
PROFIT BEFORE TAX IN 2011

28,639

VND billion
SHAREHOLDER'S EQUITY

** Shareholder's equity stood at VND 28,639 billion, a 38.1% increase compared to 2010 (VND 7,902 billion).

| SHAREHOLDER'S EQUITY | | | | | Unit: VND billion |
|----------------------|--------|--------|--------|--------|-------------------|
| 2007 | 2008 | 2009 | 2010 | 2011 | |
| 13,528 | 13,946 | 16,710 | 20,737 | 28,639 | |

Members and structure of Board of Directors and Supervisory Board



Vietcombank's Board of Directors consists of six (6) members including one (1) Chairman and five (5) members as followings

- | | |
|---------------------------|---|
| 1. Mr. NGUYEN HOA BINH | Chairman of BOD |
| 2. Ms. LE THI HOA | Member of BOD |
| 3. Ms. LE THI KIM NGA | Member of BOD |
| 4. Mr. NGUYEN PHUOC THANH | Member of BOD, Chief Executive Officer |
| 5. Mr. PHAM HUYEN ANH | Member of BOD |
| 6. Ms. NGUYEN THI TAM | Member of BOD ⁽¹⁾ |

Vietcombank's Supervisory Board consists of four (4) members including one (1) Head of Supervisory Board and three (3) members as followings

- | | |
|-------------------------|-----------------------------|
| 1. Ms. TRUONG LE HIEN | Head of Supervisory Board |
| 2. Ms. LA THI HONG MINH | Member of Supervisory Board |
| 3. Ms. DO THI MAI HUONG | Member of Supervisory Board |
| 4. Ms. VU THI BICH VAN | Member of Supervisory Board |

(1): Ms. Nguyen Thi Tam has retired since 01/07/2011

90.72%

THE STATE BANK OF VIETNAM (SBV) IS THE ONLY SHAREHOLDER WHO OWNS MORE THAN 5% OF VIETCOMBANK'S SHARES (REPRESENTING VIETCOMBANK'S STATE-OWNED CAPITAL) WITH THE PERCENTAGE OF SHAREHOLDING AT 90.72%.



Shareholding's rate and changes in shareholding's rate of BOD's members are shown in the table below

According to the List of Shareholders, closed at 20/10/2011:

| FULL NAME | TITLE | NUMBER OF SHARES | RATE OF OWNERSHIP |
|-------------------------------|--|------------------|-------------------|
| NGUYEN HOA BINH | Chairman of BOD | 5,694 | 0.00029% |
| LE THI HOA | Member of BOD | 4,067 | 0.00021% |
| LE THI KIM NGA | Member of BOD | 8,768 | 0.00045% |
| NGUYEN PHUOC THANH | Member of BOD, Chief Executive Officer | 4,067 | 0.00021% |
| PHAM HUYEN ANH | Member of BOD | - | - |
| NGUYEN THI TAM ⁽¹⁾ | Member of BOD | 4,882 | 0.00025% |

There are no changes in the shareholding's rates of the BOD's members

(1): Ms. Nguyen Thi Tam has retired since 01/07/2011

Statistics of Shareholders

According to the list of shareholders, closed at 20/10/2011:

| No. | SHAREHOLDER | NUMBER OF SHARES | NUMBER OF SHAREHOLDERS | % SHAREHOLDING |
|-----|--|----------------------|------------------------|----------------|
| 1 | State Bank of Vietnam (representing State capital)) | 1,787,023,116 | 1 | 90.72% |
| 2 | Domestic shareholders, including: | 111,032,741 | 21,176 | 5.64% |
| | Domestic organizations | 50,162,919 | 206 | 2.55% |
| | Domestic individuals | 60,869,822 | 20,970 | 3.09% |
| 3 | Foreign shareholders, including: | 71,748,657 | 605 | 3.64% |
| | Foreign organizations | 66,029,611 | 93 | 3.35% |
| | Foreign individuals | 5,719,046 | 512 | 0.29% |
| | TOTAL | 1,969,804,514 | 21,782 | 100.0% |

Shareholder(s) holding 5% or more of Vietcombank's shares

As of 31/12/2011, the State Bank of Vietnam is the only shareholder who owns more than 5% of Vietcombank's shares (representing Vietcombank's State-owned capital) with the percentage of shareholding at 90.72%.

| NAME OF ORGANIZATION/INDIVIDUAL | ID CARD NO./PASSPORT NO. / CERTIFICATE OF BUSINESS REGISTRATION | ADDRESS | NUMBER OF SHARES | % SHAREHOLDING |
|--|--|--|------------------|----------------|
| | NO. | | | |
| State Bank of Vietnam (representing Vietcombank's State capital) | VSDVCB1 | No. 49 Ly Thai To street, Hoan Kiem District, Hanoi, Vietnam | 1,787,023,116 | 90.72% |



DEDICATION every *Day*



04

ORGANISATION AND PERSONNEL

- 46 Organizational structure of Vietcombank
- 48 Board of Directors
- 50 Board of Management



TOTAL OPERATING EXPENSES (VND billion)

5,700 VND billion
 TOTAL OPERATING EXPENSES IN 2011



Vietcombank
The leading bank for a prosperous Vietnam

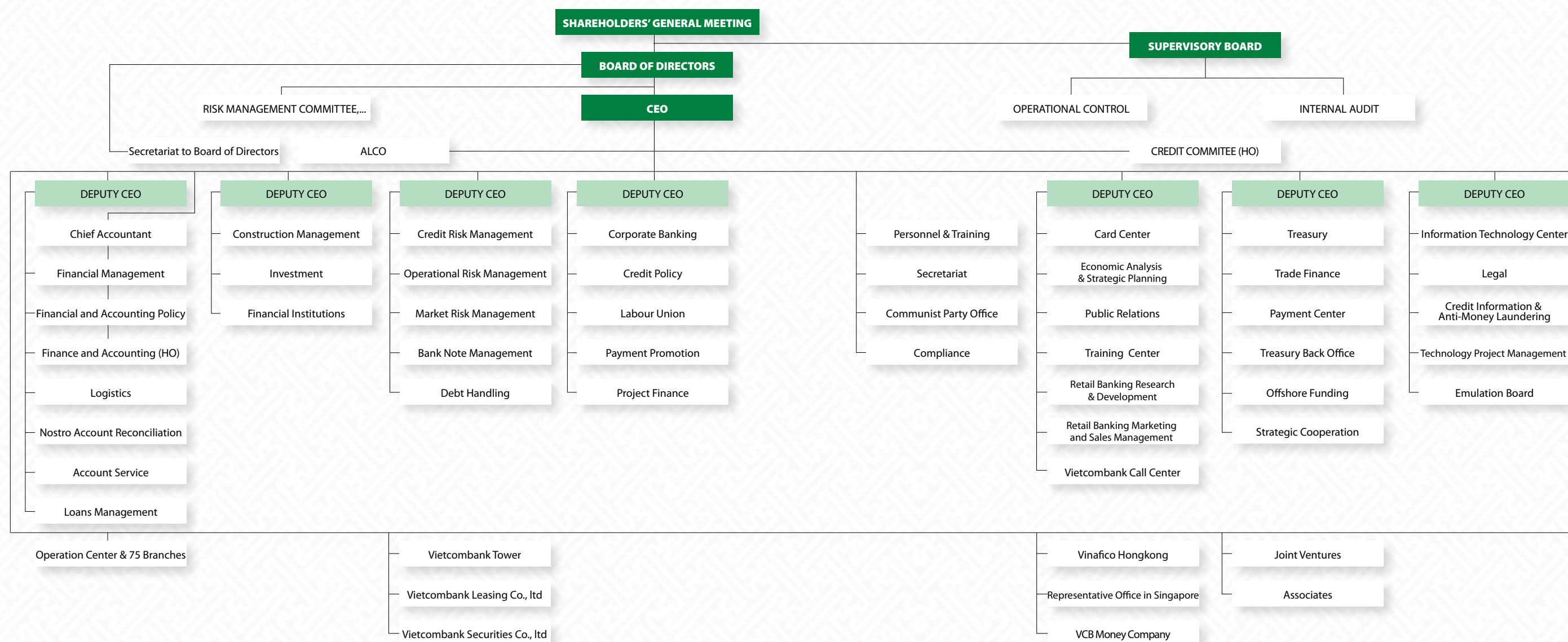
209,418 VND billion
GROSS LOANS

** Loans to customers were VND 209,418 billion, up 18.4%, with growth rate controlled below 20.0%.

| GROSS LOANS | | | | | Unit: VND billion |
|-------------|---------|---------|---------|---------|-------------------|
| 2007 | 2008 | 2009 | 2010 | 2011 | |
| 97,631 | 112,793 | 141,621 | 176,814 | 209,418 | |



Best Bank in Viet Nam (2000 - 2011)
nominated by credible and famous international magazines



Vietcombank's Board of Directors including 1 Chairman and 4 members:

1. Mr. NGUYEN HOA BINH : Chairman of BOD
2. Mr. NGUYEN PHUOC THANH : Member of BOD, Chief Executive Officer
3. Ms. LE THI HOA : Member of BOD
4. Ms. LE THI KIM NGA : Member of BOD
5. Mr. PHAM HUYEN ANH : Member of BOD

Vietcombank's Supervisory Board including 1 Head of Supervisory Board and 3 members:

1. Ms. TRUONG LE HIEN : Head of Supervisory Board
2. Ms. LA THI HONG MINH : Member of Supervisory Board
3. Ms. DO THI MAI HUONG : Member of Supervisory Board
4. Ms. VU THI BICH VAN : Member of Supervisory Board

Vietcombank's Board Of Management including 1 Chief Executive Officer and 7 Deputy General Directors

- | | |
|---|--|
| 1. Mr. NGUYEN PHUOC THANH : Chief Executive Officer | 5. Mr. PHAM QUANG DUNG : Deputy General Director |
| 2. Ms. NGUYEN THU HA : Deputy General Director | 6. Mr. NGUYEN DANH LUONG : Deputy General Director |
| 3. Mr. NGUYEN VAN TUAN : Deputy General Director | 7. Mr. DAO HAO : Deputy General Director |
| 4. Mr. DAO MINH TUAN : Deputy General Director | 8. Mr. PHAM THANH HA : Deputy General Director |

Ms. PHUNG NGUYEN HAI YEN : Chief Accountant



Mr. NGUYEN HOA BINH
Chairman of the BOD

University for Foreign Studies
Master of Business Administration
Vietnam – Belgium Program.
National Economics University



Mr. NGUYEN PHUOC THANH
Members of the BOD and CEO

Ho Chi Minh Economics University
Master of Business Administration
Pacific Western University (USA),
Vietnam National University



Mr. PHAM HUYEN ANH
Members of the BOD

Foreign Trade University
Postgraduate - Nanzan Nagoya University (Japan)
Master of Economics, Foreign Trade University



Ms. LETHI KIM NGA
Members of the BOD

Foreign Trade University
PhD of Economics,
National Economics University



Ms. LETHI HOA
Members of the BOD

National Economics University,
Master of Banking and Finance,
CFVG Program

BOARD OF MANAGEMENT



Mr. NGUYEN PHUOC THANH
Chief Executive Officer - CEO

Ho Chi Minh Economics University
Master of Business Administration
Pacific Western University (USA),
Vietnam National University



Ms. NGUYEN THU HA
Deputy General Director

Foreign Trade University
Master of Business Administration,
Georgetown University (USA)



Mr. DAO MINH TUAN
Deputy General Director

University of Technology
National Economics University
Master of Banking and Finance,
Banking Academy



Mr. NGUYEN VAN TUAN
Deputy General Director

University of Foreign Studies
Degree of Banking Management,
University of Washington, USA
MBA, Vietnam – Belgium Master Program



Mr. DAO HAO
Deputy General Director

Ho Chi Minh Economics University
Hanoi Law University



Mr. NGUYEN DANH LUONG
Deputy General Director

Banking Academy
PhD of Economics (Banking Academy)



Mr. PHAM QUANG DUNG
Deputy General Director

National Economics University
Master of Banking and Finance,
Birmingham University, UK



Mr. PHAM THANH HA
Deputy General Director

National Economics University
MBA, George Washington University (USA)



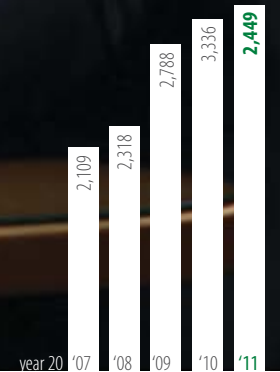
Ms. PHUNG NGUYEN HAI YEN
Chief Accountant

Master of Economics – Banking Academy

SHARING every *Week*



2,449 VND billion
NET INTEREST INCOME IN 2011



NET INTEREST INCOME (VND billion)



05

VIETCOMBANK'S RELATED COMPANIES AND VIETCOMBANK NETWORK

- 55 Related companies
- 60 Head Office, Operation center, Domestic branches and Representative office



241,700
VND billion
 CAPITAL MOBILIZATION

** Capital mobilization from the economy was VND 241,700 billion, an increase of 16.0%, higher than growth rate of the entire system (approximately 11%), meeting 96.7% of the set target of Shareholders' General Meeting.

| CAPITAL MOBILIZATION | | | | | Unit: VND billion |
|----------------------|---------|---------|---------|---------|-------------------|
| 2007 | 2008 | 2009 | 2010 | 2011 | |
| 144,810 | 159,989 | 169,457 | 208,320 | 241,700 | |

RELATED COMPANIES

Companies who own more than 50% of capital stock/equity capital of the organization, company (At present, The State Bank of Vietnam is the only shareholder owning more than 50% of Vietcombank's share capital)

COMPANIES WITH MORE THAN 50% OF CAPITAL STOCK/EQUITY CAPITAL HELD BY VIETCOMBANK

- Vietcombank Leasing Co., Ltd
- Vietcombank Securities Co., Ltd
- Vietnam Finance Company in Hong Kong
- Vietcombank Money Inc
- Vietcombank Tower 198
- Vietcombank - Bonday - Ben Thanh Co., Ltd
- Vietcombank Fund Management Company

VIETCOMBANK LEASING CO., LTD

Short name : **VCB Lea Co**
 License of operation : License No. 05/GP-CTCTC dated 25/5/1998 by State Bank
 Nature of business : Financial leasing
 Investment capital : 500,000,000,000 (VND)
 % of shareholding : 100%

VCB Lea Co, a subsidiary 100% owned by Vietcombank, specializes in financial leasing. In 2011, despite many unfavorable business conditions, VCB Lea Co has employed an active and flexible business strategy, resulting in better business outcomes than the previous year. The company's total assets as of 31/12/2011 were VND 1,412 billion.

1,412
VND billion

TOTAL ASSETS AS OF 31/12/2011

Profit after tax in 2011 was VND **36.34** billion, up 39% from 2010.

Address : 4th Floor, Building No. 10B, Trang Thi Street, Hoan Kiem District, Hanoi

Tel : (84 4) 3928 9289

Fax : (84 4) 3928 9150

Website : www.vcbl.com.vn

RELATED COMPANIES (cont.)

COMPANIES WITH MORE THAN 50% OF CAPITAL STOCK/EQUITY CAPITAL HELD BY VIETCOMBANK (cont.)

**VIETCOMBANK
SECURITIES
CO., LTD**

Short name : **VCBS**
 License of operation : License No. 09/GPHDKD dated 24/4/2002, with finally amended license according to license No. 192/UBCK-GPDC dated 27/2/2009 by State Security Commission
 Nature of business : Security
 Investment capital : 700,000,000,000 (VND)
 % of shareholding : 100%

VCBS is 100% owned by Vietcombank. In 2011, due to unfavorable security market, VCBS achieved modest business outcomes with profit before tax of VND 12.78 billion.

12.78
 VND billion
 PROFIT BEFORE TAX IN 2011

Address : 12th & 17th Floor, VCB Tower,
 No. 198, Tran Quang Khai,
 Hoan Kiem District, Hanoi
 Tel : (84 4) 3936 9990
 Fax : (84 4) 3936 0262
 Website : www.vCBS.com.vn

**VIETNAM
FINANCE COMPANY
IN HONG KONG**

Short name : **Vinafco**
 License of operation : License No. 05456282-000-02-11-7 issued by Hong Kong Currency Control Agency dated 10/2/2011
 Nature of business : Financial services
 Investment capital : 116,902,318,335 (VND)
 % of shareholding : 100%

Vinafco is a subsidiary 100% owned by Vietcombank, specializing in finance in Hong Kong. VFC's main activities are: mobilizing deposits, lending, payment and money transfer services. In 2011, VFC's profit after tax was VND 3.13 billion, 5.26 times higher than that of 2010.

3.13
 VND billion
 PROFIT AFTER TAX IN 2011

Address : 16th floor, Golden Star Building,
 20 Lockhard, Hong Kong
 Tel : 852 2865 3908
 Fax : 852 2866 0007

**VIETCOMBANK
MONEY INC**

Short name : **VCBM**
 License of operation : License No. E0321392009_6 issued by local government of Nevada dated 15/06/2009
 Nature of business : Remittance services
 Investment capital : 45,569,250,000 (VND)
 % of shareholding : 75%

VCBM is a joint stock company with 75% chartered capital owned by Vietcombank (the remaining 25% is held by Le Vu Co., Ltd). VCBM specializes in money transfer from USA to Vietnam. Established in 2009 and currently based in California, the company has completed the following directives in 2011: obtain the license for money transfer from DFI in California; act as the agent for several big partner companies to perform money transfer service; and collaborate with domestic partners to develop payment service in Vietnam.

Address : 7777 Center Avenue; Suite 495 Huntington
 Beach, CA 92647, United States
 Tel : 714 979 1055
 Fax : 714 979 1278

**VIETCOMBANK
TOWER 198
CO., LTD**

Short name : **VCBT**
 License of operation : License No. 1578/GP dated 30/5/1996, and No. 1578/GPDC1 dated 18/4/2006 issued by Ministry of Planning and Investment
 Nature of business : Office leasing
 Investment capital : 126,599,756,072 (VND)
 % of shareholding : 70%

VCB Tower is a 70:30 joint venture between Vietcombank and FELS Property Holdings Pte, Ltd. in Singapore, engaging in office leasing at Vietcombank Tower 198 Tran Quang Khai, Hoan Kiem, Hanoi. In 2011, the company maintained stable operation with leasing rate of 100%. Profit after tax in 2011 was VND 97.75 billion.

97.75
 VND billion
 PROFIT AFTER TAX IN 2011

Address : P 1406, 14th Floor, VCB Tower, No. 198, Tran
 Quang Khai Street, Hoan Kiem District, Hanoi
 Tel : (84 4) 3934 0919
 Fax : (84 4) 3934 0918

COMPANIES WITH MORE THAN 50% OF CAPITAL STOCK/EQUITY CAPITAL HELD BY VIETCOMBANK (cont.)

**VIETCOMBANK -
BONDAY - BEN THANH
CO., LTD**

Short name : **VBB**
License of operation : License No. 2458/GP issued by Ministry of Planning and Investment dated 07/02/2005
Nature of business : Office leasing
Investment capital : 276,067,351,800 (VND)
% of shareholding : 52%

VBB is a joint venture between Vietcombank and HCM Commercial Services JSC (Setra Corp.) and Bonday Investments Ltd. (Hongkong) with contribution ratio of 52%, 18% and 30%, respectively.

VBB operates in office and apartment leasing (Class A), as well as providing office for Vietcombank's branches and subsidiaries in Ho Chi Minh City. Currently, VBB is involved in construction works, expected to be completed by the end of 2013.

Address : P602, 6th Harbour View Tower,
No. 35 Nguyen Hue Street, District 1, HCMC

**VIETCOMBANK
FUND MANAGEMENT
COMPANY**

Short name : **VCBF**
License of operation : License No. 06/UBCK-GPHĐQLQ issued by State Security Commission dated 02/12/2005; final amendment according to license No. 76/GPDC-UBCK dated 03/08/2010
Nature of business : Investment fund management
Investment capital : 28,050,000,000 (VND)
% of shareholding : 51%

VCBF is a joint venture between Vietcombank and Viet Capital Holdings Pte Ltd., (VCH - Singapore), with contribution ratio of 51% and 49%, respectively, operating in establishing and managing securities investment funds and managing securities investment portfolio.

In February 2008, Franklin Templeton, one of the largest assets management corporations in the world, replaced VCH as the official foreign shareholder of VCBF.

By 31/12/2011, VCBF had VND 55 billion in total chartered capital and VND 1,779 billion in total assets. At present, VCBF manages 02 member funds of a total investment capital reached VND 555 billion and 10 security investment portfolios with total contribution value of nearly 1,621 billion VND and net capital of over VND 1,664 billion.

In 2011, the Company had attempted to expand securities investment portfolio operation through 03 more new portfolios, with initial contribution of more than VND 800 billion. Profit before tax of VCBF for 2011 was approximately VND 247 million.

Address : 15th Floor, VCB Tower, No. 198, Tran Quang Khai, Hoan Kiem District, Hanoi
Tel : (84 4) 3936 4540
Fax : (84 4) 3936 4542
Website : www.vcbf.com

**VIETCOMBANK
CARDIF LIFE INSURANCE
CO., LTD**

Short name : **VCLI**
License of operation : No. 55/GP issued by Ministry of Finance dated 23/10/2008
Nature of business : Life insurance
Investment capital : 270,000,000,000 (VND)
% of shareholding : 45%

VCLI is a joint venture between VCB (45%), Cardif (43%) and Seabank (12%), operating in life insurance and specializing in distribution of insurance products via bank (bancassurance). At present, VCLI provides insurance products such as: personal credit insurance; group credit insurance; credit insurance for coborrowers, death insurance etc. In the year 2011, VCLI distributed personal credit insurance products over of the entire systems of Vietcombank and Seabank.

25.18 VND billion
PROFIT AFTER TAX IN 2011

Address : 11th Floor, Capital Tower,
No. 109, Tran Hung Dao,
Hoan Kiem District, Hanoi

**VIETCOMBANK
BONDAY LIMITED**

Short name : **VCBB**
License of operation : No. 283/GP issued by Department of Planning & Investment dated 05/12/1991
Nature of business : Office leasing
Investment capital : 11,110,400,000 (VND)
% of shareholding : 16%

VCB Bonday is a joint venture between Vietcombank (16%), Sai Gon Real Estate Corporation (4%) and Bonday Investments Ltd., Hong Kong (80%). VCBB was established for the purpose of constructing and managing the Harbour View Tower located at no. 35, Nguyen Hue, District 1, HCMC, which operates in office leasing.

In 2011, VCBB still maintained stable operation with leasing rate of over 80% and achieved good business results.

34.30 VND billion
PROFIT AFTER TAX IN 2011

Address : No. 35, Nguyen Hue Street,
District 1, Ho Chi Minh City

HEAD OFFICE, OPERATION CENTER, DOMESTIC BRANCHES AND REPRESENTATIVE OFFICE

Vietcombank today has a wide network of **1** Head Office in Hanoi, **1** Operation Center, nearly **400** branches and transaction offices all over the country, **3** subsidiaries in Vietnam, **2** subsidiaries in other countries, **1** representative office in Singapore and **5** joint ventures.

HEAD OFFICE

198 Tran Quang Khai - Hoan Kiem District - Hanoi, Vietnam
Website: www.vietcombank.com.vn

Tel: (84 4) 3934 3137
Fax: (84 4) 3936 0049/3826 9067

Vietcombank Call Center 24/7:
(84 4) 3824 3524/1900 54 54 13

TRANSACTION OFFICE

No. 31-33, Ngo Quyen Street, Hanoi
Hoan Kiem District, Hanoi

Tel: (84 4) 3936 8547
Fax: (84 4) 3936 5534

Representative Office in Singapore

14 Robinson Road, 08 - 01 Far East
Finance Building Singapore 048545

Tel: 656 323 7558
Fax: 656 323 7559

| | | | | | | | | | | | |
|---------------------|---|--|-----------------------------------|--|--|-------------------------|---|--|-------------------------|--|--|
| AN GIANG | No. 1, Hung Vuong Street, Long Xuyen City, An Giang Province | Tel: (076)384 359 Fax: (076)3841 591 | DONG THAP | No. 66, 30/4 Street, Ward 1, Cao Lanh City, Dong Thap Province | Tel: (067)3872 110 Fax: (067)3872 119 | SOUTH OF SAI GON | Tan Thuan Export Processing Zone, District 7, HCMC | Tel: (08)3770 1634 Fax: (08)3770 1635 | THAI BINH | No. 75, Le Loi Street, Thai Binh City, Thai Binh Province | Tel: (036)3839 724 Fax: (036)3836 994 |
| BA DINH | No. 521, Kim Ma, Ba Dinh District, Hanoi City | Tel: (04)3766 5318 Fax: (04)3766 5313 | DUNG QUAT | East of Dung Quat IZ, Dung Quat EZ, Binh Son District, Quang Ngai | Tel: (055)3632 333 Fax: (055)3632 336 | NHA TRANG | 17 Quang Trung, Nha Trang City, Khanh Hoa | Tel: (058)3822 720 Fax: (058)3823 806 | THANG LONG | No. 98, Hoang Quoc Viet Street, Cau Giay District, Hanoi | Tel: (04)3755 7194 Fax: (04)3756 9006 |
| BAC GIANG | No. 179, Hung Vuong Str., Hoang Hoa Tham Ward, Bac Giang City, Bac Giang Province | Tel: (0240)3855 576 Fax: (0240)3855 575 | GIA LAI | No. 50 - Phan Boi Chau, Pleiku City, Gia Lai Province | Tel: (059)3828 595 Fax: (059) 3828 592 | NHON TRACH | Street of 25B, Nhon Trach III Industrial Zone, Nhon Trach District, Dong Nai Province | Tel: (061)3560 881 Fax: (061)3560 880 | THANH CONG | Lot 3, Suburd of 4.1 CC, Hoang Dao Thuy Str. Nhan Chinh Ward, Thanh Xuan Dist., Hanoi | Tel: (04)6257 8686 Fax: (04)37761 747 |
| BAC NINH | No. 353, Tran Hung Dao Street, Bac Ninh City, Bac Ninh Province | Tel: (0241)3811 848 Fax: (0241)3811 848 | HA LONG | Ha Long Street, Bai Chay Ward, Ha Long City, Quang Ninh province | Tel: (033)3811 808 Fax: (033)3844 746 | NINH THUAN | No. 47, 16/4 Street, Kinh Dinh Ward, Phan Rang City - Thap Cham, Ninh Thuan Province | Tel: (068)3827 552 Fax: (068)3827 072 | THANH HOA | No. 11, Hac Thanh Street, Dien Bien Ward, Thanh Hoa City, Thanh Hoa Province | Tel: (037)3728 286 Fax: (037)3728 386 |
| BEN THANH | No. 69, Bui Thi Xuan Street, Pham Ngu Lao Ward, District 1, HCMC | Tel: (08)3835 9323 Fax: (08)3832 5041 | HA NOI | No. 344, Ba Trieu Street, Hai Ba Trung District, Hanoi | Tel: (04)3974 6666 Fax: (04)3974 7065 | PHU TAI | 267-269 Lac Long Quan - Tran Quang Dieu Ward, Quy Nhon City, Binh Dinh Province | Tel: (056)3541 869 Fax: (056)3741 007 | THANH XUAN | No. 277 Nguyen Trai, Thanh Xuan District, Hanoi | Tel: (04)3557 8598 Fax: (04)3557 9138 |
| BIEN HOA | No. 22, 3A Street, Bien Hoa II Industrial Zone, Bien Hoa City, Dong Nai Province | Tel: (061)3991 947 Fax: (061)3995 981 | HA TAY | No. 484, Quang Trung Street, Ha Dong, Hanoi | Tel: (04)33554 545 Fax: (04)33554 444 | PHU THO | No. 664, Su Van Hanh Street, Ward 12, District 10, HCMC | Tel: (08)3863 5821 Fax: (08)3862 4804 | THU DUC | Ling Trung I Export Processing Zone, Thu Duc District, HCMC | Tel: (08)3896 6806 Fax: (08)3897 4176 |
| BINH DUONG | No. 314, Binh Duong Boulevard, Phu Hoa Ward, Thu Dau Mot Town, Binh Duong Province | Tel: (0650)3898 989 Fax: (0650)3831 220 | HA TINH | No. 2 Nguyen Thi Minh Khai Street, Ha Tinh City, Ha Tinh Province | Tel: (039)3857003 Fax: (039)3857 002 | PHU YEN | No. 194 - 196, Hung Vuong Street, Ward 7, Tuy Hoa City, Phu Yen Province | Tel: (057)3811 709 Fax: (057)3818 186 | TIEN GIANG | No. 152, Dinh Bo Linh, Ward 2, My Tho City, Tien Giang Province | Tel: (073)3975 495 Fax: (073)3975 878 |
| BINH TAY | No. 129-129A, Hau Giang Street, Ward 5, District 6, HCMC | Tel: (08)3960 0477 Fax: (08)3960 6217 | HAI DUONG | No. 66, Nguyen Luong Bang Street, Hai Duong City, Hai Duong Province | Tel: (0320)3891 131 Fax: (0320)3891 807 | DISTRICT 5 | No. 2D-2E, Ly Thuong Kiet Street, District 5, HCMC | Tel: (08)3957 3378 Fax: (08)3957 3380 | TRA NOC | Tra Noc industrial zone, Tra Noc Ward, Binh Thuy District, Can Tho city. | Tel: (0710)3844 272 Fax: (0710)3843 056 |
| BINH THANH | G Floor and 4 th Floor-SPT Building-No. 199, Dien Bien Phu Str., Ward 15, Binh Thanh Dist., HCMC | Tel: (08)38407924 Fax: (08)38407923 | HAI PHONG | No. 11 Hoang Dieu Street, Minh Khai - Hai Phong City | Tel: (031)3842 658 Fax: (031)3841 117 | QUANG BINH | No. 54 Nguyen Huu Canh, Dong Hoi City - Quang Binh | Tel: (052)3840 380 Fax: (052)3828 347 | TRA VINH | No. 28, Nguyen Thi Minh Khai Street, Ward 2, Tra Vinh Town, Tra Vinh Province | Tel: (074)3868 780 Fax: (074)3868 791 |
| BINH THUAN | No. 87, 19/4 Street, Xuan An Ward, Phan Thiet City, Binh Thuan Province | Tel: (062)3739 064 Fax: (062)3739 066 | HO CHI MINH | No.29, Chuong Duong Station, Nguyen Thai Binh Ward, District 1, HCMC | Tel: (08)9283 7245 Fax: (08)3829 7228 | QUANG NAM | No. 35 Tran Hung Dao, Tam Ky City, Quang Nam Province | Tel: (0510) 2210 898 Fax: (0510) 3813 235 | TRUNG DO | No. 09 Nguyen Sy Sach, Ha Huy Tap Ward, Vinh City, Nghe An Province | Tel: (038)8699 567 Fax: (038)8699 568 |
| CA MAU | No. 3 -4C, Au Co Street, Ward No.7, Ca Mau City, Ca Mau Province | Tel: (0780)3835 027 Fax: (0780)3833 466 | HOAN KIEM | No. 23, Phan Chi Trinh Street, Hoan Kiem District, Hanoi | Tel: (04)3933 5566 Fax: (04)3933 5580 | QUANG NGAI | No. 345, Hung Vuong Street, Quang Ngai City, Quang Ngai Province | Tel: (055)3828 578 Fax: (055) 3711 482 | VINH | No. 21 Quang Trung, Vinh City, Nghe An Province | Tel: (038)3842 033 Fax: (038)3842 192 |
| CAM RANH | No. 122, 22/8 Street, Cam Thuan Ward, Cam Ranh City, Khanh Hoa Province | Tel: (058)3955767 Fax: (058)3952 403 | HUE | No. 78 Hung Vuong, Phu Nhuan Ward, Hue City, Thua Thien Hue Province | Tel: (054)3811 900 Fax: (054)3824 631 | QUANG NINH | No. 703, Le Thanh Tong Street, Ha Long City, Quang Ninh Province | Tel: (033)3629 215 Fax: (033)3827 206 | VINH LOC | No. 7, Administration Block, Vinh Loc Industrial Zone, Binh Hung Ward, Binh Tan District, HCMC | Tel: (08)3765 1328 Fax: (08)3765 1327 |
| CAN THO | No. 3-5-7 Hoa Binh, Tan An Ward, Ninh Kieu District, Can Tho City | Tel: (0710)3820 445 Fax: (0710)3817 299 | HUNG YEN | Nghia Hiep Commune, Yen My District, Hung Yen Province | Tel: (0321)3941 886 Fax: (0321)3941 044 | QUANG TRI | No. 51, Tran Hung Dao, Ward 1, Dong Ha City, Quang Tri Province | Tel: (053)3555 727 Fax: (053)3555 726 | VINH LONG | No. 1D & 1 E Hoang Thai Hieu, Ward 1, Vinh Ling City, Vinh Long Province | Tel: (070)3836 478 Fax: (070)3836 479 |
| CHAU DOC | No. 55 Le Loi, Chau Phu B Ward, Chau Doc Town, An Giang Province | Tel: (076)3565 603 Fax: (0763)561 703 | BINH DUONG INDUSTRIAL ZONE | Street of DT 743, Binh Hoa Ward, Thuan An Town, Binh Duong Province | Tel: (0650)3713 853 Fax: (0650)3710 725 | QUY NHON | No. 152, Le Loi Street, Quy Nhon City, Binh Dinh Province | Tel: (056)3821 498 Fax: (056)3823 181 | VINH PHUC | No. 116, Ngo Quyen Street, Vinh Yen, Vinh Phuc | Tel: (0211)3720 920 Fax: (0211)3720 921 |
| CHUONG DUONG | No. 564, Nguyen Van Cu Street, Long Bien District, Hanoi | Tel: (04)3652 3333 Fax: (04)3652 2949 | KIEN GIANG | No. 2 Mac Cuu, Vinh Thanh Ward, Rach Gia City, Kien Giang Province | Tel: (077)3862 749 Fax: (077)3866 243 | SOC TRANG | No. 25 - 27, Hai Ba Trung Street, Ward 1, Soc Trang City, Soc Trang Province | Tel: (079)3621 752 Fax: (079)3824 186 | VUNG TAU | No. 27, Tran Hung Dao Street, Vung Tau City, Ba Ria Vung Tau Province | Tel: (064)3852 309 Fax: (064)3859 859 |
| DA LAT | No. 1 Le Hong Phong Street, Ward 4, Da Lat City, Lam Dong Province | Tel: (063)3511 811 Fax: (063)3533 666 | KON TUM | No. 124B, Le Hong Phong Street, Kon Tum City, Kon Tum Province | Tel: (060)3703 337 Fax: (060)3913 516 | SONG THAN | No. 1, Truong Son Highway, An Binh, Di An District, Binh Duong Province | Tel: (0650)3792 158 Fax: (0650)3792 387 | NORTH OF HA TINH | Bac Hong Ward, Hong Linh Town, Ha Tinh Province | Tel: (039)3821 049 Fax: (039)3821 248 |
| DA NANG | No. 140 - 142, Le Loi Street, Hai Chau I Ward, Hai Chau District, Da Nang City | Tel: (0511)3817 441 Fax: (0511)3826 062 | KY DONG | No. 13 - 13 bis Ky Dong, Ward No.9, District 3, HCMC | Tel: (08)3931 8968 Fax: (08)3526 2443 | TAN BINH | Suite No.1G,1F, Tanni Office Tower, No. 108 Tay Thanh, Tay Thanh Ward, Tan Phu District, HCMC | Tel: (08)3815 7777 Fax: (08)3810 6838 | VIET TRI | No. 1606A, Hung Vuong Street, Gia Cam Ward, Viet Tri City, Phu Tho Province | Tel: (0210)3766 666 Fax: (0210)3766 667 |
| DAK LAK | No. 6 Tran Hung Dao, Ban Me Thuot City, Dak lak Province | Tel: (0500)3857 899 Fax: (0500)3855 038 | LONG AN | No. 134-138, Nguyen Huu Tho Street, Ben Luc District, Long An Province | Tel: (072)3633 683 Fax: (072)3633 687 | TAN DINH | No. 72, Pham Ngoc Thach Street, District3, HCMC | Tel: (08)3820 8762 Fax: (08)3820 6846 | BAC LIEU | No. 14-15 Lot B, Ba Trieu Street, Ward 3, Bac Lieu City, Bac Lieu Province | Tel: (0781)3953 143 Fax: (0781)3953 141 |
| DONG NAI | No. 77C, Hung Dao Vuong Street, B ien Hoa City, Dong Nai Province | Tel: (061)3823 666 Fax: (061)3824 191 | MONG CAI | No. 2 Van Don, Tran Phu Ward, Mong Cai City, Quang Ninh Province | Tel: (033)3772 808 Fax: (033)3881 676 | TAY NINH | 374 - 376, 30/4 Street, Ward 3, Tay Ninh Town, Tay Ninh Province | Tel: (066)3818 996 Fax: (066)3818 998 | XUAN AN | Group 1, Xuan An Town, Nghi Xuan, Ha Tinh Province | Tel: (039)3821 202 Fax: (039) 3821 248 |



DEVELOPMENT every *Year*

06

FINANCIAL STATEMENTS

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1,789^{VND}
EARNINGS PER SHARE - EPS

BANKING LICENCE NO.

138/GP-NHNN dated 23 May 2008 issued by the State Bank of Vietnam and Decision No. 2719/QĐ-NHNN dated 27 December 2011 by the Governor of the State Bank of Vietnam adjusting and supplementing the contents of the Bank's operations. The banking licence validity is 99 years from the issuance date of the banking licence No. 138/GP-NHNN.

Business Registration Certificate No. 0100112437 dated 2 June 2008 issued by Department of Planning and Investment of Hanoi People's Committee was renewed for the first time on 6 September 2010 and for the seventh time on 10 January 2012.

BOARD OF DIRECTORS

| | | |
|-------------------------------|----------|--|
| Mr. NGUYEN HOA BINH | Chairman | Appointed on 23 May 2008 |
| Mr. NGUYEN PHUOC THANH | Member | Appointed on 23 May 2008 |
| Ms. LE THI HOA | Member | Appointed on 23 May 2008 |
| Ms. NGUYEN THI TAM | Member | Appointed on 23 May 2008 Retired on 1 July 2011 |
| Ms. LE THI KIM NGA | Member | Appointed on 23 May 2008 |
| Mr. PHAM HUYEN ANH | Member | Appointed on 20 May 2009 |

BOARD OF MANAGEMENT

| | | |
|-------------------------------|-------------------------|----------------------------|
| Mr. NGUYEN PHUOC THANH | General Director | Appointed on 23 May 2008 |
| Ms. NGUYEN THU HA | Deputy General Director | Appointed on 2 June 2008 |
| Mr. NGUYEN VAN TUAN | Deputy General Director | Appointed on 2 June 2008 |
| Mr. DAO MINH TUAN | Deputy General Director | Appointed on 2 June 2008 |
| Mr. PHAM QUANG DUNG | Deputy General Director | Appointed on 2 June 2008 |
| Mr. NGUYEN DANH LUONG | Deputy General Director | Appointed on 1 August 2009 |
| Mr. DAO HAO | Deputy General Director | Appointed on 1 August 2010 |
| Mr. PHAM THANH HA | Deputy General Director | Appointed on 1 August 2010 |

| | | |
|------------------|---------------------------------|---------------------------|
| Chief Accountant | Ms. NGUYEN THI HOA | Retired on 1 June 2011 |
| | Ms. PHUNG NGUYEN HAI YEN | Appointed on 16 June 2011 |

| | | |
|----------------------|-------------------------------|------------------|
| Legal representative | Mr. NGUYEN PHUOC THANH | General Director |
|----------------------|-------------------------------|------------------|

| | |
|------------------------|---|
| The Bank's Head Office | 198 Tran Quang Khai Street Hoan Kiem District, Ha Noi, Vietnam |
|------------------------|---|

| | |
|--------------------|--------------|
| The Bank's auditor | KPMG Limited |
|--------------------|--------------|

To the Shareholders

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

Scope

We have audited the accompanying consolidated balance sheet of Joint Stock Commercial Bank for Foreign Trade of Vietnam ("the Bank") and its subsidiaries (collectively "Vietcombank") as of 31 December 2011 and the related consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Management on 15 March 2012 ("the consolidated financial statements"). The consolidated financial statements are the responsibility of the Bank's Board of Management. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Bank's Board of Management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Audit Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Joint Stock Commercial Bank for Foreign Trade of Vietnam and its subsidiaries as of 31 December 2011 and of their consolidated results of operations and their consolidated cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements.

KPMG Limited
Vietnam
Investment Licence No. 011043000345
Audit report No. 2011KTo/VCB-KPMG/AC



NGUYEN THUY DUONG
CPA No. 0893/KTV
Deputy General Director

Hanoi, 15 March 2012

NGUYEN MINH HIEU
CPA No. N.1572/KTV

Consolidated balance sheet

as at 31 December 2011

Form B02/TCTD-HN

| | Note | 2011 | VND million 2010 (restated) |
|--|-------|--------------------|--------------------------------|
| A ASSETS | | | |
| I Cash on hand, gold, silver, gemstones | 3 | 5,393,766 | 5,232,743 |
| II Balances with the State Bank of Vietnam | 4 | 10,616,759 | 8,239,851 |
| III Balances with and loans to other credit institutions | 5 | 105,005,059 | 79,653,830 |
| 1 Balances with other credit institutions | | 71,822,547 | 79,499,786 |
| 2 Loans to other credit institutions | | 33,197,058 | 159,666 |
| 3 Allowance for loans to other credit institutions | | (14,546) | (5,622) |
| IV Trading securities | 6 | 817,631 | 7,181 |
| 1 Trading securities | | 825,372 | 10,830 |
| 2 Allowance for diminution in the value of trading securities | | (7,741) | (3,649) |
| V Derivatives and other financial assets | 17 | - | 34,686 |
| VI Loans and advances to customers | | 204,089,479 | 171,241,318 |
| 1 Loans and advances to customers | 7 | 209,417,633 | 176,813,906 |
| 2 Allowance for loans and advances to customers | 8 | (5,328,154) | (5,572,588) |
| VII Investment securities | 9 | 29,456,514 | 32,811,215 |
| 1 Available-for-sale securities | | 26,027,134 | 22,780,947 |
| 2 Held-to-maturity securities | | 3,750,522 | 10,329,560 |
| 3 Allowance for diminution in the value of investment securities | | (321,142) | (299,292) |
| VIII Long-term investments | | 2,618,418 | 3,955,000 |
| 1 Investments in joint-ventures | 10(a) | 646,292 | 1,563,346 |
| 2 Investments in associate companies | 10(b) | 18,693 | 22,965 |
| 3 Other long-term investments | 10(c) | 2,161,359 | 2,524,588 |
| 4 Allowance for diminution in the value of long-term investments | 10(c) | (207,926) | (155,899) |
| IX Fixed assets | | 2,605,744 | 1,586,093 |
| 1 Tangible fixed assets | 11 | 1,460,829 | 1,178,813 |
| a Cost | | 4,190,184 | 3,539,302 |
| b Accumulated depreciation | | (2,729,355) | (2,360,489) |
| 2 Intangible fixed assets | 12 | 1,144,915 | 407,280 |
| a Cost | | 1,386,884 | 606,920 |
| b Accumulated amortisation | | (241,969) | (199,640) |
| X Other assets | | 6,118,909 | 4,859,421 |
| 1 Receivables | 13(a) | 2,318,052 | 1,920,236 |
| 2 Accrued interest and fees receivable | 13(b) | 3,378,930 | 2,358,165 |
| 3 Other assets | 13(c) | 421,927 | 581,020 |
| TOTAL ASSETS | | 366,722,279 | 307,621,338 |

| | Note | 2011 | VND million 2010 (restated) |
|--|-------|--------------------|--------------------------------|
| B LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| I Amounts due to the Government and the State Bank of Vietnam | 14 | 38,866,234 | 10,076,936 |
| II Deposits and borrowings from other credit institutions | 15 | 47,962,375 | 59,535,634 |
| 1 Deposits from other credit institutions | | 22,725,480 | 53,950,694 |
| 2 Borrowings from other credit institutions | | 25,236,895 | 5,584,940 |
| III Deposits from customers | 16 | 227,016,854 | 204,755,949 |
| IV Derivatives and other financial liabilities | 17 | 11,474 | - |
| V Other borrowed funds | | - | 20 |
| VI Valuable papers issued | 18 | 2,071,383 | 3,563,985 |
| VII Other liabilities | | 22,012,029 | 8,832,053 |
| 1 Accrued interest and fees payables | 19(a) | 2,949,343 | 2,639,960 |
| 2 Deferred tax liabilities | | 6,789 | 2,088 |
| 3 Other liabilities | 19(b) | 18,157,982 | 5,180,804 |
| 4 Provision for contingent liabilities and off-balance sheet commitments | 19(c) | 897,915 | 1,009,201 |
| TOTAL LIABILITIES | | 337,940,349 | 286,764,577 |
| VIII Capital and reserves | | | |
| 1 Capital | | 20,739,157 | 14,255,875 |
| a Charter capital | | 19,698,045 | 13,223,715 |
| b Share premium | | 995,952 | 987,000 |
| c Other capital | | 45,160 | 45,160 |
| 2 Reserves | | 2,116,611 | 1,456,675 |
| 3 Foreign exchange differences | | 191,020 | 269,314 |
| 4 Asset revaluation difference | | 70,442 | 35,631 |
| 5 Retained profits | | 5,521,466 | 4,719,234 |
| a Previous years' retained profits | | 2,676,183 | 1,645,856 |
| b Current year's retained profits | | 2,845,283 | 3,073,378 |
| TOTAL SHAREHOLDERS' EQUITY | 20(a) | 28,638,696 | 20,736,729 |
| IX Minority interest | | 143,234 | 120,032 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 366,722,279 | 307,621,338 |

Consolidated balance sheet (cont.)

as at 31 December 2011

Form B02/TCTD-HN

| | Note | VND million | |
|---------------------------------|------|-------------|-----------------|
| | | 2011 | 2010 (restated) |
| OFF-BALANCE SHEET ITEMS | | | |
| I Contingent liabilities | | | |
| 1 Lending guarantees | | 25,850 | 251 |
| 2 Letters of credit commitments | | 32,696,320 | 34,540,188 |
| 3 Other guarantees | | 15,384,088 | 15,601,352 |
| II Commitments | | | |
| 1 Other commitments | | 4,825,942 | 1,100,805 |

Hanoi, 15 March 2012

Prepared by:

NGUYEN THI THU HUONG

Deputy Head of Financial
and Accounting Policy Department

PHUNG NGUYEN HAI YEN

Chief Accountant

Approved by:

NGUYEN DANH LUONG

Deputy General Director

Consolidated statement of income

for the year ended 31 December 2011

Form B03/TCTD-HN

CONSOLIDATED FINANCIAL STATEMENTS 6

| | Note | VND million | |
|--|--------------|--------------------|--------------------|
| | | 2011 | 2010 (restated) |
| 1 Interest and similar income | 21 | 33,354,733 | 20,587,489 |
| 2 Interest and similar expenses | 22 | (20,933,053) | (12,392,225) |
| I Net interest income | | 12,421,680 | 8,195,264 |
| 3 Fee and commission income | 23 | 2,198,033 | 1,917,376 |
| 4 Fee and commission expenses | 23 | (688,300) | (502,130) |
| II Net fee and commission income | 23 | 1,509,733 | 1,415,246 |
| III Net gain from trading foreign currencies | 24 | 1,179,584 | 561,680 |
| IV Net (loss)/gain from trading of trading securities | 25 | (5,896) | 18,149 |
| V Net gain from sales of investment securities | 26 | 24,012 | 268,381 |
| 5 Other income | 27 | 355,489 | 724,852 |
| 6 Other expenses | 27 | (1,616,405) | (144,780) |
| VI Net other (expenses)/income | 27 | (1,260,916) | 580,072 |
| VII Income from investments in other entities | 28 | 1,002,574 | 492,026 |
| VIII Operating expenses | 29 | (5,699,837) | (4,577,785) |
| IX Profit before provisions and allowances for credit risks | | 9,170,934 | 6,953,033 |
| X Provisions and allowances for credit risks | 30 | (3,473,529) | (1,384,183) |
| XI Profit before tax | | 5,697,405 | 5,568,850 |
| 7 Income tax expense – current | 31 | (1,480,073) | (1,265,808) |
| XII Total income tax expense | | (1,480,073) | (1,265,808) |
| XIII Net profit after tax | | 4,217,332 | 4,303,042 |
| XIV Net profit attributable to minority interest | | (20,521) | (21,248) |
| XVI Net profit | | 4,196,811 | 4,281,794 |
| XV Earnings per share (VND) | 20(c) | 1,789 | 2,105 |

Hanoi, 15 March 2012

Prepared by:

NGUYEN THI THU HUONG

Deputy Head of Financial
and Accounting Policy Department

PHUNG NGUYEN HAI YEN

Chief Accountant

Approved by:

NGUYEN DANH LUONG

Deputy General Director

Notes to the consolidated financial statements

for the year ended 31 December 2011

CONSOLIDATED FINANCIAL STATEMENTS □□□□□ 6

Form B05/TCTD-HN

These notes form an integral part of, and should be read in conjunction with, the accompanying consolidated financial statements.

1. REPORTING ENTITY

(a) Establishment and operations

Joint Stock Commercial Bank for Foreign Trade of Vietnam ("the Bank") was established upon the transformation from a state-owned commercial bank following the approval of the Prime Minister on the equitisation plan of the Bank for Foreign Trade of Vietnam and in accordance with other relevant regulations. The Bank was granted Banking Licence No. 138/GP-NHNN dated 23 May 2008 by the State Bank of Vietnam ("the SBV") for a period of 99 years and Business Registration Certificate No. 0103024468 dated 2 June 2008 by the Department of Planning and Investment of Hanoi People's Committee, Business Licence No.0100112437 was renewed for the seventh time on 10 January 2012.

The principal activities of the Bank in accordance with Decision No. 2719/QD-NHNN dated 27 December 2011 supplementing the banking licence No. 138/GP-NHNN on contents of the Bank's operations are to mobilise and receive short, medium and long-term deposit funds from organisations and individuals; to lend to organisations and individuals up to the nature and capability of the Bank's capital resources; to conduct settlement and cash services; and to provide other banking services as approved by the SBV; to invest in associates, joint-ventures and other companies; to invest in stocks and bonds; to trade in foreign exchange and real-estate business in accordance with the prevailing regulations.

(b) Charter capital

Under Banking Licence No. 138/GP-NHNN dated 23 May 2008 issued by the SBV and Business Registration Certificate No. 0103024468 dated 2 June 2008 issued by the Department of Planning and Investment of Hanoi People's Committee, the Bank's charter capital was **VND 12,100,860,260,000**. As at 31 December 2011, under Business Licence No.0100112437 which was renewed for the sixth time on 29 December 2011, the Bank's charter capital was **VND 19,698,045,140,000**. The face value per share is VND 10,000.

| | 2011 | | 2010 | |
|--------------------------------------|----------------------|-------------|----------------------|-------------|
| | Number of shares | % | Number of shares | % |
| Shares owned by the State of Vietnam | 1,787,023,116 | 90.72% | 1,199,666,918 | 90.72% |
| Shares owned by other shareholders | 182,781,398 | 9.28% | 122,704,534 | 9.28% |
| | 1,969,804,514 | 100% | 1,322,371,452 | 100% |

(c) Information on the equitisation of the Bank

The Bank for Foreign Trade of Vietnam was equitised under Decision No. 1289/QD-TTg dated 26 September 2007 of the Prime Minister on the approval of the equitisation plan of the Bank for Foreign Trade of Vietnam. The enterprise value and the bid price of its share are in accordance with Decision No. 2900/QD-NHNN dated 30 November 2007 issued by the SBV on the enterprise value and the pricing bid of the Bank for Foreign Trade of Vietnam. On 26 December 2007, the Bank for Foreign Trade of Vietnam conducted an Initial Public Offering.

The equitisation process of the Bank for Foreign Trade of Vietnam was implemented in accordance with Decree No. 109/2007/ND-CP dated 26 June 2007 issued by the Government of Vietnam and Circular No. 146/2007/TT-BTC dated 6 December 2007 issued by the Ministry of Finance ("the MoF") on equitisation program for 100% state owned entities. The SBV is the authority responsible for the equitisation of the Bank for Foreign Trade of Vietnam. Therefore, the SBV is authorised to announce the enterprise value and approve the finalisation of financial issues, costs relating to the equitisation, financial support paid to redundant employees, proceeds received from issuance of shares during the equitisation process and the value of the capital portion belonging to the State as at the time when the Bank received its Business Registration Licence.

On 7 April 2011, the SBV issued the Decision No. 738/QD-NHNN on approving the finalisation of the Bank's equitisation. On 6 May 2011, the payables to the State relating to the Bank's equitisation were fully paid to the State-owned Enterprises Restructuring Support Fund.

On 25 August 2011, The Bank for Foreign Trade of Vietnam signed the handover minute to transfer its capital, assets and liabilities to the Bank.

(d) Locations and network

The Bank's Head Office is located at 198 Tran Quang Khai Street, Hoan Kiem District, Hanoi. As at 31 December 2011, the Bank has one (1) Head Office, one (1) Operations Centre, one (1) Training Centre and seventy five (75) branches nationwide, three (3) local subsidiaries, two (2) overseas subsidiaries, three (3) joint ventures, two (2) associates and one (1) overseas representative office located in Singapore.

The Bank and its subsidiaries hereinafter are referred as "Vietcombank".

(e) Subsidiaries

| Subsidiary | Operating Licence | Nature of business | % direct reholding by the Bank |
|---|---|--------------------|--------------------------------|
| Vietcombank Financial Leasing Company Limited ("VCB Leasing") | Operating Licence No. 05/GP-CTCTC dated 25 May 1998 granted by the SBV. | Finance leasing | 100% |
| Vietcombank Securities Company Limited ("VCB Securities") | Operating Licence No. 09/GPHDKD dated 24 April 2002 and Licence No. 12/GPHDLK dated 23 May 2002 granted by the State Securities Commission. | Securities | 100% |
| Vietcombank Tower 198 Company Limited ("VCB Tower") | Investment Licence No. 1578/GP dated 30 May 1996 and No. 1578/GPDC1 dated 18 April 2006 granted by the Ministry of Planning and Investment. | Office leasing | 70% |
| Vietnam Finance Company Limited ("Vinafico") | Investment Licence No. 05456282 – 000 – 02 – 11 – 7 dated 10 February 2011 granted by the Hong Kong Monetary Authority | Financial services | 100% |
| VCB Money Incorporation | Business Licence No. E0321392009- 6 dated 15 June 2009 granted by Authority of Nevada State, United States of America. | Remittance | 75% |

(f) **Number of employees** As at 31 December 2011, Vietcombank has **12,565** employees (31 December 2010: 11,415 employees).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted by Vietcombank in the preparation of these consolidated financial statements.

(a) Basis of financial statements preparation

The consolidated financial statements, presented in Vietnam Dong (“VND”) rounded to the nearest million (“VND million”), have been prepared in accordance with Vietnamese Accounting Standards (“VAS”), the Vietnamese Accounting System for Credit Institutions stipulated by the SBV and the relevant statutory requirements. The Bank also prepares the separate financial statements for the year ended 31 December 2011.

The consolidated financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the direct method. Vietcombank has consistently applied the accounting policies in the year. Vietcombank has consistently applied the accounting policies in the year and the year ended 31 December 2010.

(b) Fiscal year: Vietcombank’s fiscal year is from 1 January to 31 December.

(c) Changes in accounting policies and disclosures

Circular No. 210/2009/TT-BTC of the Ministry of Finance on the application of the International Financial Reporting Standards on the presentation and disclosures of financial instruments.

On 6 November 2009, the Ministry of Finance issued Circular No.210/2009/TT-BTC guiding the application of International Financial Reporting Standards on presentation and disclosures of financial instruments (“Circular 210”) with effect from the fiscal year which started on or after 1 January 2011.

Vietcombank adopted Circular 210 and supplemented additional disclosures in accordance with the requirements of Circular 210 in the consolidated financial statements for the year ended 31 December 2011.

(d) Foreign currency transactions

According to the Bank’s accounting system, the Bank records all transactions in their original currencies. Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the inter-bank exchange rates prevailing on the balance sheet date. Non-monetary foreign currency assets and liabilities are reported using the exchange rate effective on the date of the transaction. Income and expenses in foreign currencies are translated into VND in the consolidated statement of income at the exchange rates on the dates of the transactions.

Foreign exchange differences arising from revaluation of foreign currency trading activities are recorded in the consolidated statement of income.

For the purpose of accounting for the investments in associates and joint-ventures using the equity method and full consolidation of subsidiaries into the consolidated financial statements, assets and liabilities and equity accounts of these companies are translated into VND at the spot rate of exchange ruling on the balance sheet date, and the consolidated statement of income is translated at the average exchange rate for the year. The exchange differences arising on the translation are taken into equity in the consolidated balance sheet.

(e) Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Bank. Control exists when the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Inter-company balances, transactions and profit/loss on transactions between those companies and the Bank are eliminated in the consolidated financial statements. The accounting policies of subsidiaries have been changed if necessary to ensure the consistency with the policies adopted by the Bank.

Minority interest is the portion of the profit or loss and net assets of a subsidiary attributable to equity interest that are not owned, directly or indirectly through subsidiaries, by the Bank.

(ii) Associates and joint ventures

Associates are those entities in relation to which the Bank has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Bank holds from 20 to 50 percent of the voting power of a certain entity. Joint ventures are those entities over whose activities the Bank has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

The Bank uses the equity method for consolidating its investments in associates and joint ventures in the consolidated financial statements. The Bank’s share of its associates’ and joint-ventures’ post acquisition profits or losses is recognised in the consolidated statement of income. When the Bank’s share of losses in associates and joint ventures equals or exceeds the carrying amount of its investment in the associates and joint ventures, the Bank does not recognise further losses in its consolidated financial statements, unless it has obligations to pay on behalf of the associates and joint ventures. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Bank.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, gold, balances with the SBV, Government promissory notes and other short-term valuable papers which are eligible for discounting, balances with other credit institutions and investment securities with original terms to maturity not exceeding three months.

Gold is revaluated at the balance sheet date and the differences arising on revaluation is recorded in the consolidated statement of income.

(g) Investments

(i) Trading securities

Trading securities are defined as debt securities or equity securities, which are bought and held for the purpose of reselling within one year to gain profit on changes in price.

Trading securities are initially recognised at cost of acquisition. They are subsequently measured at the lower of the carrying value and the market value. Gains or losses from the sales of trading securities are recognised in the statement of income.

(ii) Investment securities

Investment securities are classified into two categories: available-for-sale and held-to-maturity investment securities. Vietcombank classifies investment securities on their purchase dates. In accordance with the Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by SBV, Vietcombank is allowed to reclassify investment securities no more than once after the purchase date.

Available-for-sale investment securities

Available-for-sale investment securities are defined as debt securities, equity securities or other securities, which are acquired for an indefinite period and may be sold at any time.

Held-to-maturity investment securities

Held-to-maturity investment securities are debt securities, with fixed or determinable payments and maturities where Vietcombank's management has the positive intention and ability to hold until maturity.

Investment securities are initially recognised at cost of acquisition, including transaction expenses and other directly attributable expenses. They are subsequently measured at the lower of the book value after amortisation and the market value. Premiums and discounts arising from purchases of debt securities are amortised in the consolidated statement of income using straight-line method over the period from the acquisition dates to the maturity dates.

(iii) Long-term investments

Investments in associates and joint-ventures

Associates are those entities in relation to which the Bank has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Bank holds from 20 to 50 percent of the voting power of a certain entity. Joint ventures are those entities over whose activities the Bank has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Other long-term investments

Other long-term investments include equity securities and other long term capital contributions whose holding, withdrawing or paying term is for more than 1 year (at the exclusion of capital contributions, investments into joint-ventures and associates).

Other long term investments are initially recognised at cost. They are subsequently measured at the lower of the carrying value and the market value. Cost is determined on a weighted average basis.

(h) Loans and advances to customers

Loans and advances to customers are stated on consolidated balance sheet at outstanding principal less allowances for credit risk.

In accordance with Decision No. 493/2005/QD-NHNN dated 22 April 2005 issued by the SBV ("**Decision 493**"), which was amended and supplemented by Decision No. 18/2007/ QD-NHNN dated 25 April 2007 issued by the SBV ("**Decision 18**"), specific allowance for credit risk is calculated on loan grading and corresponding allowance rate against principal outstanding as at 30 November less allowed value of collateral as follows:

| | Allowance rate |
|-----------------------------|----------------|
| Group 1 – Current | 0% |
| Group 2 – Special mentioned | 5% |
| Group 3 – Sub-standard | 20% |
| Group 4 – Doubtful | 50% |
| Group 5 – Loss | 100% |

The Bank applies Article 7 of Decision 493 to classify loans and advances as at 31 December 2010, based on both qualitative and quantitative factors. This rating and classification methodology was approved to be effective in the year 2010 by the SBV in the Official Letter No. 3937/NHNN – TTGSNH dated 27 March 2010.

In accordance with the requirements of Decision 493, loans and advances to customers are written off against allowances when loans and advances have been classified to Group 5 or when borrowers have declared bankruptcy (for borrowers being legal entities) or borrowers are dead or missing (for borrowers being individuals).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(i) Provision for off-balance sheet commitments

In accordance with Decision 493 and Decision 18, Vietcombank is required to classify guarantees, acceptances, undrawn loan commitments which are unconditionally irrevocable into 5 groups (Note 2(h)) and make specific provisions accordingly.

In addition, Vietcombank is required to make a general provision of 0.75% of total irrevocable outstanding letters of guarantee, letters of credit, and commitment of financing to customers as at the consolidated balance sheet date. Such general provision is required to be made in full within 5 years from the effective date of Decision 493. As at 31 December 2011, Vietcombank provided a general provision of 0.75% of the above balances as at 30 November 2011 (31 December 2010: 0.75% of the above balances as at 30 November 2010).

(j) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, and the cost of dismantling and removing the asset and restoring the site on which they are located. Expenditure incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to statement of income in the year in which the costs are incurred. In case it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of tangible fixed assets beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of items of tangible fixed assets. The estimated useful lives are as follows:

| | |
|--|-------------|
| ❖ Premises | 25 years |
| ❖ Office furniture, fittings and equipment | 3 - 5 years |
| ❖ Motor vehicles | 6 years |
| ❖ Others | 4 years |

(k) Intangible fixed assets

(i) Land use rights

Land use rights are the land transferred upon payments of land use fee. The initial cost of a land use right comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use right.

In accordance with Circular 203/2009/TT-BTC dated 20 October 2009 by the Ministry of Finance, effective from 1 January 2010, intangible fixed assets which are land use rights are not amortised.

In accordance with Circular 18/2011/TT-BTC dated 10 February 2011 by the Ministry of Finance, value of land use rights with definite terms is amortised as expenses over such definite term.

(ii) Other intangible fixed assets

Copyrights, patents and other intangible fixed assets are amortised on a straight-line basis over 4 years.

(l) Deposits from customers and certificates of deposits

Deposits from customers and certificates of deposits are stated at cost.

(m) Valuable papers issued

Valuable papers issued are stated at cost, net off amortised premiums and discounts. Cost of valuable papers issued includes the proceeds from the issuance less directly attributable expenses.

(n) Provision for severance allowance

Under the Vietnamese Labour Code, when employees who have worked for the Bank and its subsidiaries in Vietnam for 12 months or more ("eligible employees") voluntarily terminates their labour contract, the employer is required to pay the eligible employees severance allowance calculated based on years of service and employees' compensation at termination. Provision for severance allowance has been provided at 3% of the basic salary fund which is used for calculating Social Insurance contribution of the Bank and its subsidiaries in Vietnam.

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Bank, its subsidiaries in Vietnam and their employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees' basic salary or 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of the unemployment insurance scheme, the Bank and its subsidiaries in Vietnam are no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to existing eligible employees as of 31 December 2008 will be determined based on the eligible employees' years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**(o) Capital and reserves****(i) Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(ii) Share premium

On receipt of capital from shareholders, the difference between the issuance price and the par value of the shares is recorded as share premium in equity.

(iii) Treasury shares

When Vietcombank repurchases its own issued shares, the total paid amount which includes directly attributable costs, net off any tax effects, is recognised as a deduction from equity and referred to as treasury shares.

(iv) Reserves

Reserves are for specific purposes and distributed from net profit after tax excluding net gain from revaluation of gold ("net profit for appropriation to reserves") at prescribed rates as below:

- ❖ Supplementary charter capital reserve: 5% of net profit for appropriation to reserves and does not exceed 10% of the Bank's charter capital.
- ❖ Financial reserve: 10% of net profit for appropriation to reserves and does not exceed 25% of the Bank's charter capital.
- ❖ Investment and development reserves, bonus and welfare funds and other reserves: are to be made upon the decisions of the Annual General Shareholders' Meeting. The allocation ratios are decided by the Annual General Shareholders' Meeting and in accordance with relevant regulatory requirements.

The appropriation to reserves are made in accordance with the decisions of the Annual General Shareholders' Meeting and relevant regulatory requirements.

The remaining of the net profit after tax, after allocation to reserves and dividends payment, is recorded as retained profits of the Bank.

Vietcombank Securities Company Limited sets up reserves in accordance with Circular 24/2007/TT-BTC issued by the MoF on 27 March 2007.

(p) Revenue**(i) Interest income**

Interest income of outstanding loans classified in Group 1 (as defined in Note 2(h)) is recognised in the consolidated financial statement on an accrual basis. Interest on loans classified in Group 2 to Group 5 is recognised upon receipt.

(ii) Fees, commissions and dividend income

Fees and commissions are recognised on an accrual basis. Dividends receivable in cash from investment activities is recognised in the consolidated statement of income when Vietcombank's right to receive payment is established.

(iii) Dividends received in the form of shares

In accordance with Circular No. 244/2009/TT-BTC dated 31 December 2009, effective from 1 January 2010, dividends and other receipts in the form of shares, amounts distributed in the form of shares coming from profits of joint stock companies, are not recorded in the consolidated financial statements.

(q) Interest expense: Interest expense is recorded on an accrual basis.**(r) Operating lease payments**

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease.

(s) Earnings per share

Vietcombank presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of Vietcombank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by dividing the adjusted profit or loss attributable to ordinary shareholders by the weighted average number of outstanding ordinary shares.

(t) Taxation

Income tax on the profit or loss for the year comprises of current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated by using the balance sheet method, providing for the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(u) Related parties

Entities and individuals, directly or indirectly through one or more intermediaries, which control, or are controlled by, or are under common control with the Bank and its subsidiaries are related parties of the Bank. Associates and individuals, directly or indirectly owning the voting power of the Bank and its subsidiaries that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Bank and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Government of Vietnam, through the State Bank of Vietnam, is a shareholder of the Bank. Therefore, in these consolidated financial statements, some Government agencies, including the Ministry of Finance and the State Bank of Vietnam are considered as related parties of the Bank.

(v) Segment reporting

A segment is a distinguishable component of Vietcombank engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Vietcombank's primary format for segment reporting is based on geographical segment. Vietcombank's secondary format for segment reporting is based on business segment.

(w) Off-balance sheet items

(i) Foreign exchange contracts

Vietcombank enters into foreign exchange forwards and swaps contracts which enable customers to transfer, modify or reduce their foreign exchange risk or other market risks and simultaneously are used for business purpose of Vietcombank.

Forward contracts are commitments to either purchase or sell a designated currency at a specific future date for a specific exchange rate and settled in cash. Forward contracts are recorded at nominal value on the balance sheet at the transaction date and are subsequently revaluated at exchange rate at the year end. Realised or unrealised gain or loss is recognised in the consolidated statement of income.

Swap contracts are commitments to settle in cash at a future date based on differences among specified exchange rates calculated on notional principal amount. Swap contracts are subsequently revaluated on the balance sheet date; the difference on revaluation is recognised in the consolidated statement of income.

(ii) Commitments and contingent liabilities

The Bank has credit commitments arising from its regular lending activities. These commitments are unutilised loans and overdraft facilities which are approved. The Bank also provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Many of the contingent liabilities and commitments will expire without any advanced payment, in whole or in part. Therefore these commitments and contingent liabilities do not represent expected future cash flows.

(x) Financial instruments

In its business operation, the Bank regularly enters into contracts which give rise to financial assets, financial liabilities and equity instruments.

Financial assets of Vietcombank mainly include:

- ❖ Cash;
- ❖ Balances with the State Bank of Vietnam;
- ❖ Balances with and loans to other credit institutions;
- ❖ Loans and advances to customers;
- ❖ Trading securities;
- ❖ Investment securities;
- ❖ Other long-term investments;
- ❖ Financial derivative assets; and
- ❖ Other financial assets.

Financial liabilities of Vietcombank mainly include:

- ❖ Amounts due to the Government and the State Bank of Vietnam;
- ❖ Deposits and borrowings from other credit institutions;
- ❖ Deposit from customers;
- ❖ Valuable papers issued;
- ❖ Financial derivative liabilities; and
- ❖ Other financial liabilities.

(i) Classification of financial assets and liabilities

For the disclosure purpose in the financial statements, Vietcombank properly classifies financial assets and financial liabilities in accordance with Circular 210/2009/TT-BTC.

Financial assets are classified as follows:

- ❖ Financial assets held for trading;
- ❖ Held-to-maturity investments;
- ❖ Loans and receivables; and
- ❖ Financial assets available-for-sale

Financial liabilities are classified as follows:

- ❖ Financial liabilities held for trading; and
- ❖ Financial liabilities carried at amortised cost.

(ii) Recognition

Financial assets and liabilities are recognised on the balance sheet only when Vietcombank enters into contracts which give rise to related financial instruments. Vietcombank recognises financial assets and liabilities on the trade date when it becomes a party to the effective contractual provisions of the instruments. (trade date accounting).

Notes to the consolidated financial statements (cont.)

for the year ended 31 December 2011

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(x) Financial instruments (cont.)

(iii) De-recognition

Vietcombank derecognises a financial asset when the contractual right to receive cash flows from the financial asset has expired, or when it has transferred substantially all the risks and rewards of ownership of the financial asset, Vietcombank derecognises a financial liability when the contractual obligations are settled (i.e., either discharged, cancelled or expired),

(iv) Measurement and disclosures of fair value

In accordance with Circular 210/2009/TT-BTC, Vietcombank, has to disclose the fair value of financial assets and financial liabilities to compare with the carrying value of those financial assets and financial liabilities as in Notes 37,

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the recognition date,

When an active market is available, Vietcombank measures the fair value of an instrument using its quoted price in the active market for that instrument, A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions,

If a market for a financial instrument is not active, Vietcombank establishes fair value using valuation techniques, The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to Vietcombank, incorporates all factors that market participants would consider in setting prices, and is consistent with accepted economic methodologies for pricing financial instruments, Inputs for valuation techniques reasonably represent market expectations and measures of the risk-returns factors inherent in the financial instrument,

In case there is not enough information for using valuation techniques, fair value of the financial instruments that do not have quoted market prices are deemed to be not reliably measured and therefore, not disclosed,

3. CASH ON HAND, GOLD, SILVER AND GEMSTONES

| | VND million | |
|---------------------------------------|-------------|-----------|
| | 2011 | 2010 |
| Cash on hand in VND | 3,470,331 | 3,238,396 |
| Cash on hand in foreign currencies | 1,326,802 | 1,462,824 |
| Valuable papers in foreign currencies | 8,714 | 13,396 |
| Gold | 587,919 | 518,127 |
| | 5,393,766 | 5,232,743 |

4. BALANCES WITH THE STATE BANK OF VIETNAM

| | VND million | |
|------------------------|-------------|-----------|
| | 2011 | 2010 |
| Demand deposits in VND | 5,410,490 | 3,058,043 |
| Demand deposits in USD | 5,206,269 | 5,181,808 |
| | 10,616,759 | 8,239,851 |

These consist of a compulsory reserve ("CRR") for liquidity and a current account, Under the SBV's regulations on CRR, banks are permitted to maintain a floating balance for CRR,

The monthly average balance of the demand deposits of the Bank with SBV must not be less than the monthly balance of CRR, The amount of monthly balance of CRR is calculated by the monthly average balances of deposits multiply with preceding CRR rates,

The effective CRR rates at the year end were as follows:

| Type of deposits | 2011 | 2010 |
|---|------|----------------|
| Deposits in VND with term of less than 12 months | 3% | 3% |
| Deposits in VND with term of and more than 12 months | 1% | 1% |
| Deposits in foreign currencies with term of less than 12 months | 8% | 4% |
| Deposits in foreign currencies with term of and more than 12 months | 6% | 2% |
| Deposit from overseas credit institutions in foreign currencies | 1% | Not applicable |

Effective annual interest rates at the year end were as follows:

| | 2011 | 2010 |
|---------------------------|-------|------|
| Compulsory reserve in VND | 1.2% | 1.2% |
| Compulsory reserve in USD | 0% | 0% |
| Demand deposits in VND | 0% | 0% |
| Demand deposits in USD | 0.05% | 0.1% |

5. BALANCES WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

| | VND million | |
|--|-------------|------------|
| | 2011 | 2010 |
| Balances with other credit institutions | | |
| Demand deposits in VND | 12,241 | 79,097 |
| Demand deposits in foreign currencies | 18,629,416 | 13,361,116 |
| Term deposits in VND | 19,899,795 | 36,267,312 |
| Term deposits in foreign currencies | 33,281,095 | 29,792,261 |
| | 71,822,547 | 79,499,786 |
| Loans to other credit institutions | | |
| Loans in VND | 20,326,604 | 150,200 |
| Loans in foreign currencies | 12,870,454 | 9,466 |
| | 33,197,058 | 159,666 |
| Allowance for loans to other credit institutions | (14,546) | (5,622) |
| | 33,182,512 | 154,044 |
| | 105,005,059 | 79,653,830 |

Notes to the consolidated financial statements (cont.)

for the year ended 31 December 2011

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5. BALANCES WITH AND LOANS TO OTHER CREDIT INSTITUTIONS (cont.)

Allowances for loans to other credit institutions comprise of:

| | VND million | |
|------------------------|---------------|--------------|
| | 2011 | 2010 |
| General allowance | 14,546 | 1,132 |
| Specific allowance | - | 4,490 |
| Closing balance | 14,546 | 5,622 |

Movements in general allowance for loans to other credit institutions were as follows:

| | VND million | |
|---|---------------|--------------|
| | 2011 | 2010 |
| Opening balance | 1,132 | 6,398 |
| Allowance made/(reversed) during the year (Note 30) | 13,414 | (5,266) |
| Closing balance | 14,546 | 1,132 |

Movements in specific allowance for loans to other credit institutions were as follows:

| | VND million | |
|---|-------------|--------------|
| | 2011 | 2010 |
| Opening balance | 4,490 | - |
| Allowance (reversed)/made during the year (Note 30) | (4,490) | 4,490 |
| Closing balance | - | 4,490 |

Effective annual interest rates at the year end were as follows:

| | VND million | |
|---------------------------------------|---------------|---------------|
| | 2011 | 2010 |
| Demand deposits in VND | 0% | 0% |
| Demand deposits in foreign currencies | 0% | 0% |
| Term deposits in VND | 11% - 16.5% | 10.5% - 13.5% |
| Term deposits in foreign currencies | 0.001% - 5.5% | 0.8% - 5.8% |
| Loans in VND | 11% - 16.5% | 11.5% - 13.2% |
| Loans in foreign currencies | 1.5% - 4.5% | 2% - 5.5% |

6. TRADING SECURITIES

Listing status of trading securities was as follows:

| | VND million | |
|--|----------------|---------------|
| | 2011 | 2010 |
| Equity securities | 117,417 | 10,830 |
| Listed | 11,337 | 10,830 |
| Unlisted | 106,080 | - |
| Debt securities issued by local credit institutions | 707,955 | - |
| Listed | 509,955 | - |
| Unlisted | 198,000 | - |
| | 825,372 | 10,830 |
| Allowance for diminution in value of trading securities | (7,741) | (3,649) |
| | 817,631 | 7,181 |

Movements in allowance for diminution in value of trading securities were as follow:

| | VND million | |
|--|--------------|--------------|
| | 2011 | 2010 |
| Opening balance | 3,649 | 233 |
| Allowance made during the year (Note 25) | 4,092 | 3,416 |
| Closing balance | 7,741 | 3,649 |

7. LOANS AND ADVANCES TO CUSTOMERS

| | VND million | |
|---|--------------------|--------------------|
| | 2011 | 2010 |
| Loans to local corporations and individuals | 206,061,931 | 174,288,885 |
| Discounted bills and valuable papers | 1,470,746 | 1,184,880 |
| Finance leases | 1,286,698 | 1,190,898 |
| Loans given to make payments on behalf of customers | 425,005 | 149,243 |
| Loans to foreign individuals and enterprises | 45,157 | - |
| Frozen loans | 128,096 | - |
| | 209,417,633 | 176,813,906 |

Notes to the consolidated financial statements (cont.)

for the year ended 31 December 2011

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7. LOANS AND ADVANCES TO CUSTOMERS (cont.)

Loan portfolio by loan group was as follows:

| | VND million | |
|-------------------|--------------------|--------------------|
| | 2011 | 2010 (restated) |
| Current | 174,350,730 | 155,563,351 |
| Special mentioned | 30,808,944 | 16,103,003 |
| Sub-standard | 1,257,457 | 1,164,353 |
| Doubtful | 653,072 | 390,534 |
| Loss | 2,347,430 | 3,592,665 |
| | 209,417,633 | 176,813,906 |

Loan portfolio by term was as follows:

| | VND million | |
|---------------|--------------------|--------------------|
| | 2011 | 2010 |
| Short - term | 123,311,798 | 94,715,390 |
| Medium - term | 22,324,975 | 20,682,088 |
| Long - term | 63,780,860 | 61,416,428 |
| | 209,417,633 | 176,813,906 |

Loan portfolio by type of borrowers was as follows:

| | VND million | |
|------------------------------------|--------------------|--------------------|
| | 2011 | 2010 (restated) |
| State owned companies | 55,775,069 | 61,249,054 |
| Limited companies | 38,452,780 | 32,851,968 |
| Foreign invested enterprises | 12,892,737 | 9,744,238 |
| Co-operative and private companies | 4,411,825 | 6,510,681 |
| Individuals | 20,872,890 | 18,709,093 |
| Others | 77,012,332 | 47,748,872 |
| | 209,417,633 | 176,813,906 |

Loan portfolio by industry sectors was as follows:

| | VND million | |
|---|--------------------|--------------------|
| | 2011 | 2010 |
| Construction | 12,840,564 | 10,479,503 |
| Electricity, gas, water supplying | 15,927,208 | 14,158,727 |
| Processing and manufacturing | 77,468,701 | 63,622,119 |
| Mining | 13,553,639 | 11,454,950 |
| Agriculture, forestry and aquaculture | 2,445,791 | 2,071,144 |
| Transportation, logistics and communication | 11,803,491 | 12,167,693 |
| Trading and service | 46,445,516 | 38,862,585 |
| Hospitality | 5,433,282 | 3,969,130 |
| Other industries | 23,499,441 | 20,028,055 |
| | 209,417,633 | 176,813,906 |

Effective annual interest rates at the year end were as follows:

| | 2011 | 2010 |
|---------------------------|-------------|-----------|
| Loans and advances in VND | 15% - 22% | 12% - 18% |
| Loans and advances in USD | 5.5% - 7.5% | 2% - 12% |

8. ALLOWANCE FOR LOANS AND ADVANCES TO CUSTOMERS

| | VND million | |
|--------------------|------------------|------------------|
| | 2011 | 2010 (restated) |
| General allowance | 1,464,435 | 1,279,097 |
| Specific allowance | 3,863,719 | 4,293,491 |
| | 5,328,154 | 5,572,588 |

Movements in general allowance for loans and advances to customers were as follows

| | VND million | |
|--|------------------|------------------|
| | 2011 | 2010 (restated) |
| Opening balance | 1,279,097 | 1,072,050 |
| Allowance made during the year (Note 30) | 168,850 | 199,229 |
| Foreign exchange difference | 16,488 | 7,818 |
| Closing balance | 1,464,435 | 1,279,097 |

Notes to the consolidated financial statements (cont.)

for the year ended 31 December 2011

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8. ALLOWANCE FOR LOANS AND ADVANCES TO CUSTOMERS (cont.)

Movements in specific allowance for loans and advances to customers were as follows:

| | VND million | |
|---|------------------|------------------|
| | 2011 | 2010 (restated) |
| Opening balance | 4,293,491 | 3,553,070 |
| Allowance made during the year (Note 30) | 3,407,041 | 1,044,571 |
| Allowance utilised for writing off bad debt during the year | (3,840,360) | (306,069) |
| Foreign exchange difference | 3,547 | 1,919 |
| Closing balance | 3,863,719 | 4,293,491 |

9. INVESTMENT SECURITIES

(a) Available-for-sale securities

| | VND million | |
|--|-------------------|-------------------|
| | 2011 | 2010 |
| Debt securities | | |
| Government bonds | 10,129,004 | 8,106,576 |
| Treasury bills | 764,710 | - |
| Issued by local credit institutions | 13,698,323 | 13,451,842 |
| Issued by local economic entities | 1,309,997 | 1,222,529 |
| Equity securities | | |
| Issued by local credit institutions | 89,456 | - |
| Issued by local economic entities | 35,644 | - |
| | 26,027,134 | 22,780,947 |
| Allowance for diminution in value of available-for-sale securities | (305,911) | (299,292) |
| | 25,721,223 | 22,481,655 |

Movements in allowance for diminution in value of available-for-sale securities were as follows:

| | VND million | |
|--|----------------|----------------|
| | 2011 | 2010 |
| Opening balance | 299,292 | 86,896 |
| Allowance made during the year (Note 26) | 6,619 | 212,396 |
| Closing balance | 305,911 | 299,292 |

(b) Held-to-maturity securities

| | VND million | |
|--|------------------|-------------------|
| | 2011 | 2010 |
| Government bonds | 2,437,741 | 2,433,659 |
| Debt securities issued by local credit institutions | 720,774 | 773,374 |
| Investments trusted to a foreign fund manager | - | 6,594,442 |
| Investments trusted to a local fund manager | 592,007 | 528,085 |
| | 3,750,522 | 10,329,560 |
| Allowance for diminution in value of held-to-maturity securities | (15,231) | - |
| | 3,735,291 | 10,329,560 |

Movements in allowance for diminution in value of these investments were as follows:

| | VND million | |
|---|---------------|-----------|
| | 2011 | 2010 |
| Opening balance | - | 339,209 |
| Allowance made/(reversed) during the year (Note 26) | 15,231 | (339,209) |
| Closing balance | 15,231 | - |

10. LONG-TERM INVESTMENTS

(a) Investments in joint-ventures

As at 31 December 2011

| | Nature of business | % share-holding | At cost VND million | At carrying Value VND million |
|---|----------------------------|-----------------|------------------------|----------------------------------|
| ShinhanVina Bank | Bank | - | - | - |
| Vietcombank - Bonday - Benthanh Joint Venture Company Limited | Office leasing | 52% | 276,067 | 319,972 |
| Vietcombank Fund Management Joint Venture Company | Investment fund management | 51% | 28,050 | 42,681 |
| Vietcombank - Cardiff Life Insurance Company Limited | Life insurance | 45% | 270,000 | 283,639 |
| | | | 574,117 | 646,292 |

As at 31 December 2010

| | Nature of business | % share-holding | At cost VND million | At carrying Value VND million |
|---|----------------------------|-----------------|------------------------|----------------------------------|
| ShinhanVina Bank | Bank | 50% | 589,390 | 961,709 |
| Vietcombank - Bonday - Benthanh Joint Venture Company Limited | Office leasing | 52% | 276,067 | 276,789 |
| Vietcombank Fund Management Joint Venture Company | Investment fund management | 51% | 28,050 | 43,435 |
| Vietcombank - Cardiff Life Insurance Company Limited | Life insurance | 45% | 270,000 | 281,413 |
| | | | 1,163,507 | 1,563,346 |

Notes to the consolidated financial statements (cont.)

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10. LONG-TERM INVESTMENTS (cont.)

(a) Investments in joint-ventures (cont.)

The Bank owns 52% and 51% of the total capital of the Vietcombank - Bonday - Ben Thanh Company Limited and Vietcombank Fund Management Company respectively. However, these companies' charters require a consensus among related parties on all important decisions on the companies' operational and financial matters. Therefore, owning more than half of the companies' capital does not mean that the Bank has control over these companies. Therefore, the investments in these two companies are classified into "Investment in joint ventures" rather than "Investment in subsidiaries".

The Bank owns 45% of the total capital of Vietcombank - Cardiff Life Insurance Company Limited. However, these company's charters require a consensus among related parties on all important decisions on the company's operational and financial matters. Therefore, the investments in these companies are classified into "Investment in joint ventures" rather than "Investment in associates".

(b) Investments in associate companies

As at 31 December 2011

| | Nature of business | % share-holding | At cost VND million | At carrying Value VND million |
|--|--------------------|-----------------|------------------------|----------------------------------|
| Vietcombank - Bonday Joint Venture Company Limited | Office leasing | 16% | 11,110 | 11,200 |
| Vietcombank Partners Fund 1 | Investment fund | 11% | 11,000 | 7,493 |
| | | | 22,110 | 18,693 |

As at 31 December 2011

| | Nature of business | % share-holding | At cost VND million | At carrying Value VND million |
|--|--------------------|-----------------|------------------------|----------------------------------|
| Vietcombank - Bonday Joint Venture Company Limited | Office leasing | 16% | 30,934 | 11,061 |
| Vietcombank Partners Fund 1 | Investment fund | 11% | 16,500 | 11,904 |
| | | | 47,434 | 22,965 |

The Bank has significant influence but limited control, through its participation in the Board of Directors and the Fund Representative Board respective of these parties, over the financial and operational policies of these companies. Therefore, the investments in the above companies are classified in "Investment in associates" rather than "Other long-term investments".

(c) Other long-term investments

As at 31 December 2011

| | Nature of business | % share-holding | VND million At cost |
|---|------------------------------|-----------------|------------------------|
| Vietnam Export - Import Commercial Joint Stock Bank | Bank | 8.19% | 582,065 |
| Saigon Bank for Industry and Trade | Bank | 5.26% | 123,452 |
| Military Commercial Joint Stock Bank | Bank | 11.00% | 966,642 |
| Gia Dinh Joint Stock Commercial Bank | Bank | - | - |
| Orient Commercial Joint Stock Bank | Bank | 5.06% | 144,802 |
| Central Peoples's Credit Fund | Credit Fund | 0.29% | 5,000 |
| Small & Medium Enterprises Credit Guarantee Fund | Credit services | 0.92% | 1,800 |
| SWIFT, MASTER and VISA | Card and settlement services | - | 761 |
| Petrolimex Insurance JSC | Insurance | 10.04% | 67,900 |
| PV Drilling JSC | Drilling | 2.56% | 55,945 |
| Gentraco JSC | Food services | 3.76% | 4,024 |
| Ho Chi Minh City Infrastructure Investment | Construction | 1.78% | 13,676 |
| Nha Rong Insurance Company | Insurance | 3.73% | 12,540 |
| Saigon Postel Company | Tele-communication | - | - |
| PVTRANS Pacific JSC | Drilling Transportation | - | - |
| PCB Investment Company | Credit information services | 9.84% | 7,962 |
| Cement Financial JSC | Financial services | 10.91% | 70,950 |
| Vietnam Infrastructure Development and Finance Investment JSC | Highway investment | 1.50% | 75,000 |
| Vietcombank Real Estate JSC | Real estate | 11.00% | 11,000 |
| Smartlink Card | Card services | 8.80% | 4,400 |
| FNBC | Media services | 10.00% | 13,440 |
| | | | 2,161,359 |
| Allowance for diminution in the value of investments | | | (207,926) |
| | | | 1,953,433 |

Notes to the consolidated financial statements (cont.)

for the year ended 31 December 2011

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10. LONG-TERM INVESTMENTS (cont.)

(c) Other long-term investments (cont.)

As at 31 December 2010

| | Nature of business | % share-holding | VND million |
|---|------------------------------|-----------------|-------------|
| | | | At cost |
| Vietnam Export - Import Commercial Joint Stock Bank | Bank | 8.19% | 582,065 |
| Saigon Bank for Industry and Trade | Bank | 5.26% | 123,452 |
| Military Commercial Joint Stock Bank | Bank | 11.00% | 966,642 |
| Gia Dinh Joint Stock Commercial Bank | Bank | 3.83% | 116,833 |
| Orient Commercial Joint Stock Bank | Bank | 4.67% | 137,907 |
| Central Peoples's Credit Fund | Credit Fund | 0.37% | 5,000 |
| Small & Medium Enterprises Credit Guarantee Fund | Credit services | 0.93% | 1,800 |
| SWIFT, MASTER and VISA | Card and settlement services | - | 761 |
| Petrolimex Insurance JSC | Insurance | 10.00% | 67,900 |
| PV Drilling JSC | Drilling | 2.56% | 55,945 |
| Gentraco JSC | Food services | 3.80% | 4,024 |
| Ho Chi Minh City Infrastructure Investment | Construction | 1.78% | 13,676 |
| Nha Rong Insurance Company | Insurance | 3.72% | 12,540 |
| Saigon Postel Company | Tele-communication | 3.79% | 138,072 |
| PVTRANS Pacific JSC | Drilling Transportation | 10.00% | 120,000 |
| PCB Investment Company | Credit information services | 6.36% | 3,181 |
| Cement Financial JSC | Financial services | 10.91% | 70,950 |
| Vietnam Infrastructure Development and Finance Investment JSC | Highway investment | 1.50% | 75,000 |
| Vietcombank Real Estate JSC | Real estate | 11.00% | 11,000 |
| Smartlink Card | Card services | 8.80% | 4,400 |
| FNBC | Media services | 10.00% | 13,440 |
| | | | 2,524,588 |
| Allowance for diminution in the value of investments | | | (155,899) |
| | | | 2,368,689 |

Movements in allowance for diminution in the value of other long-term investments were as follows:

| | VND million | |
|--|-------------|---------|
| | 2011 | 2010 |
| Opening balance | 155,899 | 103,380 |
| Allowance made during the year (Note 29) | 52,027 | 52,519 |
| Closing balance | 207,926 | 155,899 |

11. TANGIBLE FIXED ASSETS

| | VND million | | | | |
|---------------------------------|-------------|--|----------------|----------|-----------|
| | Premise | Office furniture, fittings and equipment | Motor Vehicles | Others | TOTAL |
| Cost | | | | | |
| Opening balance - restated | 751,204 | 2,219,331 | 303,156 | 265,611 | 3,539,302 |
| Additions | 137,003 | 426,003 | 87,917 | 72,191 | 723,114 |
| <i>Purchases</i> | 133,138 | 424,618 | 87,320 | 72,191 | 717,267 |
| <i>Others</i> | 3,865 | 1,385 | 597 | - | 5,847 |
| Decreases | (6,848) | (40,612) | (9,841) | (14,931) | (72,232) |
| <i>Disposal</i> | (6,848) | (39,959) | (9,841) | (13,432) | (70,080) |
| <i>Others</i> | - | (653) | - | (1,499) | (2,152) |
| Closing balance | 881,359 | 2,604,722 | 381,232 | 322,871 | 4,190,184 |
| Accumulated depreciation | | | | | |
| Opening balance - restated | 271,046 | 1,759,716 | 170,073 | 159,654 | 2,360,489 |
| Additions | 36,728 | 321,191 | 40,648 | 39,925 | 438,492 |
| <i>Charge for the year</i> | 36,728 | 321,191 | 40,036 | 39,905 | 437,860 |
| <i>Others</i> | - | - | 612 | 20 | 632 |
| Decreases | (5,958) | (40,430) | (9,751) | (13,487) | (69,626) |
| <i>Decreases</i> | (5,323) | (39,774) | (9,751) | (13,291) | (68,139) |
| <i>Others</i> | (635) | (656) | - | (196) | (1,487) |
| Closing balance | 301,816 | 2,040,477 | 200,970 | 186,092 | 2,729,355 |
| Net book value | | | | | |
| Opening balance - restated | 480,158 | 459,615 | 133,083 | 105,957 | 1,178,813 |
| Closing balance | 579,543 | 564,245 | 180,262 | 136,779 | 1,460,829 |

Notes to the consolidated financial statements (cont.)

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12. INTANGIBLE FIXED ASSETS

| | VND million | | | |
|----------------------------------|------------------|------------------------|---------------|------------------|
| | Land use right | Copyrights and patents | Others | TOTAL |
| Cost | | | | |
| Opening balance | 331,595 | 196,226 | 79,099 | 606,920 |
| Additions | 675,630 | 104,210 | 124 | 779,964 |
| <i>Purchases during the year</i> | 674,196 | 104,210 | 124 | 778,530 |
| <i>Others</i> | 1,434 | - | - | 1,434 |
| Decreases | - | - | - | - |
| Closing balance | 1,007,225 | 300,436 | 79,223 | 1,386,884 |
| Accumulated depreciation | | | | |
| Opening balance | 7,950 | 128,422 | 63,268 | 199,640 |
| Additions | 3,642 | 38,080 | 607 | 42,329 |
| <i>Charge for the year</i> | 1,619 | 38,080 | 607 | 40,306 |
| <i>Others</i> | 2,023 | - | - | 2,023 |
| Decreases | - | - | - | - |
| Closing balance | 11,592 | 166,502 | 63,875 | 241,969 |
| Net book value | | | | |
| Opening balance | 323,645 | 67,804 | 15,831 | 407,280 |
| Closing balance | 995,633 | 133,934 | 15,348 | 1,144,915 |

13. OTHER ASSETS

(a) Receivables

| | VND million | |
|--------------------------|------------------|------------------|
| | 2011 | 2010 (restated) |
| Internal receivables | 253,723 | 204,853 |
| External receivables (i) | 2,064,329 | 1,715,383 |
| | 2,318,052 | 1,920,236 |

(i) External receivables

| | VND million | |
|--|------------------|------------------|
| | 2011 | 2010 (restated) |
| Advances for the purchase of fixed assets | 280,016 | 462,052 |
| Receivable from the State Budget in relation to the interest subsidy program | 625,639 | 402,559 |
| Advance for corporate income tax (Note 33) | 3,919 | 8,015 |
| Value Added Tax receivables (Note 33) | 4,273 | 60 |
| Construction in progress (*) | 937,339 | 485,442 |
| Foreclosed assets – net (**) | - | - |
| Other receivables | 213,143 | 357,255 |
| <i>In which: Dividend receivables</i> | - | 149,017 |
| | 2,064,329 | 1,715,383 |

(*) *Construction in progress*

| | VND million | |
|--|----------------|----------------|
| | 2011 | 2010 |
| Construction in progress | 937,339 | 485,442 |
| In which, large constructions include: | | |
| <i>South Sai Gon Branch construction</i> | 397,367 | 247,861 |
| <i>Thanh Cong Branch construction</i> | 48,005 | 45,533 |
| <i>Vinh Branch construction</i> | - | 21,953 |
| <i>Ha Tinh Branch construction</i> | 21,636 | 18,543 |
| <i>Da Nang Branch construction</i> | 31,674 | 21,024 |
| <i>Gia Lai Branch construction</i> | 24,250 | 15,301 |
| <i>Quang Nam Branch construction</i> | 51,347 | 13,165 |
| <i>Hai Duong Branch construction</i> | 10,316 | 15,620 |
| <i>Long An Branch construction</i> | 27,823 | 11,581 |
| <i>Soc Trang Branch construction</i> | 21,185 | 7,430 |
| <i>Quang Ninh Branch construction</i> | 28,135 | 7,428 |
| <i>Hung Yen Branch construction</i> | 32,845 | 6,874 |
| <i>Mong Cai Branch construction</i> | 59,251 | 54 |

(**) *Foreclosed assets - net*

| | VND million | |
|---|-------------|----------|
| | 2011 | 2010 |
| Book value | - | 2,145 |
| Less: Allowance for diminution, represented by: | - | (2,145) |
| <i>Opening balance</i> | (2,145) | (29,746) |
| <i>Utilisation of allowance</i> | 2,357 | - |
| <i>Allowance reversed during the year (Note 30)</i> | - | 27,601 |
| <i>Foreign exchange difference</i> | (212) | - |
| Net value | - | - |

Notes to the consolidated financial statements (cont.)

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13. OTHER ASSETS (cont.)

(b) Accrued interest and fee receivable

| | VND million | |
|---|------------------|------------------|
| | 2011 | 2010 (restated) |
| From loans and advances to customers | 1,372,882 | 1,036,914 |
| From balances with and loans to other credit institutions | 296,531 | 221,338 |
| From investment securities | 1,702,995 | 1,064,555 |
| From currency swap transactions | 6,522 | 33,968 |
| Others | - | 1,390 |
| | 3,378,930 | 2,358,165 |

(c) Other assets

| | VND million | |
|---|----------------|----------------|
| | 2011 | 2010 |
| Prepaid expenses for office and fixed assets rental | 171,191 | 192,781 |
| Materials | 60,300 | 47,386 |
| Receivables relating to card transactions | 149,550 | 157,408 |
| Other assets | 40,886 | 183,445 |
| | 421,927 | 581,020 |

14. AMOUNTS DUE TO THE GOVERNMENT AND THE STATE BANK OF VIETNAM

| | VND million | |
|--|-------------------|-------------------|
| | 2011 | 2010 |
| Borrowings from the SBV | 7,312,479 | 797,051 |
| Borrowings collateralised by valuable papers | - | 777,237 |
| Other borrowings | 7,312,479 | 19,814 |
| Others | 31,553,755 | 9,279,885 |
| Deposits from the State Treasury | 20,238,318 | 4,637,418 |
| Deposits from the SBV | 11,315,437 | 4,642,467 |
| | 38,866,234 | 10,076,936 |

15. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

| | VND million | |
|---------------------------------------|-------------------|-------------------|
| | 2011 | 2010 |
| Deposits | 22,725,480 | 53,950,694 |
| Demand deposits in VND | 2,159,960 | 3,143,441 |
| Demand deposits in foreign currencies | 14,861,862 | 16,626,802 |
| Term deposits in VND | 2,761,200 | 18,992,185 |
| Term deposits in foreign currencies | 2,942,458 | 15,188,266 |
| Borrowings | 25,236,895 | 5,584,940 |
| Borrowings in VND | 5,300,000 | - |
| Borrowings in foreign currencies | 19,936,895 | 5,584,940 |
| | 47,962,375 | 59,535,634 |

Effective annual interest rates at the year end were as follows:

| | 2011 | 2010 |
|---------------------------------------|---------------|-----------------|
| Demand deposits in VND | 0.15% - 6.5% | 0.15% - 2.4% |
| Demand deposits in foreign currencies | 0% - 1.5% | 0.1% - 1.5% |
| Term deposits in VND | 9% - 17.4% | 10.5% - 15.4% |
| Term deposits in foreign currencies | 0.01% - 4.17% | 0.15% - 4.67% |
| Borrowings in VND | 11.5% - 13.5% | 11.29% - 13.11% |
| Borrowings in foreign currencies | 0.01% - 3.85% | 1.94% - 1.99% |

16. DEPOSITS FROM CUSTOMERS

| | VND million | |
|---------------------------------------|--------------------|--------------------|
| | 2011 | 2010 |
| Demand deposits | 55,075,184 | 48,693,603 |
| Demand deposits in VND | 34,647,030 | 31,450,313 |
| Demand deposits in foreign currencies | 20,428,154 | 17,243,290 |
| Term deposits | 165,959,270 | 151,132,566 |
| Term deposits in VND | 118,329,628 | 104,161,018 |
| Term deposits in foreign currencies | 47,629,642 | 46,971,548 |
| Deposits for specific purposes | 4,781,649 | 3,578,543 |
| Margin deposits | 1,200,751 | 1,351,237 |
| | 227,016,854 | 204,755,949 |

Notes to the consolidated financial statements (cont.)

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16. DEPOSITS FROM CUSTOMERS (cont.)

Deposits from customers by type of customers were as follows:

| | VND million | |
|-------------------|--------------------|--------------------|
| | 2011 | 2010 |
| Economic entities | 105,430,066 | 104,590,117 |
| Individuals | 121,586,788 | 98,879,938 |
| Others | - | 1,285,894 |
| | 227,016,854 | 204,755,949 |

Effective annual interest rates at the year end were as follows:

| | 2011 | 2010 |
|--|--------------|-------------|
| Current accounts in VND | 2% - 6% | 3% - 7% |
| Current accounts in foreign currencies | 0.05% - 0.3% | 0.1% - 0.3% |
| Term deposits in VND | 6% - 14% | 7% - 17% |
| Term deposits in foreign currencies | 0.5% - 2% | 1% - 7% |

17. DERIVATIVES AND OTHER FINANCIAL (ASSETS)/LIABILITIES

| | VND million | | | |
|--------------------------------------|-------------------------|----------------|-------------------------|----------------|
| | 2011 | | 2010 | |
| | Contract notional Value | Carrying Value | Contract notional Value | Carrying Value |
| Derivatives | | | | |
| Currency swap contracts | 2,678,869 | 28,760 | 785,568 | (24,250) |
| Forwards contracts | 1,564,226 | (17,286) | 145,704 | (10,436) |
| Other financial liabilities/(assets) | 4,243,095 | 11,474 | 931,272 | (34,686) |

18. VALUABLE PAPERS ISSUED

| | VND million | |
|-----------------------------------|------------------|------------------|
| | 2011 | 2010 |
| Certificates of deposit | 42,600 | 1,535,261 |
| Short-term in VND | 44 | 116 |
| Short-term in foreign currencies | 346 | 4,444 |
| Medium-term in VND | 4,068 | 113,065 |
| Medium-term in foreign currencies | 38,142 | 1,417,636 |
| Bond and treasury bills | 2,028,783 | 2,028,724 |
| Short-term in VND | 254 | 259 |
| Short-term in foreign currencies | 798 | 725 |
| Medium-term in VND | 2,015,820 | 2,015,820 |
| Medium-term in foreign currencies | 11,911 | 11,920 |
| | 2,071,383 | 3,563,985 |

Effective annual interest rates at the year end were as follows:

| | 2011 | 2010 |
|------------------------------------|--------------|--------------|
| Medium-term valuable papers in VND | 8.5% - 11.2% | 8.5% - 11.2% |

19. OTHER LIABILITIES

(a) Accrued interest and fees payables

| | VND million | |
|--|------------------|------------------|
| | 2011 | 2010 (restated) |
| For deposits from customers | 2,603,418 | 2,539,030 |
| For deposits and borrowings from other credit institutions | 282,471 | 17,797 |
| For valuable papers issued | 5,064 | 4,847 |
| For swap transactions | 58,390 | 74,816 |
| Others | - | 3,470 |
| | 2,949,343 | 2,639,960 |

(b) Other liabilities

| | VND million | |
|------------------------|-------------------|------------------|
| | 2011 | 2010 (restated) |
| Internal payables (i) | 1,453,021 | 1,399,637 |
| External payables (ii) | 16,704,961 | 3,781,167 |
| | 18,157,982 | 5,180,804 |

Notes to the consolidated financial statements (cont.)

for the year ended 31 December 2011

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19. OTHER LIABILITIES (cont.)

(b) Other liabilities (cont.)

(i) Internal payables

| | VND million | |
|-------------------------|------------------|------------------|
| | 2011 | 2010 (restated) |
| Payables to employees | 646,589 | 653,241 |
| Bonus and welfare funds | 594,678 | 607,832 |
| Others | 211,754 | 138,564 |
| | 1,453,021 | 1,399,637 |

(ii) External payables

| | VND million | |
|--|-------------------|------------------|
| | 2011 | 2010 (restated) |
| Payables to the State relating to equitisation | - | 467,662 |
| Payable relating to cash received from initial public offering (*) | - | 91,689 |
| Payables to the State relating to severance allowance | - | 48,698 |
| Corporate income tax payables (Note 33) | 366,527 | 287,595 |
| Value added tax payables (Note 33) | 22,393 | 28,277 |
| Other tax payables (Note 33) | 68,727 | 54,381 |
| Interest income on investment in securities received in advance pending for allocation | 46,840 | 53,096 |
| Payables for construction and acquisition of fixed assets | 306,104 | 229,821 |
| Payables for securities investors | 12,999 | 421,533 |
| Deposit in custody relating to pending payments | 2,096,486 | 853,911 |
| Other payables to customers | 460,874 | 23,699 |
| Other pending items in settlement | 28,146 | 980,050 |
| Other payables to the State relating to interest subsidy program | 62,713 | 58,037 |
| Provision for severance allowance | 17,490 | 10,081 |
| Other payables | 615,662 | 172,637 |
| Borrowings from Social Insurance (**) | 12,600,000 | - |
| | 16,704,961 | 3,781,167 |

(*) Payable relating to cash received from Initial Public Offering

This represents the remaining surplus from the Initial Public Offering when equitising the Bank for Foreign Trade of Vietnam. This balance has been settled upon the approval of the equitisation settlement by the State Bank of Vietnam.

Movements of this account during the year were as follows:

| | VND million | |
|---|-------------|-------------|
| | 2011 | 2010 |
| Opening balance | 91,689 | 1,108,290 |
| Increases during the year | 6,746 | - |
| <i>Finalisation of the Bank's equitisation</i> | 6,746 | - |
| Decreases during the year | (98,435) | (1,016,601) |
| <i>Transfer to Share premium of the Bank (Note 20(a))</i> | (8,952) | (987,000) |
| <i>Equitisation expenses</i> | - | (29,601) |
| <i>Transfer to the State budget</i> | (86,292) | - |
| <i>Finalisation of the Bank's equitisation</i> | (3,191) | - |
| Closing balance | - | 91,689 |

(**) Borrowings from Social Insurance

Borrowings from Social Insurance are in VND, bearing interest rates at 14.2% per annum for periods from 3 months to 2 years.

(c) Provision for contingent liabilities and off-balance sheet commitments

| | VND million | |
|---|-------------|-----------------|
| | 2011 | 2010 (restated) |
| Opening balance | 1,009,201 | 840,441 |
| Provision (reversed)/made during the year (Note 30) | (111,286) | 168,760 |
| Closing balance | 897,915 | 1,009,201 |

Notes to the consolidated financial statements (cont.)

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20. CAPITAL AND RESERVES

(a) Statement of changes in equity

| | RESERVES | | | | | | | | | | | VND million |
|---|-------------------|----------------|---------------|-------------------------------|-------------------|---------------------------------|------------------|------------------------------|-----------------------------|------------------|-------------------|-------------|
| | Charter capital | Share premium | Other capital | Reserve to supplement capital | Financial reserve | Investment and development fund | Total | Asset revaluation difference | Foreign exchange difference | Retained profits | TOTAL EQUITY | |
| Balance at 1/1/2011 - restated | 13,223,715 | 987,000 | 45,160 | 456,837 | 941,460 | 58,378 | 1,456,675 | 35,631 | 269,314 | 4,719,234 | 20,736,729 | |
| Net profit for the year | - | - | - | - | - | - | - | - | - | 4,196,811 | 4,196,811 | |
| Shares issued in cash (*) | 4,363,825 | - | - | - | - | - | - | - | - | - | 4,363,825 | |
| Shares issued during the year, of which: (**) | 2,110,505 | - | - | - | - | - | - | - | - | (2,110,412) | 93 | |
| <i>Dividend paid in form of shares</i> | 2,110,412 | - | - | - | - | - | - | - | - | (2,110,412) | - | |
| <i>Cash received from issuing shares to Trade Union</i> | 93 | - | - | - | - | - | - | - | - | - | 93 | |
| Dividends of 2010 paid in cash during the year | - | - | - | - | - | - | - | - | - | (93) | (93) | |
| Finalisation of equitisation (***) | - | 8,952 | - | - | - | - | - | - | - | (90,756) | (81,804) | |
| Adjustment for difference in retained earnings of VCB Leasing as at 31 May 2008 | - | - | - | - | - | - | - | - | - | (19,655) | (19,655) | |
| The Bank received retained earnings and reserved transferred from VCB Leasing | - | - | - | - | - | - | - | - | - | 35,863 | 35,863 | |
| Retained earnings and reserves of VCB Leasing transferred to the Bank | - | - | - | (2,340) | - | (9,378) | (11,718) | - | - | (24,145) | (35,863) | |
| Decrease from disposal of investment in Shinhan Vina Bank | - | - | - | (6,797) | (13,246) | - | (20,043) | - | (150,717) | (201,557) | (372,317) | |
| Transfer of Shinhan Vina Bank's previous years' retained earnings to the Bank | - | - | - | - | - | - | - | - | - | 372,317 | 372,317 | |
| Appropriation to reserves | - | - | - | 226,665 | 457,819 | 7,546 | 692,030 | - | - | (1,365,041) | (673,011) | |
| Utilisation during the year | - | - | - | - | (2,443) | - | (2,443) | - | - | (1,051) | (3,494) | |
| Appropriation to reserves for the previous year | - | - | - | - | - | - | - | - | - | (3,561) | (3,561) | |
| Foreign exchange difference due to translation of financial statements | - | - | - | - | - | - | - | 34,811 | 88,045 | - | 122,856 | |
| Foreign exchange difference due to changes in accounting currency of VCB Tower | - | - | - | - | 844 | 1,266 | 2,110 | - | (15,622) | 13,512 | - | |
| Balance at 31/12/2011 | 19,698,045 | 995,952 | 45,160 | 674,365 | 1,384,434 | 57,812 | 2,116,611 | 70,442 | 191,020 | 5,521,466 | 28,638,696 | |

(*) This share issue was approved by the SBV in the Official Letter No. 7086/NHNN-TTGSNH dated 20 September 2010 and consented by shareholders in the Irregular General Shareholders' Meeting dated 9 November 2010.

(**) This share issue was approved by the SBV in the Official Letter No.4918/NHNN-TTGSNH dated 28 June 2011 and consented by shareholders in the 4th Annual General Shareholders' Meeting.

(***) The finalisation of equitisation was approved by the Bank's Board of Directors in the Resolution No.165/NQ-NHNT.HDQT dated 8 August 2011.

Notes to the consolidated financial statements (cont.)

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20. CAPITAL AND RESERVES (cont.)

(b) Details of shareholders of the Bank

| | VND million | |
|------------------------|-------------------|-------------------|
| | 2011 | 2010 |
| Ordinary shares | | |
| State | 17,870,231 | 11,996,669 |
| Other shareholders | 1,827,814 | 1,227,046 |
| | 19,698,045 | 13,223,715 |

The Bank's authorised and issued share capital are:

| | 2011 | | 2010 | |
|---------------------------------|----------------------|-------------------|----------------------|-------------------|
| | Number of shares | VND million | Number of shares | VND million |
| Authorised share capital | 1,969,804,514 | 19,698,045 | 1,322,371,452 | 13,223,715 |
| Issued share capital | | | | |
| Ordinary shares | 1,969,804,514 | 19,698,045 | 1,322,371,452 | 13,223,715 |
| Shares outstanding | | | | |
| Ordinary shares | 1,969,804,514 | 19,698,045 | 1,322,371,452 | 13,223,715 |

The par value of each ordinary share is VND 10,000,

(c) Basic earnings per share

(i) Profit attributable to the shareholders of the Bank

| | VND million | |
|---|------------------|------------------|
| | 2011 | 2010 (restated) |
| Net profit after tax | 4,196,811 | 4,214,544 |
| Appropriation to bonus and welfare funds | (673,011) | (567,631) |
| Profit attributable to the ordinary shareholders | 3,523,800 | 3,646,913 |

(ii) Weighted average number of ordinary shares

| | 2011 | 2010 (restated) |
|--|----------------------|----------------------|
| Shares issued at the beginning of the year | 1,322,371,452 | 1,210,086,026 |
| Adjusting impacts of share issuance during 2011 and after the financial year end | 647,433,062 | 554,254,976 |
| Weighted average number of ordinary shares | 1,969,804,514 | 1,764,341,002 |

(iii) Basic earnings per share

| | VND | | |
|--------------------------|-------|-----------------|-----------------|
| | 2011 | 2010 (restated) | 2010 (restated) |
| Basic earnings per share | 1,789 | 1,886 (*) | 2,105 |

(*): Adjusted EPS taken into account the impact of the increase in the Bank's charter capital through dividend payment in form of shares in 2011,

Notes to the consolidated financial statements (cont.)

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26. NET GAIN FROM SALES OF INVESTMENT SECURITIES

| | VND million | |
|---|---------------|----------------|
| | 2011 | 2010 |
| Income from trading of investment securities | 63,923 | 159,096 |
| Cost of trading of investment securities | (18,061) | (17,528) |
| Allowance for diminution in the value of available-for-sale securities (made) during the year (Note 9(a)) | (6,619) | (212,396) |
| Allowance for diminution in the value of held-to-maturity securities (made)/ reversed during the year (Note 9(b)) | (15,231) | 339,209 |
| | 24,012 | 268,381 |

27. NET OTHER (EXPENSES)/INCOME

| | VND million | |
|--|--------------------|------------------|
| | 2011 | 2010 (restated) |
| Other income | | |
| Income from interest rate swap transactions | - | 3,064 |
| Income from loans previously written off | 220,106 | 334,053 |
| Income from other activities | 135,383 | 387,735 |
| | 355,489 | 724,852 |
| Other expenses | | |
| Expense from interest rate swap transactions | (124,694) | (115,852) |
| Expense from investment trust agreements | (1,487,091) | - |
| Other expenses | (4,620) | (28,928) |
| | (1,616,405) | (144,780) |
| | (1,260,916) | 580,072 |

28. INCOME FROM INVESTMENTS IN OTHER ENTITIES

| | VND million | |
|--|------------------|----------------|
| | 2011 | 2010 |
| Dividends received from equity investments during the year | 142,887 | 272,511 |
| <i>Dividends received from equity investment</i> | 142,279 | 123,494 |
| <i>Dividends received from trading securities</i> | 608 | - |
| <i>Dividends receivables from long-term investments</i> | - | 149,017 |
| Sharing of net profit/(loss) of investments in joint-ventures and associates | 14,622 | 109,229 |
| Income from disposal of equity investments | 845,065 | 110,286 |
| | 1,002,574 | 492,026 |

29. OPERATING EXPENSES

| | VND million | |
|--|--------------------|--------------------|
| | 2011 | 2010 (restated) |
| Tax, duties and fees | (282,292) | (201,593) |
| Salaries and related expenses | (3,188,514) | (2,603,191) |
| Of which: | | |
| <i>Salary and allowance (Note 34)</i> | (2,768,771) | (2,359,580) |
| <i>Additional expenses based on salary</i> | (291,621) | (200,734) |
| <i>Other allowances</i> | (8,656) | (6,556) |
| <i>Social activities expenses</i> | (119,466) | (36,321) |
| Expenses on assets | (1,091,815) | (902,321) |
| Of which: | | |
| <i>Depreciation of fixed assets</i> | (478,166) | (452,574) |
| Administrative expenses | (992,354) | (735,378) |
| Insurance expenses on deposit of customers | (86,383) | (72,326) |
| Allowance for diminution in the value of long-term investments made during the year (Note 10(c)) | (52,027) | (52,519) |
| Others | (6,452) | (10,457) |
| | (5,699,837) | (4,577,785) |

Salary and allowance for the year ended 31 December 2011 was accrued based on 31.2% total income minus total expenses excluding salary following the Decision No. 1676/QD-NHNN dated 01 August 2011 of the SBV regarding the salary and allowance expense rate applied for the Bank in the year 2011.

During the year ended 31 December 2011, the Bank contributed VND 2,605 million (the year ended 31 December 2010: VND 2,154 million) to unemployment insurance fund.

30. PROVISIONS AND ALLOWANCES FOR CREDIT RISKS

| | Note | VND million | |
|---|----------|--------------------|--------------------|
| | | 2011 | 2010 (restated) |
| General allowance for loans to other credit institutions | | | |
| (Made)/reversed during the year | 5 | (13,414) | 5,266 |
| Specific allowance for loans to other credit institutions | | | |
| Reversed/(made) during the year | 5 | 4,490 | (4,490) |
| General allowance for loans and advances to customers | | | |
| (Made) during the year | 8 | (168,850) | (199,229) |
| Specific allowance for loans and advances to customers | | | |
| (Made) during the year | 8 | (3,407,041) | (1,044,571) |
| Provision for diminution of foreclosed assets | | | |
| Reversed during the year | 13(a)(i) | - | 27,601 |
| Provision for contingent liabilities and off-balance sheet commitments | | | |
| Reversed/(made) during the year | 19(c) | 111,286 | (168,760) |
| | | (3,473,529) | (1,384,183) |

Notes to the consolidated financial statements (cont.)

for the year ended 31 December 2011

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31. CORPORATE INCOME TAX

| | VND million | |
|---|--------------------|--------------------|
| | 2011 | 2010 (restated) |
| Profit before tax | 5,697,405 | 5,568,850 |
| (Less: non-taxable income)/Add: non-deductible expenses | | |
| Net (profits) from investments in joint ventures and associates (Note 28) | (14,622) | (109,229) |
| Interest (income) from Government Education Bond | - | (54,117) |
| Net (gain) from revaluation of foreign currencies | (17,902) | (64,435) |
| Dividend (income) in the year (Note 28) | (142,887) | (272,511) |
| Difference in tax rates applied | 1,925 | - |
| Other non-taxable incomes | (252) | - |
| Non-deductible tax expenses | 1,064 | 2,633 |
| Non-taxable losses of subsidiaries | 25,385 | - |
| Income from disposal of investment in joint ventures | 372,317 | - |
| Others | (213) | 30,261 |
| Taxable income | 5,922,220 | 5,101,452 |
| Effective corporate income tax rate | 24.99% | 24.85% |
| Corporate income tax – current | (1,480,073) | (1,267,793) |
| Tax losses utilised | - | 2,306 |
| Under provision in previous years | - | (321) |
| Corporate income tax – current | (1,480,073) | (1,265,808) |

32. CASH AND CASH EQUIVALENTS

| | VND million | |
|---|--------------------|-------------------|
| | 2011 | 2010 |
| Cash on hand, gold, silver, gemstones | 5,393,766 | 5,232,743 |
| Balances with the SBV | 10,616,759 | 8,239,851 |
| Balances with credit institutions due within three months | 102,113,431 | 74,089,468 |
| Securities due within three months | 6,581,062 | 9,116,284 |
| | 124,705,018 | 96,678,346 |

33. OBLIGATIONS TO STATE BUDGET

| | Balance as at 1/1/2011 (restated) | OCCURRENCE | | Balance as at 31/12/2011 |
|---|---|------------------|--------------------|-----------------------------|
| | | Payable | Paid | |
| Value added tax | 28,217 | 247,402 | (257,499) | 18,120 |
| Corporate income tax | 279,580 | 1,478,129 | (1,395,101) | 362,608 |
| <i>Of which:</i> | | | | |
| <i>Corporate income tax of the Bank</i> | 276,772 | 1,480,073 | (1,392,293) | 364,552 |
| <i>Additional corporate income tax of the year 2009</i> | 2,808 | - | (2,808) | - |
| <i>Tax returned from equitisation expenses adjusted twice for the first 5 months of the year 2008</i> | - | (1,889) | - | (1,889) |
| <i>Net off tax advance of Vinafico's tax obligation in the year 2009</i> | - | (55) | - | (55) |
| Other taxes | 54,381 | 335,466 | (321,120) | 68,727 |
| | 362,178 | 2,060,997 | (1,973,720) | 449,455 |

Notes to the consolidated financial statements (cont.)

for the year ended 31 December 2011

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33. OBLIGATIONS TO STATE BUDGET (cont.)

Tax obligations are reconciled as follows:

| | | | | VND million |
|--------------------------------|-----------------|----------------------|---------------|----------------|
| | Value added tax | Corporate income tax | Other taxes | Total |
| As at 31 December 2011 | | | | |
| Tax payables (Note 19(b)(iii)) | 22,393 | 366,527 | 68,727 | 457,647 |
| Tax advances (Note 13(a)(i)) | (4,273) | (3,919) | - | (8,192) |
| | 18,120 | 362,608 | 68,727 | 449,455 |
| As at 31 December 2010 | | | | |
| Tax payables (Note 19(b)(ii)) | 28,277 | 287,595 | 54,381 | 370,253 |
| Tax advances (Note 13(a)(i)) | (60) | (8,015) | - | (8,075) |
| | 28,217 | 279,580 | 54,381 | 362,178 |

34. EMPLOYEE BENEFITS

| | 2011 | 2010 (restated) |
|--|---------------|-----------------|
| Total number of employees (person) | 12,565 | 11,415 |
| Employees' income | | |
| Total salary and allowance (VND million) (Note 29) | 2,768,771 | 2,359,580 |
| Monthly average income (VND million) | 18.36 | 17.23 |

35. SIGNIFICANT TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(a) Significant transactions with related parties

| | VND million | |
|--|-------------|---------|
| | 2011 | 2010 |
| SBV | | |
| Interest income from deposits with the SBV | 49,834 | 35,773 |
| Interest expense on deposits from the SBV | 664,542 | 33,593 |
| MoF | | |
| Interest income from loans to the MoF | 135,349 | 149,474 |
| Interest expense on deposits from the MoF | 19,236 | 16,760 |

(b) Significant balances with related parties

| | VND million | |
|--------------------------------------|-------------|-----------|
| | 2011 | 2010 |
| SBV | | |
| Deposits with the SBV | 10,635,584 | 8,239,815 |
| Deposits and Borrowings from the SBV | 18,627,916 | 5,439,518 |
| MoF | | |
| Loans to MoF | 2,831,673 | 3,089,662 |
| Deposits from MoF | 20,238,318 | 4,637,418 |
| Vietcombank Fund Management | | |
| Trusted investments from the Bank | 592,007 | 528,085 |

Notes to the consolidated financial statements (cont.)

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36. SEGMENT REPORTING

(a) Geographical segment

| | The North (*) | The Middle and Tay Nguyen | The South | Overseas | Elimination | TOTAL |
|---|---------------|---------------------------|-------------|----------|--------------|--------------|
| | | | | | | VND million |
| 1 Interest and similar incomes | 29,989,829 | 6,511,620 | 16,562,213 | 14,979 | (19,723,908) | 33,354,733 |
| 2 Interest and similar expenses | (26,819,797) | (4,541,916) | (9,295,547) | (1,250) | 19,725,457 | (20,933,053) |
| I Net interest income | 3,170,032 | 1,969,704 | 7,266,666 | 13,729 | 1,549 | 12,421,680 |
| 3 Fee and commission income | 1,273,109 | 135,700 | 786,162 | 3,293 | (231) | 2,198,033 |
| 4 Fee and commission expenses | (644,299) | (10,513) | (33,598) | (121) | 231 | (688,300) |
| II Net fee and commission income | 628,810 | 125,187 | 752,564 | 3,172 | - | 1,509,733 |
| III Net gain from trading foreign currencies | 1,024,975 | 76,107 | 78,464 | 38 | - | 1,179,584 |
| IV Net (loss)/gain from trading of trading securities | (5,896) | - | - | - | - | (5,896) |
| V Net gain from sales of investment securities | 24,012 | - | - | - | - | 24,012 |
| 5 Other incomes | 262,313 | 47,698 | 132,657 | 763 | (87,942) | 355,489 |
| 6 Other expenses | (777,439) | (214,305) | (624,486) | (175) | - | (1,616,405) |
| VI Net other (expenses)/income | (515,126) | (166,607) | (491,829) | 588 | (87,942) | (1,260,916) |
| VII Income from investments in other entities | 1,002,574 | - | - | - | - | 1,002,574 |
| VIII Operating expenses | (3,443,555) | (599,598) | (1,700,997) | (42,080) | 86,393 | (5,699,837) |
| IX Profit before provisions and allowances for credit risks | 1,885,826 | 1,404,793 | 5,904,868 | (24,553) | - | 9,170,934 |
| X Provisions and allowances for credit risks | (2,450,877) | (397,632) | (624,189) | (831) | - | (3,473,529) |
| XI Profit before tax | (565,051) | 1,007,161 | 5,280,679 | (25,384) | - | 5,697,405 |
| 7 Income tax expense – current | 91,887 | (251,790) | (1,320,170) | - | - | (1,480,073) |
| XII Total income tax expense | 91,887 | (251,790) | (1,320,170) | - | - | (1,480,073) |
| XIII Net profit after tax | (473,164) | 755,371 | 3,960,509 | (25,384) | - | 4,217,332 |

(*): As at 31 December 2011, Head Office of the Bank which is located in the North has recorded some operating expenses for the whole Bank but not allocated to specific entities of the Bank.

Notes to the consolidated financial statements (cont.)

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36. SEGMENT REPORTING (cont.)

(b) Business segment

| | Banking | Non-bank financial institutions | Securities | Others | Elimination | VND million TOTAL |
|---|--------------|---------------------------------|------------|----------|--------------|----------------------|
| 1 Interest and similar income | 52,661,189 | 260,043 | 105,149 | 52,260 | (19,723,908) | 33,354,733 |
| 2 Interest and similar expenses | (40,522,960) | (134,001) | (1,549) | - | 19,725,457 | (20,933,053) |
| I Net interest income | 12,138,229 | 126,042 | 103,600 | 52,260 | 1,549 | 12,421,680 |
| 3 Fee and commission income | 2,157,925 | 3,293 | 37,046 | - | (231) | 2,198,033 |
| 4 Fee and commission expenses | (677,690) | (216) | (10,625) | - | 231 | (688,300) |
| II Net fee and commission income | 1,480,235 | 3,077 | 26,421 | - | - | 1,509,733 |
| III Net gain from trading foreign currencies | 1,177,980 | 2,078 | - | (474) | - | 1,179,584 |
| IV Net (loss)/gain from trading of trading securities | - | - | (5,896) | - | - | (5,896) |
| V Net gain from sales of investment securities | 48,692 | - | (24,680) | - | - | 24,012 |
| 5 Other income | 307,456 | 10,805 | 448 | 124,722 | (87,942) | 355,489 |
| 6 Other expenses | (1,616,218) | (175) | (12) | - | - | (1,616,405) |
| VI Net other (expenses)/income | (1,308,762) | 10,630 | 436 | 124,722 | (87,942) | (1,260,916) |
| VII Income from investments in other entities | 997,504 | - | 5,070 | - | - | 1,002,574 |
| VIII Income from investments in other entities | (5,554,911) | (93,240) | (92,176) | (45,903) | 86,393 | (5,699,837) |
| IX Profit before provisions and allowances for credit risks | 8,978,967 | 48,587 | 12,775 | 130,605 | - | 9,170,934 |
| X Provisions and allowances and for credit risks | (3,447,329) | (26,200) | - | - | - | (3,473,529) |
| XI Profit before tax | 5,531,638 | 22,387 | 12,775 | 130,605 | - | 5,697,405 |
| 7 Income tax expense – current | (1,433,350) | (11,943) | (1,926) | (32,854) | - | (1,480,073) |
| XII Total income tax expense | (1,433,350) | (11,943) | (1,926) | (32,854) | - | (1,480,073) |
| XIII Net profit after tax | 4,098,288 | 10,444 | 10,849 | 97,751 | - | 4,217,332 |

Notes to the consolidated financial statements (cont.)

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37. DISCLOSURE OF FINANCIAL INSTRUMENTS

(a) Disclosure of collaterals

Vietcombank does not hold collateral which it is permitted to sell or repledge in the absence of default by the owner of the collateral.

(b) Disclosure of fair value

Circular 210/2009/TT-BTC requires Vietcombank to disclose the measurement method and related information of fair value of financial assets and financial liabilities for the purpose of comparing their book value and fair value. The following table presents book value and fair value of Vietcombank's financial assets and liabilities as at 31 December 2011:

| | | | | | | | VND million |
|------------------------------|--|-------------------|-----------------------|---------------------|------------------------------|-----------------------------|--------------------|
| | | | | | | | Fair value |
| BOOK VALUE | | | | | | | |
| | Held for trading | Held- to maturity | Loans and receivables | Available-for- sale | Recognized at amortised cost | Total of book value (gross) | |
| Financial assets | | | | | | | |
| I | Cash on hand, gold, silver, gemstones | 5,393,766 | - | - | - | 5,393,766 | 5,393,766 |
| II | Balances with the State Bank of Vietnam | 10,616,759 | - | - | - | 10,616,759 | 10,616,759 |
| III | Balances with and loans to other credit institutions | - | - | 105,019,605 | - | 105,019,605 | 105,301,590 |
| IV | Trading securities | 825,372 | - | - | - | 825,372 | 817,631 |
| V | Derivatives and other financial assets | - | - | - | - | - | - |
| VI | Loans and advances to customers | - | - | 209,417,633 | - | 209,417,633 | * |
| VII | Investment securities | - | 3,750,522 | - | 26,027,134 | 29,777,656 | 31,159,509 |
| VIII | Long-term investments | - | - | - | 2,161,359 | 2,161,359 | 1,953,433 |
| X | Other financial assets | - | - | 3,528,480 | - | 3,528,480 | * |
| | | 16,835,897 | 3,750,522 | 317,965,718 | 28,188,493 | 366,740,630 | |
| Financial liabilities | | | | | | | |
| I | Deposits and borrowings from the State Bank of Vietnam and other credit institutions | - | - | - | - | 86,828,609 | 87,111,080 |
| II | Deposits from customers | - | - | - | - | 227,016,854 | * |
| III | Derivatives and other financial liabilities | 11,474 | - | - | - | 11,474 | 11,474 |
| V | Valuable papers issued | - | - | - | - | 2,071,383 | * |
| VI | Other financial liabilities | - | - | - | - | 18,210,561 | 15,319,608 |
| | | 11,474 | - | - | - | 334,127,407 | 334,138,881 |

* Due to having not enough information for using valuation techniques, fair value of the financial assets and liabilities that do not have a quoted market prices are deemed to be not reliably measured and therefore not disclosed.

37. DISCLOSURE OF FINANCIAL INSTRUMENTS (cont.)

(c) Risk management policy for financial instruments

The Board of Directors has overall responsibility for the whole operations of the Bank's financial risk management framework to facilitate its business activities to thrive safely and sustainably.

Having taken that responsibility, the Board of Directors appropriately promulgates risk management policies and strategies for each period, establishes secured business limit, directly approves high-value business transactions in accordance with both legal and internal requirements, and determines organizational structure and key managing directors.

Risk management strategies and policies are adhered to the Bank's charter and General Shareholders' Meeting resolution.

The Risk Management Committee was established by the Board of Directors to support the Board of Directors in managing all risks that may arise from the Bank's day-to-day business.

The Asset and Liability Credit and Operational Risk Committee (ALCO) was established and chaired by the General Director. ALCO members are key directors of the Bank being in-charge of risk management.

ALCO is responsible for comprehensively monitoring assets and liabilities in the separate and consolidated balance sheet of the Bank in order to maximize profit while minimizing losses arisen from negative market trends, manage liquidity risk and appropriately direct interest and foreign exchange rate schemes.

In its authorised segregation, ALCO has the right to make decisions regarding risk management

(i) Credit risk

The Bank is under exposure to credit risk, where a counterparty's default on its obligations will cause a financial loss for the Bank by failing to discharge an obligation on time. Credit exposures arise mainly in lending activities relating to loans and advances to customers and investments in debt securities. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. The credit risk management and control are performed through issuance of related policies and procedures, including credit risk management policies, establishment of Credit Risk Handling Committee and Credit Committee.

The Bank classifies loans and advances to customers and other credit institutions in accordance with Decision 493 and Decision 18 (Note 2(h)) and regularly assesses credit risks of non-performing loans in order to have appropriate resolutions.

In order to manage credit risks, the Bank has established policy and procedures relating to credit management; established credit manuals; performed credit risk assessment; set up credit rating systems and loan classification and decentralised authorization in credit activities.

Quality of Vietcombank's maximum exposure amounts to credit risk as at 31 December 2011, excluding collaterals and credit subsidies are as follows:

| | VND million | | | |
|--|----------------------------------|------------------------------|--------------------------------|--------------------|
| | Neither past due nor impaired | Past due but not impaired | Impaired and made allowance | TOTAL |
| Balances with and loans to other credit institutions – gross | 104,019,605 | - | 1,000,000 | 105,019,605 |
| Balances with other credit institutions | 71,822,547 | - | - | 71,822,547 |
| Loans to other credit institutions | 32,197,058 | - | 1,000,000 | 33,197,058 |
| Derivatives and other financial assets | - | - | - | - |
| Loans and advances to customers – gross | 173,422,584 | 928,147 | 35,066,902 | 209,417,633 |
| Investment securities – gross | 5,052,499 | - | 881,463 | 5,933,962 |
| Available-for-sale securities | 4,923,732 | - | 289,456 | 5,213,188 |
| Held-to-maturity securities | 128,767 | - | 592,007 | 720,774 |
| Other assets | 3,528,480 | - | - | 3,528,480 |
| | 286,023,168 | 928,147 | 36,948,365 | 323,899,680 |

Description of types and book value of collateral assets held by the Bank as at 31 December 2011 are as follows:

| | VND million |
|------------------------|--------------------|
| Deposits | 45,560,503 |
| Valuable papers issued | 11,750,827 |
| Real estates | 145,556,737 |
| Others | 79,572,267 |
| | 282,440,334 |

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will unexpectedly fluctuate due to changes in market interest rates.

The real interest rate adjustment term is the remaining time starting from the date of the financial statements to the latest interest rate adjustment term of the items on the balance sheet.

The following assumptions and conditions have been adopted in the analysis of real interest rate adjustment term of Vietcombank's items on the balance sheet:

- ❖ Cash, gold and gemstones, long-term investments, and other assets (fixed assets, investment properties and other assets included) are classified as non-interest bearing items;
- ❖ The real interest rate adjustment term of trading securities and investments securities shall be subject to issuer's terms and conditions on interest rate of securities;

Notes to the consolidated financial statements (cont.)

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37. DISCLOSURE OF FINANCIAL INSTRUMENTS (cont.)

(c) Risk management policy for financial instruments (cont.)

(ii) Interest rate risk (cont.)

- ❖ The real interest adjustment term of balances with and loans to other credit institutions, loans to customers, amounts due to the Government and the State Bank of Vietnam, deposit and borrowings from other credit institutions and deposits from customers are identified as follows:

- Items with fixed interest rate during the contractual term: the real interest adjustment term is based on the contractual maturity date subsequent to the balance sheet date;

- Items with floating interest rate: the real interest adjustment term is based on the latest adjustment term subsequent to the balance sheet date;

- ❖ The real interest adjustment term of "valuable papers issued" is based on valuable papers' maturities and the Bank's interest rate for each issuance;

| | | Overdue | Free of interest | Up to 1 month | From 1 to 3 months | From 3 to 6 months | From 6 to 12 months | From 1 to 5 years | Over 5 year | VND million |
|--------------------|--|------------------|-------------------|---------------------|---------------------|--------------------|---------------------|-------------------|-------------------|--------------------|
| | | | | | | | | | | TOTAL |
| Assets | | | | | | | | | | |
| I | Cash on hand, gold, silver, gemstones | - | 5,393,766 | - | - | - | - | - | - | 5,393,766 |
| II | Balances with the State Bank of Vietnam | - | - | 10,616,759 | - | - | - | - | - | 10,616,759 |
| III | Balances with and loans to other credit institutions – gross | - | - | 95,254,039 | 8,405,556 | 1,116,201 | 243,809 | - | - | 105,019,605 |
| IV | Trading securities- gross | - | - | - | - | - | - | 825,372 | - | 825,372 |
| V | Derivatives and other financial assets | - | - | - | - | - | - | - | - | - |
| VI | Loans and advances to customers – gross | 6,467,615 | - | 78,056,971 | 72,079,148 | 37,809,106 | 9,899,315 | 4,200,092 | 905,386 | 209,417,633 |
| VII | Investment securities – gross | - | - | 2,014,710 | 4,566,352 | 1,965,051 | 3,059,432 | 13,334,170 | 4,837,941 | 29,777,656 |
| VIII | Long-term investment - gross | - | 2,826,344 | - | - | - | - | - | - | 2,826,344 |
| IX | Fixed assets | - | 2,605,744 | - | - | - | - | - | - | 2,605,744 |
| X | Other assets – gross | - | 6,118,909 | - | - | - | - | - | - | 6,118,909 |
| | Total assets | 6,467,615 | 16,944,763 | 185,942,479 | 85,051,056 | 40,890,358 | 13,202,556 | 18,359,634 | 5,743,327 | 372,601,788 |
| Liabilities | | | | | | | | | | |
| I | Deposits and borrowings from the State Bank of Vietnam and other credit institutions | - | - | 78,888,668 | 7,214,642 | 100,200 | 624,840 | 259 | - | 86,828,609 |
| II | Deposits from customers | - | 15,277 | 162,907,207 | 40,503,346 | 12,235,633 | 10,080,504 | 1,274,732 | 155 | 227,016,854 |
| III | Derivatives and other financial liabilities | - | - | - | - | 11,474 | - | - | - | 11,474 |
| IV | Other borrowed funds | - | - | - | - | - | - | - | - | - |
| V | Valuable papers issued | - | - | 11,082 | 801 | 72 | 31,762 | 27,666 | 2,000,000 | 2,071,383 |
| VI | Other liabilities | - | 9,412,029 | 3,700,000 | 2,400,000 | 5,700,000 | - | 800,000 | - | 22,012,029 |
| | Total liabilities | - | 9,427,306 | 245,506,957 | 50,118,789 | 18,047,379 | 10,737,106 | 2,102,657 | 2,000,155 | 337,940,349 |
| | Interest sensitivity gap | 6,467,615 | 7,517,457 | (59,564,478) | 34,932,267 | 22,842,979 | 2,465,450 | 16,256,977 | 3,743,172 | 34,661,439 |
| | Cumulative interest sensitivity gap | 6,467,615 | 13,985,072 | (45,579,406) | (10,647,139) | 12,195,840 | 14,661,290 | 30,918,267 | 34,661,439 | |

Notes to the consolidated financial statements (cont.)

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37. DISCLOSURE OF FINANCIAL INSTRUMENTS (cont.)

(c) Risk management policy for financial instruments (cont.)

(iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank was incorporated and operates in Vietnam, with VND as its reporting currency. The major currency in which the Bank transacts is VND. The exchange rate between VND and foreign currencies during the year fluctuated significantly.

The Bank's loans and advances were mainly denominated in VND with the remainder mainly in USD. Some of the Bank's other assets are in currencies other than the reporting currency and USD. 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.

| | | | | | | VND million |
|---|--------------------|--------------------|------------------|----------------|------------------|--------------------|
| | | | | | | TOTAL |
| | VND | USD | EUR | Gold | Other currencies | |
| Assets | | | | | | |
| I | 3,470,331 | 879,160 | 245,720 | 587,919 | 210,636 | 5,393,766 |
| II | 5,410,490 | 5,206,269 | - | - | - | 10,616,759 |
| III | 40,757,528 | 57,453,464 | 3,110,731 | - | 3,697,882 | 105,019,605 |
| IV | 825,372 | - | - | - | - | 825,372 |
| V | - | - | - | - | - | - |
| VI | 137,110,123 | 70,373,425 | 1,839,212 | - | 94,873 | 209,417,633 |
| VII | 29,219,215 | 558,441 | - | - | - | 29,777,656 |
| VII | 2,826,344 | - | - | - | - | 2,826,344 |
| IX | 2,602,320 | - | - | - | 3,424 | 2,605,744 |
| X | 5,798,689 | 212,340 | 869 | - | 107,011 | 6,118,909 |
| Total assets | 228,020,412 | 134,683,099 | 5,196,532 | 587,919 | 4,113,826 | 372,601,788 |
| Liabilities | | | | | | |
| I | 17,535,811 | 65,385,166 | 1,801,130 | - | 2,106,502 | 86,828,609 |
| II | 156,397,835 | 65,830,269 | 3,255,857 | - | 1,532,893 | 227,016,854 |
| III | (668,432) | 444,764 | (210,391) | - | 445,533 | 11,474 |
| IV | - | - | - | - | - | - |
| V | 2,032,084 | 38,111 | 1,188 | - | - | 2,071,383 |
| VI | 19,968,359 | 704,417 | (71,200) | - | 1,410,453 | 22,012,029 |
| Total liabilities | 195,265,657 | 132,402,727 | 4,776,584 | - | 5,495,381 | 337,940,349 |
| FX position on balance sheet | 32,754,755 | 2,280,372 | 419,948 | 587,919 | (1,381,555) | 34,661,439 |
| FX position off balance sheet | 49,463,590 | (2,593,337) | 10,999 | - | 1,225,006 | 48,106,258 |
| FX position on and off-balance sheet | 82,218,345 | (312,965) | 430,947 | 587,919 | (156,549) | 82,767,697 |

37. DISCLOSURE OF FINANCIAL INSTRUMENTS (cont.)

(c) Risk management policy for financial instruments (cont.)

(iv) Liquidity risk

Liquidity risk occurs where the Bank fails to realize its financial commitments with customers or counterparties due to unavailability of funds or liquidity.

The maturity of monetary assets and liabilities represent the remaining terms of these assets and liabilities from the balance sheet date to the maturity date according to the underlying contractual agreements or term of issuance.

The following assumptions and conditions have been adopted in the preparation of the Bank's maturity analysis:

- ❖ Balance with the SBV are considered as current accounts including the compulsory deposits;
- ❖ The maturity of investment securities is based on redemption dates of each securities established by the issuers of these financial instruments;
- ❖ The maturities of amounts due from other banks and loans and advances to customers are based on the contractual maturity date. The actual maturity sometimes varies from the original contractual term when the contract is extended;
- ❖ The maturity of equity investments is considered to be over one year as equity investments have no stated maturity;
- ❖ Amounts due to other banks and owed to customers are determined based on either the nature of the amount or their contractual agreements. For example, Vostro accounts and current accounts paid upon customers' demand are considered to be current, the maturity of term deposits and borrowings is based on the contractual maturity date. In practice, such items may be rolled over and maintained for longer period.

| | Overdue over 3 months | Overdue up to 3 months | Up to 1 month | From 1 to 3 month | From 3 to 12 months | From 1 to 5 years | Over 5 years | VND million TOTAL |
|--|-----------------------|------------------------|---------------------|---------------------|---------------------|-------------------|-------------------|----------------------|
| Assets | | | | | | | | |
| I Cash on hand, gold and gemstones | - | - | 5,393,766 | - | - | - | - | 5,393,766 |
| II Balances with the State Bank of Vietnam | - | - | 10,616,759 | - | - | - | - | 10,616,759 |
| III Balances with and loans to other credit institutions – gross | - | - | 93,685,875 | 8,427,556 | 1,356,362 | 1,541,311 | 8,501 | 105,019,605 |
| IV Trading securities – gross | - | - | - | - | - | 825,372 | - | 825,372 |
| V Derivatives and other financial assets | - | - | - | - | - | - | - | - |
| VI Loans and advances to customers – gross | 3,491,277 | 2,985,381 | 13,665,611 | 39,999,297 | 81,929,707 | 50,535,474 | 16,810,886 | 209,417,633 |
| VII Investment securities – gross | - | - | 2,014,710 | 4,566,352 | 5,024,483 | 13,334,170 | 4,837,941 | 29,777,656 |
| VIII Long-term investments – gross | - | - | - | - | - | - | 2,826,344 | 2,826,344 |
| IX Fixed assets | - | - | - | - | - | - | 2,605,744 | 2,605,744 |
| X Other assets – gross | - | - | 21,471 | 6,097,438 | - | - | - | 6,118,909 |
| Total assets | 3,491,277 | 2,985,381 | 125,398,192 | 59,090,643 | 88,310,552 | 66,236,327 | 27,089,416 | 372,601,788 |
| Liabilities | | | | | | | | |
| I Deposits and borrowings from the State Bank of Vietnam and other credit institutions | - | - | 63,137,777 | 2,920,026 | 10,022,306 | 10,748,500 | - | 86,828,609 |
| II Deposits from customers | - | - | 115,707,258 | 56,102,902 | 40,485,538 | 8,397,867 | 6,323,289 | 227,016,854 |
| III Derivatives and other financial liabilities | - | - | - | - | 11,474 | - | - | 11,474 |
| IV Other borrowed funds | - | - | - | - | - | - | - | - |
| V Valuable papers issued | - | - | 11,082 | 801 | 31,835 | 27,665 | 2,000,000 | 2,071,383 |
| VI Other liabilities | - | - | 3,743,960 | 11,768,069 | 5,700,000 | 800,000 | - | 22,012,029 |
| Total liabilities | - | - | 182,600,077 | 70,791,798 | 56,251,153 | 19,974,032 | 8,323,289 | 337,940,349 |
| Net liquidity gap | 3,491,277 | 2,985,381 | (57,201,885) | (11,701,155) | 32,059,399 | 46,262,295 | 18,766,127 | 34,661,439 |

Notes to the consolidated financial statements (cont.)

for the year ended 31 December 2011

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38. COMPARATIVE FIGURES

The comparative figures for the consolidated balance sheet, consolidated statement of income and consolidated statement of cash flows as at 31 December 2011 and for the period from 1 January 2011 to 31 December 2011 were restated according to the results of State Audit's report on Vietcombank's financial statements for the year 2010.

The following table shows the comparative figures restated according to the State Audit's results:

| | Note | 31/12/2010 (as previously stated) | 31/12/2010 (adjustments) | VND million 31/12/2010 (restated) |
|---|-------|--------------------------------------|-----------------------------|---|
| Balance sheet | | | | |
| Allowance for loans and advances to customers | 8 | (5,689,082) | 116,494 | (5,572,588) |
| Tangible fixed assets | 11 | 1,178,724 | 89 | 1,178,813 |
| <i>Cost</i> | | 3,539,200 | 102 | 3,539,302 |
| <i>Accumulated depreciation</i> | | (2,360,476) | (13) | (2,360,489) |
| Receivables | 13(a) | 1,919,777 | 459 | 1,920,236 |
| Accrued interest and fee receivables | 13(b) | 2,349,959 | 8,206 | 2,358,165 |
| Accrued interest and fee payables | 19(a) | 2,637,441 | 2,519 | 2,639,960 |
| Other liabilities | 19(b) | 5,124,795 | 56,009 | 5,180,804 |
| Provisions for contingent liabilities and off-balance sheet commitments | 19(c) | 1,009,731 | (530) | 1,009,201 |
| Retained earnings | 20 | 4,651,984 | 67,250 | 4,719,234 |
| Off- balance sheet items | | | | |
| Other guarantees | | 15,630,554 | (29,202) | 15,601,352 |
| Statement of income | | | | |
| Interest and similar income | 21 | 20,580,638 | 6,851 | 20,587,489 |
| Fee and commission income | 23 | 1,918,540 | (1,164) | 1,917,376 |
| Other income | 26 | 724,527 | 325 | 724,852 |
| Operating expenses | 28 | (4,544,416) | (33,369) | (4,577,785) |
| Provisions and allowances for credit risks | 29 | (1,501,207) | 117,024 | (1,384,183) |
| Income tax expense – current | 30 | (1,243,391) | (22,417) | (1,265,808) |

39. SUBSEQUENT EVENTS

The issuance of 347,612,562 ordinary shares (equivalent 15% of the Bank's charter capital after the issuance) (issue price: VND 34,000 per share) to the foreign strategic shareholder, Mizuho Corporate Bank, Ltd was approved by the SBV in the Official Letter No. 7416/NHNN-TTGSNH dated 22 September 2011 and decided by the Bank's Board of Directors in the Resolution No. 204/NQ-NHNT.HDQT dated 30 September 2011. On 9 January 2012, the Bank has completed the private sale of shares to the foreign strategic shareholder, Mizuho Corporate Bank, Ltd. According to the Business Licence No. 0100112437 which was renewed for the seventh time on 10 January 2012, the Bank's charter capital is VND 23,174,170,760,000. The par value of a share is VND 10,000.

On 10 February 2012, the Bank has informed the final list of its shareholders eligible for advance of dividends of 2011 in cash with the pay-out ratio of 12% which is equivalent to VND 1,200/share.

40. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Management on 15 March 2012.

| | |
|---|---|
| Prepared by: | Approved by: |
| NGUYEN THI THU HUONG | NGUYEN DANH LUONG |
|  |  |
| Deputy Head of Financial and Accounting Policy Department | Deputy General Director |
| PHUNG NGUYEN HAI YEN |  |
|  | |
| Chief Accountant | |



Vietcombank

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