



**NGÂN HÀNG PHÁT TRIỂN VIỆT NAM**  
The Vietnam Development Bank

# **BÁO CÁO THƯỜNG NIÊN Annual Report 2016**





# **BÁO CÁO THƯỜNG NIÊN Annual Report 2016**

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# I

## OVERVIEW OF VIETNAM DEVELOPMENT BANK

### *1. The establishment and development of VDB:*

1.1. Vietnam Development Bank (VDB in abbreviation) was established in accordance with Decision No. 108/2006/QĐ-TTg dated May 19<sup>th</sup>, 2006 by the Prime Minister on the establishment of Vietnam Development Bank on the basis of reorganization of the Development Assistance Fund, to execute investment credit and export credit policies with operational term of ninety-nine (99) years upon effectiveness of this Decision. The organizational and operational regulations of VDB are in accordance with the Decision No. 110/2006/QĐ-TTg dated May 19, 2006 by the Prime Minister. On March 30<sup>th</sup> 2007, the Prime Minister issued Decision No. 44/2007/QĐ-TTg on financial management regulations at VDB.

1.2. On September 3<sup>rd</sup> 2015, the Prime Minister issued Decision No.1515/QĐ-TTg on the organization and operational regulations of VDB which defined:

- VDB is a policy bank operating under the model of one member limited liability company with 100% state-owned charter capital.

- VDB's legal status is in accordance with Vietnamese laws with chartered capital, stamp and account registered at the State Bank of Vietnam, State Treasury, and at domestic and foreign commercial banks; VDB is allowed to participate in the interbank payment system and provide payment services as stipulated by law provisions.

- The State is the owner of VDB. Government manage consistently rights and duties arising from VDB's state-ownership. The Prime Minister, as assigned by the Government, directly exercises rights and obligations of the owner or authorizes the Ministry of Finance to serve them on his behalf. As assigned by the Government or under the authorization of the Prime Minister and this Charter's provision, the Ministry of Finance shall exercise a number of ownership's rights and obligations. The Board of Directors are direct representatives of the State owner at VDB and

have decision on issues related to VDB according to the authorization procedure prescribed in the Charter.

- Legal representative of VDB is General Director.

- VDB operates for non-profit purposes in order to carry out the task of State policy credit and other tasks as stipulated by the Government or the Prime Minister; The State budget shall cover the interest rate difference and the management fee and guarantee VDB's solvency. VDB is exempted from government tax and obligations to State contribution. VDB is allowed to have compulsory reserve rate of 0% (zero percent) and not to make deposit insurance.

- The VDB's chartered capital is VND 30,000 billion (thirty trillion). Any chartered capital change shall be decided by the Prime Minister at the proposal of the Ministry of Finance, ensuring compliance with the requirements, tasks and capital adequacy ratios of VDB in each period.

- VDB has an operation term of 99 years accounting from the effective date of Decision No.108/206/QĐ-TTg on May 19<sup>th</sup> 2006 of the Prime Minister on the VDB's establishment.

## ***2. Functions and missions of VDB***

### **2.1. Fund mobilization**

- a) Issue bonds guaranteed by the Government in accordance of law provisions;
- b) Issue bonds, promissory notes, certificates of deposit, valuable papers in VND in accordance of law provisions;
- c) Borrow from Vietnam Social Insurance, domestic and foreign financial and credit institutions in accordance of law provisions;
- d) Have access to fund allocation from the State Bank of Vietnam in accordance of law provisions and of the guidance of the State Bank of Vietnam;
- e) Receive deposits entrusted by domestic and foreign organizations;
- f) Mobilize other capital sources in accordance with provision of laws.

### **2.2. Credit activities:**

- a) Provide loans under the State's credit policies; provide loans to programs and projects assigned by the Government or the Prime Minister;

- b) Provide credit guarantees for SMEs to apply for loans from commercial banks according to the Prime Minister's regulations;
- c) On-lend the foreign loan capital of the Government;
- d) Provide short-term loans under the Decision of the Prime Minister in the principle that the State budget shall not cover the interest difference.

### **2.3. Entrustment and receiving entrust:**

- a) To be entrusted to receive mobilized capital and provide loans in accordance of law provisions;
- b) To be entrusted to manage the operation of the credit guarantee fund for SMEs and local financial funds according to the development objectives of the province;
- c) Entrust credit institutions to perform certain VDB's activities according to the provisions of law;
- d) Entrust or receive entrusted funds to provide financial and banking services to clients according to the provisions of law.

**2.4.** Participate in the interbank market; implement internal payment; provide payment services, foreign exchange services and other banking services to customers; implement foreign exchange activities; participate in the domestic and international payment systems according to the provisions of laws and to the guidance of the State Bank of Vietnam.

**2.5.** Perform other tasks assigned by the Government or the Prime Minister.



## **INTERNATIONAL AND VIETNAM ECONOMIC CONTEXT IN 2016**

In the context of growing risks and uncertainties of the global economy, the world economy in 2016 witnessed a slowdown in growth. Most economies showed stagnant growth, despite fiscal and monetary easing efforts. Factors weakening the global economy include: low aggregated demand, slow flowing capital in major economic sectors that hindered global growth, oil and other commodities' prices decrease also caused losses to exporting countries, severe weather-related shocks, especially drought caused by El Nino, political challenges ...

The slowdown global economy, the less vibrant market activities, the decreased commodities' price had affected Vietnam economy, especially in term of import and export volumes and the State budget revenue. In Vietnam, except the prosperous signs of 2015, the economy has faced many difficulties and challenges resulting from weather and climate change. Severe cold in the Northern provinces, drought in the Central Highlands, South Central Coast and severe saline intrusion in the Mekong Delta, floods and storms and sea environmental incidents in the Central provinces have impacted on production and people's life.

The gross domestic product (GDP) in 2016 is estimated to increase by 6.21% compared to 2015. This growth is lower than the 6.68% of the last year and does not meet the 6.7% growth target. In the circumstances of unfavorable world economy condition and domestic difficulties, such achievement is a success. The economy scale of 2016 as at current prices reached VND 4,500 trillion. GDP per capita is estimated at VND 48.6 million, equivalent to USD 2,215, an increase of 106 USD compared to 2015.

The economic structure in 2016 had not changed much. Agriculture, forestry and fishery industries accounted for 16.32%, the industry and construction 32.72%, services for 40.92%, tax collection minus subsidies for 10.04%. The same industries structure for 2015 is: 17%; 33.25%; 39.73% (tax was 10.02%).

The total investment capital for social development in 2016 at current price was estimated at VND 1,500 trillion, an increase of 8.7% compared to 2015 and equivalent to 33% GDP.

Credit growth reached 18.71% in comparison over the same period of 2015, the highest increase since 2011, capital mobilization of credit institutions increased by 18.38%; total liquidity increase 17.88%; The average VND/USD exchange rate was stable throughout 2016.

Average CPI in 2016 increased 2.66% over the same period of 2015. CPI of December, 2016 and average CPI of 2016 are respectively higher than those of the same periods of 2015 but still lower than those of previous years; yet between in the range of 5% target approved by the National Assembly.



## VDB'S PERFORMANCE IN 2016

**1. Mobilizing and receiving capital:** In 2016, VDB mobilized VND 35,351 billion ( of which Bonds represented VND 21,479 billion, equivalent to 93% of the assigned plan); ensuring sufficient capital for disbursement according to the progress of projects/ loans financed by investment credits, export credits, and payments due to date and other capital needs.

**2. Foreign Capital:** 460 projects under management with a total commitment capital of USD 14,357.38 million.

- Total capital disbursed: VND 10,938 billion, representing 91% of the plan, (*of which, disbursement by MOF: VND 10,728 billion, direct control of disbursement of VDB: VND 210.11 billion*).

- Collection of principal: VND 10,359.25 billion, achieved 103% of the plan; interest and fee collection: VND 2,884.89 billion, 105% of the year-plan. Fee collection: VND 186.47 billion, 107% of the year-plan.

- Outstanding as of 31/12/2016: VND 153,599.8 billion.

**3. Investment Credit:** There were 893 investment projects financed by VDB for committed loan amount of VND 196,975 billion, accrued disbursements: VND 171,070 billion.

- Total disbursed capital in a fiscal year: VND 8,497 billion, of which disbursement for canal solidification was VND 2,416 billion.

- Total debt collection: VND 16,107 billion, reached 95% of 2016 plan. Total interest collection: VND 5,809 billion, reached 87% of the plan of 2016

- Outstanding balance: VND 106,755 billion, credit growth has not improved by 2016.

### **4. Export Credit:**

The accumulated turn-over in 2016: VND 2,890 billion

Average outstanding balance: VND 7,083 billion, reached 71% of the assigned plan.

For the directives of not promoting Export credits as the time being, and pursuing the principle to make credit growth with precaution, VDB's credit activities had been managed to reduce the outstanding balance and tightly control loan provision to new customers in order to have better safeguard.

#### ***5. Guarantee for commercial bank loans:***

There are 62 Guarantees still in force in 2016, with guaranteed loan amount of VND 1,102 billion at commercial banks with outstanding principal of VND 637 billion and overdue interests of VND 360 billion.

- Guarantee obligations fulfilled in this year (having honored 5 guarantees as required by court judgments or by the law enforcement agency with USD 26.656 million, VND 16.772 million).

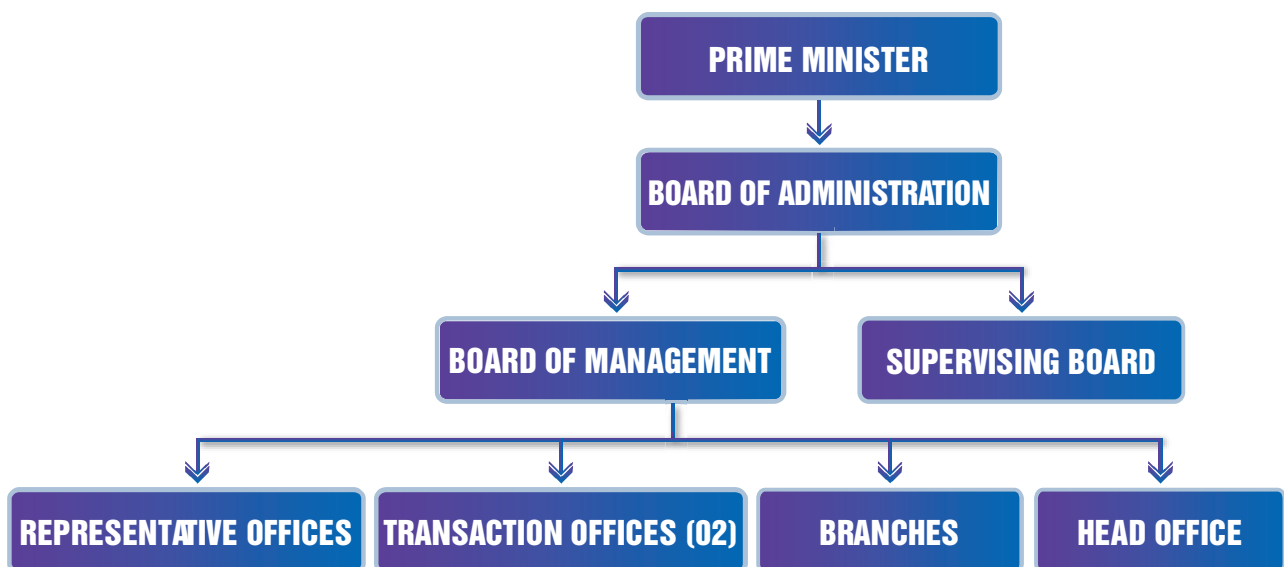
- Principal collection: VND 17.4 billion; interest collection: VND 1.37 billion. Guarantee fee since the beginning of the year: VND 1.318 billion. overdue fee: VND 3.341 billion and USD 719,782.



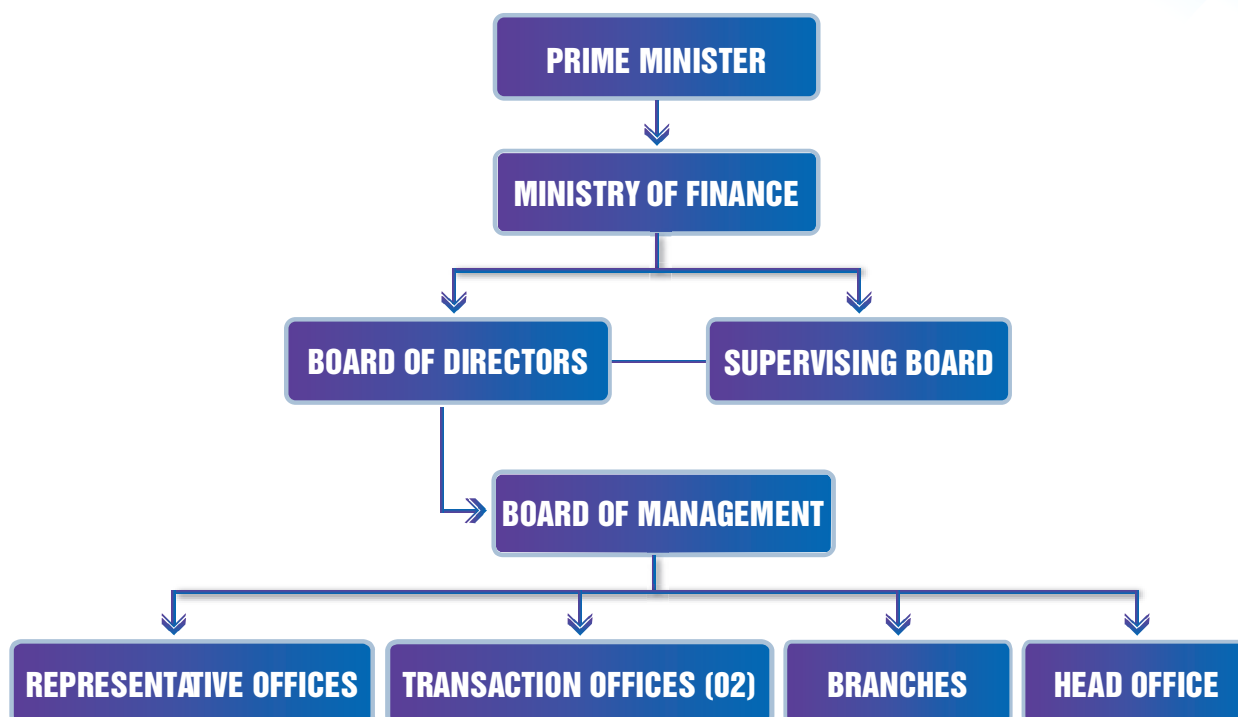
## **STRUCTURAL ORGANIZATION, HUMAN RESOURCES**

### ***1. The organizational model:***

#### **BOARD OF ADMINISTRATION**



## BOARD OF DIRECTORS



### 2. Board of Administration:

As of May 31<sup>st</sup>, 2016, Board of Administration (BOA) of VDB has seven (07) members, in which, four (04) of them are full time members including Chairman, General Director cum BOA's member, BOA's members, Director of Supervising Board cum BOA's member; three (03) others are partially in charge including leaders of Minister such as Ministry of Finance, Ministry of Planning and Investment and State Bank of Vietnam, details as below:

No	Full Name	Title
1	Mr. Nguyen Quang Dung	Acting Chairman
2	Mr. Tran Ba Huan	Member of the Board, General Director
3	Mr. Dao Ngoc Thang	Member of the Board
4	Mr. Dong Quang Dai	Member of the Board, Director of Supervising Board
5	Mr. Tran Xuan Ha	Deputy Minister of Finance, Member of the Board
6	Mr. Nguyen Phuoc Thanh	Deputy Governor of the State Bank of Vietnam, Member of the Board
7	Mr. Dao Quang Thu	Deputy Minister of Planning and Investment, Member of the Board

As of December 31<sup>st</sup>, 2016, Board of Directors (BOD) of VDB had three full time members which included Chairman, BOD Vice Chairman, and BOD member cum General Director. As below:

No	Full Name	Title
1	Mr. Pham Quang Tung	Chairman
2	Mr. Bui Tuan Minh	Vice Chairman
3	Mr. Tran Ba Huan	Member, General Director

### *3. Board of Management*

As of December 31<sup>st</sup>, 2016, Board of Management had five members, in which, 01 General Director and 04 Deputy General Directors (01 Deputy General Director was appointed as Chairman of Vietnam Infrastructure Development and Finance Investment- VIDIFI), details as below:

N	Full Name	Title
1	Mr. Tran Ba Huan	General Director
2	Mr. Dao Van Chien	Deputy General Director (cum Chairman of BOD of VIDIFI)
3	Mr. Nguyen Chi Trang	Deputy General Director
4	Mr. Tran Phu Minh	Deputy General Director
5	Mr. Dao Quang Truong	Deputy General Director



## **VIETNAM DEVELOPMENT BANK'S BRANCHES NETWORK**

### **1 DONG THAP- AN GIANG BRANCH**

Add: 83 Nguyen Hue. My Long – Long Xuyen City- Long An Province

Tel: 02963 846220 Fax: 02963 846223

#### **1.1 DONG THAP TRANSACTION OFFICE**

Add: 48 Nguyen Quang Dieu – 1 Ward - Cao Lanh City – Dong Thap Province

Tel: 0277 3852472 Fax: 0277 3852477

**2 BA RIA – VUNG TAU BRANCH**

Add: 211 Le Hong Phong – 8 Ward – Vung Tau City- Ba Ria Vung Tau Province

Tel: 0254 3857091 Fax: 0254 3854676

**3 BAC KAN – THAI NGUYEN BRANCH**

Add: 16 Nha Trang – Trung Vuong Ward – Thai Nguyen City – Thai Nguyen Province

Tel: 0208 3657368 - 0280 3657968 Fax: 0208 3852866

**3.1 BAC KAN TRANSACTION OFFICE**

Add: 02 Hung Vuong – 4 Group – Duc Xuan Ward – Bac Kan Town- Bac Kan Province

Tel: 0209 3870008 Fax: 0209 3870628

**4 BAC GIANG BRANCH**

Add: Nguyen Thi Luu Street– Bac Giang City- Bac Giang Province

Tel: 0204 3856 211 Fax : 0204 3857 011

**5 SONG TIEN BRANCH**

Add: 172 Hung Vuong – 3 Ward – Ben Tre City – Ben Tre Province

Tel: 0275 3826056 Fax: 0275 3823358

**5.1 TRA VINH TRANSACTION OFFICE**

Add: 7A Trung Nu Vuong – 1 Ward – Tra Vinh City – Tra Vinh Province

Tel: 0294 3854007 Fax: 029403854076

**5.2 TIEN GIANG TRANSACTION OFFICE**

Add: 19 Nam Ky Khoi Nghia Street – 4 Ward – My Tho City

Tel: 0273 2210629 Fax: 0273 3875542

**6 BINH DUONG – BINH PHUOC BRANCH**

Add: 189 Binh Duong Avenue- Phu Tho Ward - Thu Dau Mot Town – Binh Duong Province

Tel: 0274 3823946 Fax: 0274 3823695

**6.1 BINH PHUOC TRANSACTION OFFICE**

Add: Nguyen Van Linh Street – Tan Phu Ward – Dong Xoai Town

Tel: 0271 3870206 Fax: 0271 3879460

**7 BINH DINH BRANCH**

Add: 06 Le Duan – Quy Nhon City – Binh Dinh Province

Tel: 0256 3520719 Fax: 0256 3520709

**8 BINH THUAN BRANCH**

Add: 12 Nguyen Tat Thanh- Binh Hung Ward- Phan Thiet City- Binh Thuan Province

Tel: 0252 3824719 Fax: 0252 3833451

**9 CAO BANG BRANCH**

Add: 32 Xuan Truong Street – Hop Giang Ward – Cao Bang City- Cao Bang Province

Tel: 0206 3853673 Fax: 0206 3853069

<b>10</b>	<b>CAN THO BRANCH</b>
	Add: 01 Hai Ba Trung- Ninh Kieu District- Can Tho City
	Tel: 0292 3821769      Fax : 0292 3821778
<b>10.1</b>	<b>VINH LONG TRANSACTION OFFICE:</b>
	Add: 8 Hung Dao Vuong – 1 Ward – Vinh Long City – Vinh Long Province
	Tel: 0270 3824262      Fax : 0270 3824425
<b>11</b>	<b>DAKLAK – DAKNONG BRANCH</b>
	Branch Office: 15 Truong Chinh – Buon Ma Thuot City – Daklak Province
	Tel: 0262 3956365      Fax: 0262 3955675
<b>12</b>	<b>DIEN BIEN BRANCH</b>
	Add: No. 908 – 7/5 Street – Muong Thanh Ward – Dien Bien Phu City- Dien Bien Province
	Tell: 0215 3827385      Fax: 0215 3825801
<b>13</b>	<b>DONG NAI BRANCH</b>
	Add: Nguyen Ai Quoc Street – Quang Vinh Ward- Bien Hoa City – Dong Nai Province
	Tel: 0251 3828558      Fax: 0251 3826288
<b>14</b>	<b>GIA LAI BRANCH</b>
	Add: 02A Hoang Hoa Tham – Pleiku City – Gia Lai Province
	Tel: 0269 3821390      Fax : 0269 3822505
<b>15</b>	<b>HA GIANG BRANCH</b>
	Add: 10 Bach Dang – Nguyen Trai Ward – Ha Giang Town – Ha Giang Province
	Tel: 0219 3866958      Fax: 0219 3866958
<b>16</b>	<b>HA TINH BRANCH</b>
	Add: Xo Viet Nghe Tinh Street- Ha Tinh City – Ha Tinh Province
	Tel: 0239 3857273      Fax: 0239 3856575
<b>17</b>	<b>HAI DUONG – HUNG YEN BRANCH</b>
	Add: 7 Hong Quang Street – Nguyen Trai Ward – Hai Duong City – Hai Duong Province
	Tel: 0320 3856114      Fax: 0320 3857771
<b>17.1</b>	<b>HUNG YEN TRANSACTION OFFICE</b>
	Add: 07 Chu Manh Trinh – Hien Nam Ward – Hung Yen City
	Tel: 0221 3551089      Fax: 0225 3921201
<b>18</b>	<b>HAI PHONG BRANCH</b>
	Add: 47A Luong Khanh Thien – Ngo Quyen Ward – Hai Phong City
	Tel: 0225 5921710      Fax: 0225 3921201
<b>19</b>	<b>KHANH HOA – NINH THUAN BRANCH</b>
	Add: 65 Yersin – Nha Trang City – Khanh Hoa Province
	Tel: 0258 3825091      Fax: 0258 3825435

**20 KIEN GIANG BRANCH**

Add : No. 321, 3/2 Streer - Vinh Lac Ward - Rach Gia City- Kien Giang Province

Tell: 0297 3863637 Fax: 0297 3868165

**21 KOM TUM BRANCH**

Add: 84B Phan Chu Trinh – Kon Tum City – Kom Tum Province

Tel: 0260 3862906 Fax: 0260 3863890

**22 LAI CHAU BRANCH**

Add: Quyet Thang Ward – Lai Chau Town – Lai Chau Province

Tel: 0213 3875408 Fax: 0213 3876769

**23 LAM DONG BRANCH**

Add: 2A Le Hong Phong – 4 Ward – Da Lat City – Lam Dong Province

Tel: 0263 3825356 Fax: 0263 3825983

**24 LANG SON BRANCH**

Add: 53 Le Loi – Vinh Trai Ward – Lang Son City- Lang Son Province

Tel: 0205 3872 196 Fax: 0205 3873 010

**25 LAO CAI BRANCH**

Add: 1/5 Street – Nam Cuong Ward - Lao Cai City – Lao Cai Province

Tel: 0214 3825161 Fax: 0214 3820576

**26 MINH HAI AREAS BRANCH**

Add: 07 - An Duong Vuong Street – 7 Ward - Ca Mau City – Ca Mau Province

Tel : 0290 3836018 Fax: 0290 3836016

**26.1 BAC LIEU TRANSACTION OFFICE:**

Add: 175 Tran Quynh Street – 1 Ward – Bac Lieu City – Bac Lieu Province

Tel: 0291 3820328 Fax: 0291 3823960

**27 NAM DINH – HA NAM BRANCH**

Add: 151 Bac Ninh Street – Nguyen Du Ward - Nam Dinh City- Nam Dinh Province

Tel: 0228 3846862 Fax: 0228 3844033

**27.1 HA NAM TRANSACTION OFFICE**

Add: 03 Tran Phu Street – Quang Trung Ward – Phu Ly City – Ha Nam Province

Tel: 0226 3852095 Fax: 0226 3854130

**28 NGHE AN BRANCH**

Add: 45 Duy Tan Street – Hung Phuc Ward - Vinh City – Nghe An Province

Tel: 0238 3840668 Fax: 0238 3846228

**29 NINH BINH BRANCH**

Add: 05 Le Hong Phong – Van Giang – Ninh Binh City – Ninh Binh Province

Tel: 0229 3872 624 Fax: 0229 3873 066

<b>30</b>	<b>PHU THO BRANCH</b>
	Add: 1500 – Hung Vuong - Gia Cam Ward– Viet Tri City– Phu Tho Province
	Tel: 0210 3845227 Fax: 0210 3848700
<b>31</b>	<b>PHU YEN BRANCH</b>
	Add: 337 Le Duan – 7 Ward – Tuy Hoa City- Phu Yen Province
	Tel : 0257 3842454 Fax : 0257 3841056
<b>32</b>	<b>QUANG BINH BRANCH</b>
	Add: 02 Tran Hung Dao – Dong Hoi City– Quang Binh Province
	Tel: 0232 3822003 Fax: 0232 3822338
<b>33</b>	<b>QUANG NAM – DA NANG BRANCH</b>
	Add: 74 Quang Trung – Thach Thang Ward – Hai Chau – Da Nang City
	Tel: 0236 3834265 Fax: 0236 3830577
<b>33.1</b>	<b>QUANG NAM TRANSACTION OFFICE</b>
	Add: 13 Tran Hung Dao – Tam Ky City – Quang Nam Province
	Tel: 0235 3852926 Fax: 0235 3852296
<b>34</b>	<b>QUANG NGAI BRANCH</b>
	Add: 29 Hai Ba Trung – Quang Ngai City- Quang Ngai Province
	Tel: 055 3828528 Fax: 055 3820533
<b>35</b>	<b>QUANG NINH BRANCH</b>
	Add: 03 Dong Ho Street – Ha Long City – Quang Ninh Province
	Tel: 0203 3828050 Fax: 0203 3828174
<b>36</b>	<b>TRANSACTION CENTER I</b>
	Add : 104 Tran Hung Dao Street – Cua Nam Ward – Hoan Kiem District – Hanoi
	Tel: 024 39427908 Fax: 024 39427900
<b>36.1</b>	<b>VINH PHUC TRANSACTION OFFICE:</b>
	Add: 10 Kim Ngoc Street – Vinh Yen City – Vinh Phuc Province
	Tel: 0211 3860 591 Fax: 0211 3861 163
<b>36.2</b>	<b>HOA BINH TRANSACTION OFFICE :</b>
	Add: Dong Tien Street – Hoa Binh City – Hoa Binh Province
	Tel: 0241 3822024 Fax: 0241 3822625
<b>36.3</b>	<b>BAC NINH TRANSACTION OFFICE</b>
	Add: No 02 Nguyen Dang Dao- Tien An Ward – Bac Ninh City- Bac Ninh Province
	Tel: 0222 3822024 Fax: 0222 3822625
<b>37</b>	<b>TRANSACTION CENTER II</b>
	Add: 229 Dong Khoi- Ben Nghe Ward – 1 District – Ho Chi Minh City
	Tel: 0283 8250063 Fax : 0283 8245811

**37.1 TAY NINH TRANSACTION OFFICE:**

Add: 385 30/4 Street – I Ward – Tay Ninh Province

Tel: 0276 3810851      Fax: 0276 3827088

**38 SOC TRANG BRANCH**

Add: 16 Tran Hung Dao – 2 Ward – Soc Trang City – Soc Trang Province

Tel: 0299 3822618      Fax: 0299 3820778

**39 SON LA BRANCH**

Add: 56B – Lo Van Gia Street - Son La City – Son La Province

Tel: 0212 3852 861      Fax: 0212 3853 060

**40 THAI BINH BRANCH**

Add: 5 Le Loi Street- Le Hong Phong Ward - Thai Binh City – Thai Binh Province

Tel: 0227 3734426      Fax: 0227 3734840

**41 THANH HOA BRANCH**

Add: 44A Le Loi Avenue- Tan Son Ward - Thanh Hoa City – Thanh Hoa Province

Tel: 0237 3853098      Fax: 0237 3854048

**42 THUA THIEN HUE – QUANG TRI BRANCH**

Add: 02 Nguyen Thi Minh Khai – Phu Nhuan Ward - Hue City- Thua Thien Hue Province

Tel: 0234 3828526      Fax: 0234 3828527

**42.1 QUANG TRI TRANSACTION OFFICE**

Add: 184 Tran Hung Dao Street – Dong Ha City – Quang Tri Province

Tel: 0233 3851857 – 053 3854707      Fax: 0233 3851085

**43 TUYEN QUANG BRANCH**

Add: 258 Tan Trao Street- Minh Xuan Ward – Tuyen Quang Town – Tuyen Quang Province

Tel: 0207 3821382      Fax: 0207 3821461

**44 YEN BAI BRANCH**

Add: 1026 Dien Bien Phu Street – Dong Tam Ward – Yen Bai City – Yen Bai Province

Tel: 0216 3853158      Fax: 0216 3851 319



## **FINANCIAL STATEMENT OF VDB FOR 2016**

### **To: THE BOARD OF DIRECTORS**

#### **THE BOARD OF MANAGEMENT OF VIETNAM DEVELOPMENT BANK**

We have audited the accompanying Financial statements attached of VDB prepared on June 7<sup>th</sup>, 2018, from page 07 to 53, including Balance sheet as of December 31<sup>st</sup>, 2016. Income statement, cash flow statement for the fiscal year then ended and the notes to the Financial statements.

#### **Board of Management's responsibility**

The Board of Management of the VDB are responsible for the preparation and fair presentation of the financial statements to give a true and fair view on the financial position in accordance with the Vietnam Accounting standards, Accounting system applied to VDB issued in Document No. 959/QĐ-NHPT dated December 30<sup>th</sup>, 2010; supplemented according to Document 383/QĐ-NHPT dated October 31<sup>st</sup>, 2016 by VDB's General Director and approved in Dispatch No.15682/BTC-CĐKT dated December 24<sup>th</sup>, 2008 and Dispatch No. 12375/BTC-CĐKT dated October 04<sup>th</sup>, 2010 and Dispatch No.145/BTC-CĐKT dated January 6<sup>th</sup>, 2015 by the Ministry of Finance and legal provisions relating to the preparation and presentation of financial statements and are responsible for the internal control which the Board of Directors determine that necessary to ensure the accuracy and honesty in the preparation and presentation of the Financial statement.

#### **The responsibility of Auditor**

Our responsibility is to express opinion on the Financial statements based on the audit. We have audited in accordance with the Vietnamese Auditing Standards. These standards require us to strictly follow standards and regulations regarding work ethics, plan and perform the audit in order to obtain a reasonable assurance that the Financial statements of VDB are free from material mistakes.

The audit work involves performing procedures in order to collect the audit evidences of the data and disclosures of the Financial statements. These procedures were selected subject to the auditors' judgements, including the assessments of the risks of the material misstatements of the Financial statements, whether due to fraud or negligence. In making these risks assessments, the auditors considered internal control relevant to the VDB's preparation and fair presentation of the Financial statement in order to design appropriate audit procedures in the mentioned circumstances, but not for the purpose of expressing opinion on the effectiveness of internal control in VDB. The audit work also includes evaluating the appropriateness of used accounting policies and the reasonableness of accounting estimation of Board of Management as well as the evaluating the overall presentation of the whole Financial statement.

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

### **Auditor's opinion**

In our opinion, the Financial statements fairly and properly present the financial position of VDB as at December 31<sup>st</sup>, 2016, as well as its operation results and the cash flow for the fiscal year then ended in conformity with Vietnam Accounting Standards, the Accounting system applied to VDB, which was issued according to Decision No.959/QĐ-NHPT dated December 30<sup>th</sup>, 2010; supplemented by the Decision 383/QĐ-NHPT dated October 31<sup>st</sup>, 2016 issued by the General Director of VDB and was approved in Dispatch No. 15682/BTC-CĐKT dated December 24<sup>th</sup>, 2008 and Dispatch No.12375/BTC-CDKT dated October 04<sup>th</sup>, 2010 and Dispatch No. 145/BTC-CĐKT dated January 6<sup>th</sup>, 2015 issued by the Ministry of Finance and the applicable laws and regulations to prepare and present the Financial statements.

## BALANCE SHEET

Unit: VND million

Items	Note	2015	2016
<b>A – ASSETS</b>			
Cash in hand	1	4,919	3,256
Deposit	2	10,580,886	7,515,879
Assets in operating activities	3	289,604,322	278,447,945
Accounts receivable	4	19,801,330	14,561,843
Fixed assets	5	2,226,538	2,182,447
Others	6	3,711,362	3,828,232
<b>Total asset</b>		<b>325,929,357</b>	<b>306,539,602</b>
<b>B – LIABILITIES</b>			
Deposit of State Treasury, Financial institutions and credit institutions,	7	1,191,048	1,147,246
Deposit of Economic institutions and customers	8	3,462,865	2,891,212
Loans from State budget and Financial institutions and credit institutions	9	21,018,765	17,862,880
Trust funds	10	146,440,996	135,291,943
Bond and notes	11	127,652,565	126,291,565
Account Payable	12	3,080,844	1,161,609
Others	13	4,017,349	5,272,593
VDB's equity and funds	14-16	19,064,925	16,620,554
<b>Total liabilities</b>		<b>325,929,357</b>	<b>306,539,602</b>

**\* NOTE:**

Data of 2015 from Audit Report No.250119.009/BCKT.KT1 dated January 25<sup>th</sup>, 2019.

Data of 2016 from Audit Report No.1.0949/18/TC-AC dated June 8<sup>th</sup>, 2018.

## INCOME STATEMENT

*Unit: VND million*

Items	Note	2015	2016
Receipt from loan interest	17	9,729,008	7,312,887
Receipt from deposits interest	18	645,836	290,736
Non-interest revenue	19	6,325,097	5,389,756
<b>Total revenue</b>		<b>16,699,941</b>	<b>12,993,379</b>
Payment for loan interest	20	735,175	881,613
Payment for deposit interest	21	304,944	277,602
Payment for interest of valuable papers	22	13,696,471	11,377,431
Non-interest expenses	23	1,640,512	1,870,838
<b>Total payment</b>		<b>16,377,102</b>	<b>14,407,484</b>

**\* NOTE:**

Data of 2015 from Audit Report No.250119.009/BCKT.KT1 dated January 25<sup>th</sup>, 2019.

Data of 2016 from Audit Report No.1.0949/18/TC-AC dated June 8<sup>th</sup>, 2018.

# FINANCIAL NOTES

## 1. Cash

*Unit: VND million*

Items	2015	2016
<b>Cash</b>	<b>4,919</b>	<b>3,256</b>
Cash in hand	4,919	3,256

## 2. Deposits

*Unit: VND million*

Items	2015	2016
<b>Cash deposit</b>	<b>10,580,886</b>	<b>7,515,879</b>
At State Bank of Vietnam	179,459	861,339
At credit institutions	10,401,427	6,654,540
+ Non-term deposit	3,098,831	1,431,756
+ Term deposit	7,302,596	5,222,784

### 3. Operating assets

Unit: VND million

Items	2015	2016
<b>Operating assets</b>	<b>289,604,322</b>	<b>278,447,945</b>
Export credit	7,643,870	5,792,119
Of which		
+ overdue debts	2,682,834	2,558,392
+ frozen debts	798,232	1,065,793
Long and medium term investment credit	106,385,275	100,096,825
Of which		
+ overdue debts	5,042,252	6,500,589
+ frozen debts	4,239,878	2,346,998
Credit to importers	0	0
Of which		
+ overdue debts	0	0
+ frozen debts	0	0
ODA On lending	138,409,690	133,788,750
Of which		
+ overdue debts	1,978,588	2,485,354
+ frozen debts	32,304	13,583
Other credits	36,989,097	38,054,063
Of which		
+ overdue debts	164,793	42,582
+ frozen debts	0	0
Guarantee and Re-Guarantee	176,390	716,188

#### 4. Receivables

Unit: VND million

Items	2015	2016
<b>Receivables</b>	<b>19,801,330</b>	<b>14,561,843</b>
Receivables for	9,558,093	12,751,933
+ management fee and interest difference compensation from State budget,	8,992,119	12,272,515
+ other receivables	563,889	477,424
+ advances	2,084	1,994
Amounts receivable for settlement (including amount to be noted as expenses and revenue and ODA to be paid to MOF)	10,243,237	1,809,910

#### 5. Fixed asset

Unit: VND million

Items	2015	2016
<b>Fixed assets</b>	<b>2,226,538</b>	<b>2,182,447</b>
<b><i>Tangible fixed assets</i></b>	<b><i>773,319</i></b>	<b><i>715,688</i></b>
Historical costs	1,556,840	1,594,987
Accumulated depreciation	(783,521)	(879,299)
<b><i>Non tangible fixed assets</i></b>	<b><i>1,453,219</i></b>	<b><i>1,466,759</i></b>
Historical costs	1,490,381	1,512,974
Accumulated depreciation	(37,162)	(46,215)

## 6. Other assets

Unit: VND million

Items	2015	2016
<b>Other assets</b>	<b>3.711.362</b>	<b>3.828.232</b>
Tools and materials	225	316
Construction in progress	109.774	131.302
Advances	3.475	3.442
Funds contributions, long term investments	3.594.942	3.690.211
Others assets	2.946	2.961

## 7. Deposits of State treasury, credit institutions, financial institutions

Unit: VND million

Items	2015	2016
<b>Deposit of State Treasury, credit institutions, financial institutions</b>	<b>1.191.048</b>	<b>1.147.246</b>
Deposit of State Treasury, credit institutions, financial institutions in VND	1.191.048	1.147.246

## 8. Customers deposits

Unit: VND million

Items	2015	2016
<b>Deposit of Economic institutions and customers</b>	<b>3.462.865</b>	<b>2.891.212</b>
<i>Term and non-terms deposits of customers</i>	<b>3.460.817</b>	<b>2.889.188</b>
+ Deposit of domestic customers in VND	3.460.773	2.887.840
+ Deposit of domestic customers in foreign currency	44	1.348
+ Deposit of foreign customers in foreign currency	0	0
<b>Escrow Deposits(*)</b>	<b>2.048</b>	<b>2.024</b>

## 9. Loans from State budget, financial institutions and credit institutions

Unit: VND million

Items	2015	2016
<b>Loans from State budget, financial institutions and credit institutions</b>	<b>21.018.764</b>	<b>17.862.880</b>
Loans from state budget	2.523.779	2.244.311
Loans from domestic financial institutions and credit institutions	9.555.000	7.550.000
Loans from foreign financial institutions and credit institutions	8.939.985	8.068.569

## 10. Trusted funds

Unit: VND million

Items	2015	2016
<b>Trusted funds</b>	<b>146.440.997</b>	<b>135.291.943</b>
Receiving ODA funds for on-lending	145.179.257	134.622.099
Exchange rate difference of ODA funds	0	0
Trusted fund for post-investment subsidies	6.085	(1.936)
+ trusted fund	610.587	544.965
+ trusted grant	(604.502)	(546.901)
Trusted fund for allocation	(872.954)	218.618
+ trusted fund	26.918.758	30.226.886
+ trusted grant	(27.791.712)	(30.008.268)
Trusted fund for credit	2.128.609	453.162
+ trusted fund	27.073.536	22.389.928
+ Trusted fund loans	(24.944.927)	(21.936.766)

## 11. Issuance of valuable notes

Unit: VND million

Items	2015	2016
<b>Valuable notes issuance</b>	<b>127.652.565</b>	<b>126.291.565</b>
<i><b>Bonds and notes in VND</b></i>	<i><b>127.652.565</b></i>	<i><b>126.291.565</b></i>
Face value	127.652.565	126.291.565
Extra value	0	0
Discounted value	0	0
<i><b>Bonds and notes in foreign currency</b></i>	<i><b>0</b></i>	<i><b>0</b></i>
Face value	0	0
Extra value	0	0
Discounted value	0	0

## 12. Payable

Unit: VND million

Items	2015	2016
<b>Liabilities payable</b>	<b>3.080.843</b>	<b>1.161.609</b>
Payable	3.038.652	1.138.330
+ Interest and fee on trusted fund's loans	2.663.806	638.134
+ Payable to suppliers	3.767	5.658
+ Payable to staff	202.753	252.193
+ Payable to the government	3.839	5.300
+ Other payables	164.487	237.045
Account payable in settlement activities	42.191	23.279

### 13. Other liabilities

Unit: VND million

Items	2015	2016
<b>Other liabilities</b>	<b>4.017.350</b>	<b>5.272.593</b>
+ To be kept for others and to be paid	604	2.081
+ Provisions fund	3.860.997	5.130.382
+ Provision for unemployment allowance	91.601	94.933
+ Others liabilities	64.148	45.197

### 14. VDB equity

Unit: VND million

Items	2015	2016
<b>VDB equity</b>	<b>18.137.946</b>	<b>18.178.847</b>
Charter capital	14.890.926	15.085.956
Construction investment capital	21.757	21.757
Other ownership's capital	3.225.263	3.071.134

### 15. VDB funds

Unit: VND million

Items	2015	2016
<b>VDB fund</b>	<b>1.999.103</b>	<b>1.748.299</b>
Reserve fund for supplement of charter capital	195.011	0
Research and Development fund	1.804.092	1.748.299
Other funds	0	0

## 16. Undistributed retained earnings

Unit: VND million

Items	2015	2016
<b>Undistributed retained earnings</b>	<b>(1.072.124)</b>	<b>(3.306.593)</b>
Undistributed retained earnings of the last period	(1.394.964)	(1.892.488)
Undistributed retained earnings of this year	322.840	(1.414.105)

## 17. Interest receipts

Unit: VND million

Items	2015	2016
<b>Interest revenue</b>	<b>9.729.008</b>	<b>7.312.887</b>
Receipt of interest on export credit	256.303	268.555
Receipt of interest on investment credit	5.595.886	5.114.597
Receipt of interest on other loans	3.876.819	1.929.735

## 18. Receipts of interest on deposits

Unit: VND million

Items	2015	2016
<b>Receipts of interest on deposits</b>	<b>645.836</b>	<b>290.736</b>
Non term deposit	19.158	15.532
With term deposit	626.678	275.204

## 19. Non- interest receipts

Unit: VND million

Items	2015	2016
<b>Non- interest receipts</b>	<b>6.325.097</b>	<b>5.389.756</b>
Interest difference and management fee	6.052.994	4.796.016
Guarantee premium	260	453
Settlement fee	3.430	2.782
Treasury fee	0	3
Trust fund fee	221.873	230.036
Other receipts	46.539	360.466

## 20. Payment of interest on loan

Unit: VND million

Items	2015	2016
<b>Interest payment</b>	<b>735.175</b>	<b>881.613</b>
Payment of interest on short-term loan s	402.324	559.944
Payment of interest on medium and long term loans	332.851	321.669

## 21. Payment of interest on deposits

Unit: VND million

Items	2015	2016
<b>Payment of interest on deposit,</b>	<b>304,944</b>	<b>277,602</b>
Payment of interest on non-term deposits	5,015	3,447
Payment of interest on term deposits	299,929	274,155

## 22. Payment of interest on valuable papers

Unit: VND million

Items	2015	2016
Payment of interest on valuable papers	13,696,471	11,377,431
Payment of interest on bonds	13,696,471	11,377,431

## 23. Non-interest payment

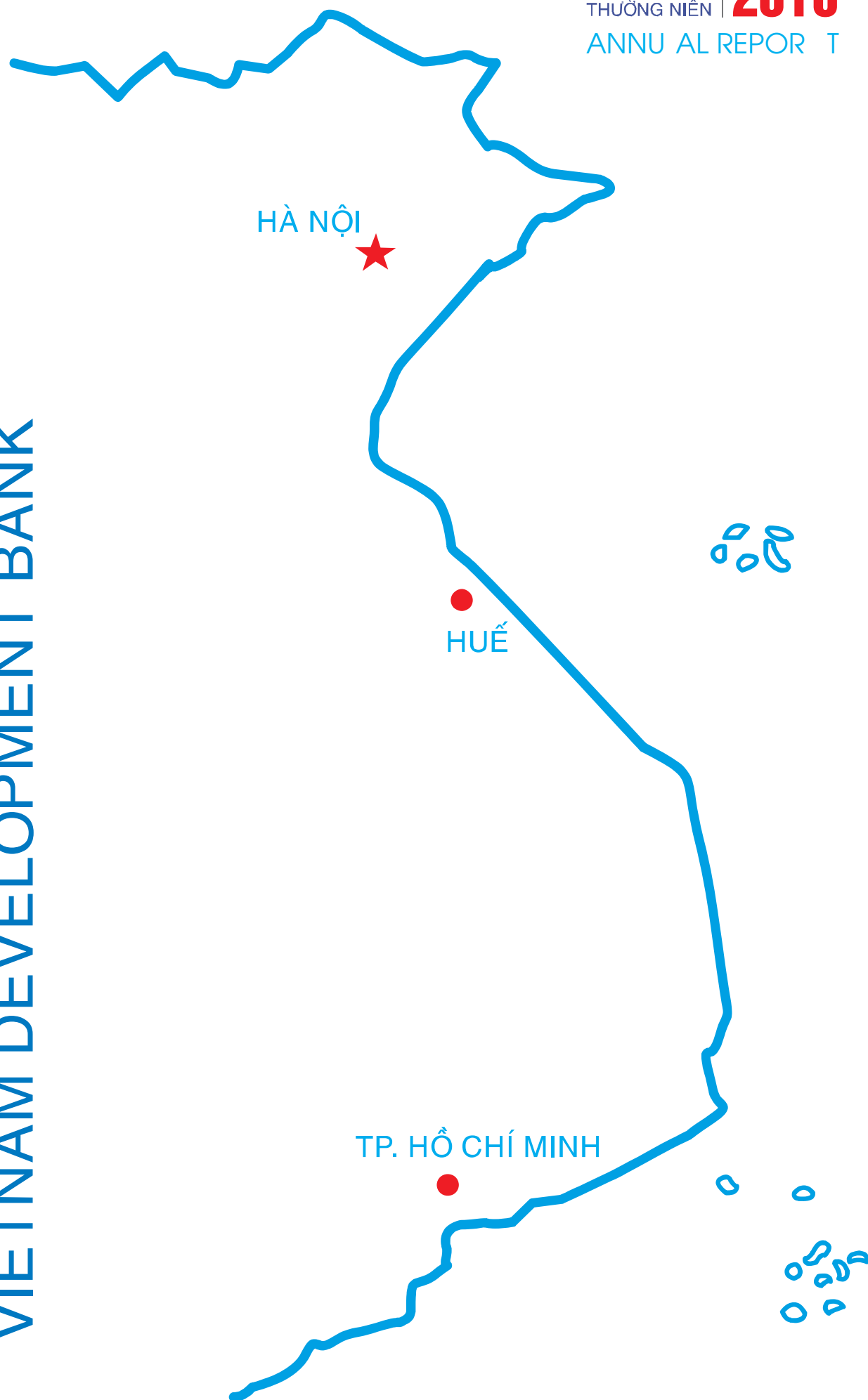
Unit: VND million

Items	2015	2016
<b>Non-interest payments</b>	<b>1,640,512</b>	<b>1,870,838</b>
Fund mobilization	70,608	40,095
Settlement and treasury expenses	771	744
Tax and fees	1,229	1,467
Others	7,590	65,069
Payment for staff	499,145	496,486
Administration expenses	164,098	184,973
Fixed asset depreciation	84,279	109,836
Other asset expenses	14,052	14,508
Provisions expenses	783,426	800,069
Others	15,314	157,591

# NGÂN HÀNG PHÁT TRIỂN VIỆT NAM<sup>2</sup>

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**Trụ sở chính:**

**Ngân hàng Phát triển Việt Nam**

25A Cát Linh - Đống Đa - Hà Nội

ĐT: +84.0243.736.5659 - 736.5671 / +84.0243.736.5672

**Head office of VDB:**

25A Cat Linh Str., Dong Da Dist., Hanoi