

# I - OVERVIEW OF Vietnam Development Bank (VDB)

## I. OVERVIEW OF VIETNAM DEVELOPMENT BANK (VDB)

### *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 19th 2006 by the Prime Minister on the establishment of Vietnam Development Bank based on the reorganization of Development Assistance Fund to execute investment credit and export credit policies with operation period of ninety-nine (99) years upon effectiveness of the Decision 108/2006/QĐ-TTg. The organizational and operational regulations of VDB are in accordance with the Decision No. 110/2006/QĐ-TTg dated May 19th 2006 by the Prime Minister. The financial management of VDB is in accordance with the Decision No 44/2007/QĐ-TTg dated March 30th 2017 by the Prime Minister.

1.2. On September 3rd 2015, the Prime Minister issued Decision No. 1515/QĐ-TTg on the organization and operational regulations of VDB as follows:

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

- Vietnam Development Bank has the legal status in accordance with Vietnamese laws; having right to chartered capital, stamp and account at the State Bank of Vietnam, State Treasury, and at domestic and foreign commercial banks, participates in the interbank payment system and provides payment services according to the provisions of law.

- The Government is the owner of Vietnam Development Bank. The Government exercises unified management of the rights and duties of state ownership to Vietnam Development Bank. The Prime Minister directly exercises the rights and obligations of the owner as assigned by the Government or authorizes the Ministry of Finance to serve it. The Ministry of Finance shall exercise a number of rights and obligations

of the ownership as assigned by the Government or under the authorization of the Prime Minister and the provisions of this Charter. The Board of Directors are the direct representative of the State owner at Vietnam Development Bank and decide on issues related to Vietnam Development Bank according to the decentralization procedure prescribed in the Charter.

- Legal representative of Vietnam Development Bank is the General Director.

- Vietnam Development Bank 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 the solvency. Vietnam Development Bank is exempted from tax and other state budget remittances. Vietnam Development Bank has the compulsory reserve rate of 0% (zero percent) and does not have to take deposit insurance.

- The charter capital of Vietnam Development Bank is VND 30,000 billion (thirty trillion). Any change of the charter capital 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 Vietnam Development Bank in each period.

- Vietnam Development Bank has a term of operation of 99 years from the effective date of Decision No. 108/2006/QĐ-TTg May 19<sup>th</sup> 2006 of the Prime Minister on the establishment of the Vietnam Development Bank.

## ***2. Functions and missions of Vietnam Development Bank***

### **2.1. Fund mobilization**

- a) Issue bonds guaranteed by the Government according to the provisions of law;

- b) Issue bonds, promissory notes, certificates of deposit, valuable papers in Vietnam dong according to the provisions of laws;

- c) Borrow from Vietnam Social Insurance, domestic and foreign financial and credit institutions according to the provisions of laws;

- d) Reallocate loans at the State Bank of Vietnam according to the provisions of laws and 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 the provisions of laws.

## 2.2. Credit activities:

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

b) Provide credit guarantees for small and medium enterprises 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 with the principle that the State budget shall not cover the interest difference.

## 2.3. Entrustment and receiving entrust:

a) To be entrusted to receive mobilize capital and provide loans according to the provisions of laws;

b) To be entrusted to manage the operation of the credit guarantee fund for small and medium enterprises and local financial funds according to the development objectives of the provincial authorities;

c) Entrust credit institutions to carry out certain of activities of Vietnam Development Bank according to the provisions of laws;

d) Entrust or receive entrustd to provide financial and banking services to clients according to the provisions of laws.

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

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

## II - REPORT OF BOARD OF DIRECTORS

### *1. Global and Vietnam economy in 2015*

In 2015, the global market was unstable, the world economy was still facing huge risks with unpredictable factors. Economic prospects in the Eurozone were not optimistic. World trade declined due to weak demand. The world economy had not regained the momentum of growth and recovered slowly. Crude oil prices fell sharply leading to a decline in commodity prices and had impacts on exporters. The uncertainty of the global financial market along with the devaluation of the Chinese Renminbi and the declining growth of the Chinese economy had a strong impact on the world economy. In the domestic market, prices fluctuation, especially the decreased oil price made pressure on the State budget, in the mean time, it was a favorable factor to reduce input costs and stimulate consumption.

Gross domestic product (GDP) in 2015 was estimated to increase by 6.68% compared to 2014. This year's growth was higher than the target of 6.2% and higher than the rate of the years 2011-2014, This showed the sharp economy recovery.

The size of the economy this year at current prices reached VND 4,192.9 trillion; GDP per capita in 2015 was estimated at VND 45.7 million, equivalent to USD 2,109, up USD 57 higher than that of that of 2014. This year's economic structure continued to change but at slow pace, in which agriculture, forestry and fisheries accounted for 17.00%; industrial and construction sector accounted for 33.25%; Service sector accounted for 39.73% (tax on products minus subsidies on products was 10.02%). The corresponding structure of 2014 was: 17.70%; 33.21%; 39.04% (tax was 10.05%).

Total investment capital for social development in 2015 at current prices was estimated at VND 1,367.2 trillion, an increase of 12% compared to 2014 and equivalent to 32.6% of GDP.

Credit growth reached 17.29% compared to the end of 2014, which was the highest increase since 2011; capital mobilization of credit institutions increased by 13.49%; Total liquidity increased by 13.6%. The liquidity of the commercial banking system had been improved, ensuring the liquidity and payment capacity of the



system, contributing to controlling inflation and stabilizing the macro economy. The average exchange rate of the Vietnamese Dong against the US dollar was stable after fluctuations in mid-August 2015.

CPI in December 2015 increased 0.6% over the same period in 2014, average monthly CPI increased by 0.05%. The average CPI in 2015 would increase by 0.63% compared to the average in 2014. CPI growth in December 2015 compared with the same period in 2014 and the average CPI in 2015 over the average in 2014 was the lowest in 14 years ago and much lower than the CPI target of 5%.

## 2. VDB's performances in 2015

*2.1. Mobilizing and receiving capital:* In 2015, VDB mobilized VND 47,442 trillion dong (of which Government bonds were VND 32,994 trillion dong, equivalent to 99.9 % of the assigned plan in 2015) and US dollars 135 million, ensuring sufficient capital for payment according to the progress of projects / loans for investment credit, export credit, repayment of capital due to maturity and other capital needs.

*2.2. Foreign capital:* The number of projects under management was 460 with a total committed capital of USD 13,239 million.

- Total capital disbursed: VND 20,557 billion, achieving 171% of the plan for 2015 (*of which: disbursement on behalf of Ministry of Finance: VND 20,207 billion, direct control of disbursement of VDB: VND 350 billion*).

- Collection of principal: VND 7,642 billion, reached 101% of the plan; interest and fee collection: VND 2,181 billion, reached 102% of the plan. Debt collection: VND 204 billion, reached 102% of the year plan.

- Outstanding debt to 31/12/2015 was VND 146,573 billion; Overdue debt: VND 2,087 billion, accounting for 1.4% of outstanding loans; Overdue interest: VND 920 billion.

*2.3. Investment credit:* There were 1,321 projects loan outstanding with VDB for the amount of loans under the signed credit contract was VND 207,987 billion; Accumulated disbursements: VND 180,595 billion.

- Total disbursed capital: VND 16,667 billion, of which disbursement for canal

solidification was VND 7,476 billion.

- Total debt collection: VND 19,765 trillion dong, reached 84% of the plan in 2015. Total interest collection: VND 6,376 billion, reached 79% of the plan in 2015.

- Outstanding debt: VND 113,550 billion dongs, credit growth in 2015 had not yet improved: continued negative growth of **-2.7%**. Overdue debt: VND 5,042 trillion, accounting for 4.4% of outstanding loans. Overdue Interest: VND 3,514 billion.

#### *2.4. Export Credit:*

- The number of customers having loan outstanding with VDB as of December 31, 2015 was 74. The number of new customers since the beginning of the year was 10.

- Total disbursed capital: VND 4,122 billion; Total debt collection: VND 4,558 billion. Total interest collection: VND 301 billion. Outstanding debt: VND 7,644 billion. Overdue debt: VND 2,683 billion, accounting for 35% of outstanding loans. Interest: VND 3,665 trillion. Average credit outstanding in 2015: VND 8,819 billion, reached **88% of the plan**.

*2.5. Guarantee for commercial bank loans:* There were 67 guarantee letters still in force, with commitment value of guarantee: VND 1,130 billion and US dollars 25,6 million.

- In 2015, having honored for 7 guarantee letters, equivalent to VND 41 billion.

- Principal collection: VND 7.7 billion, interest collection: VND 4.16 billion and USD 3,012.

- Outstanding debt until 31/12/2015: Debt of VND 176 billion; Interest receivable: VND 99 billion and US dollars 57,390.

#### *2.6. Post-investment subsidy and trust fund management:*

##### *a) Post-investment subsidy:*

- The number of projects to be supported as of 31/12/2015 was 75 with the amount of support under the contract of VND 1,264 billion; Amount accumulated: VND 611 billion .

- The disbursed amount in 2015: VND 7,044 billion, 99.8 % of the plans.

b) Trusted loans: There were currently 41 projects to be financed from trusted loans in 8 branches with outstanding as of 31/12/2015 was VND 476 billion and overdue debt of VND 327 billion. Trusted fee: VND 6.8 billion.

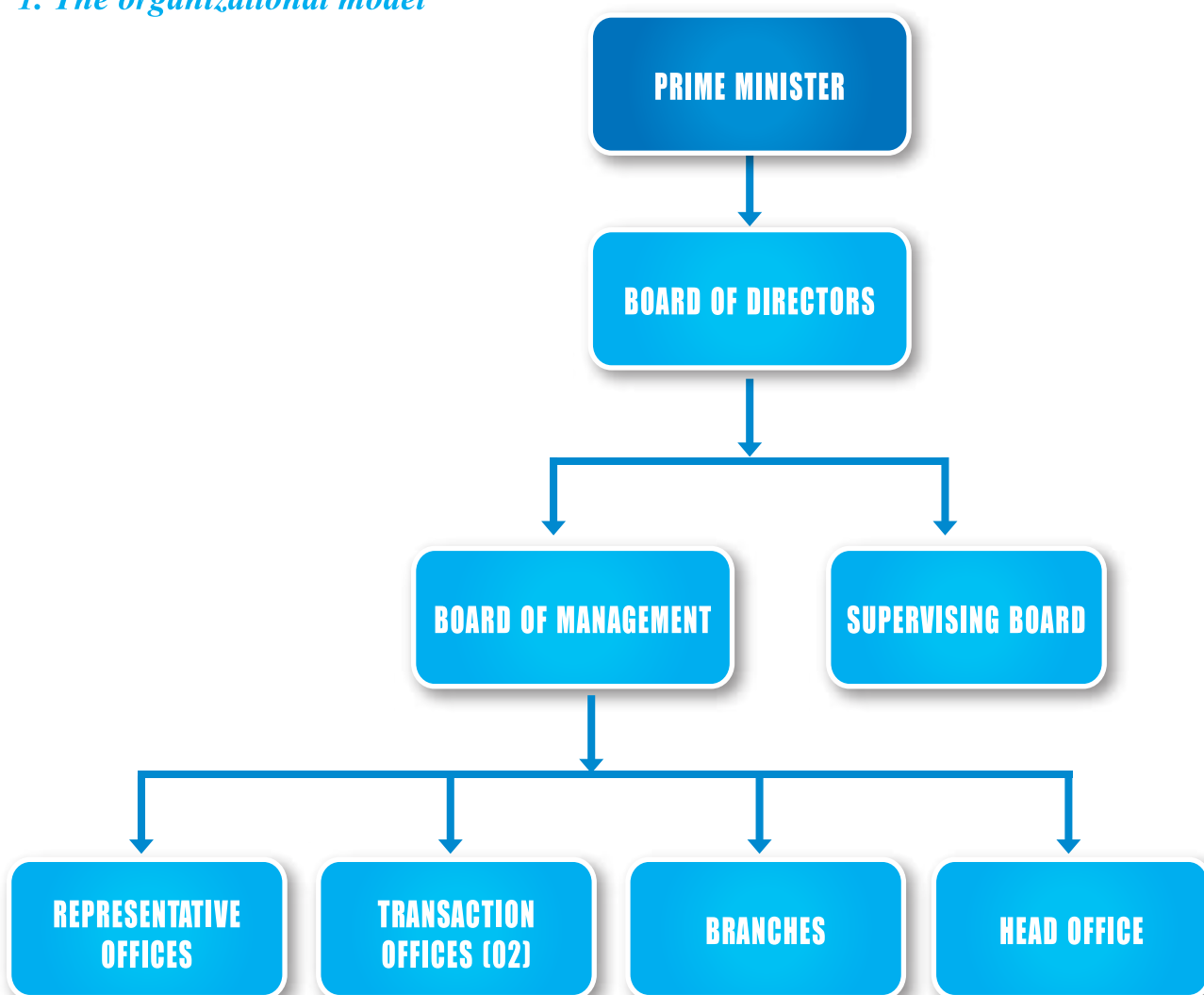
c) Disbursement for resettlement component of Son La Hydropower project:

- Disbursement for resettlement of Son La hydropower in 2015: VND 2,126 billion. Overdue advance: VND 9.444 billion.

- The flood avoidance road construction project: Disbursement as of 31/12/2015 was VND 0.463 billion dong.

### III - STRUCTURAL ORGANIZATION, HUMAN RESOURCES

#### 1. The organizational model



## 2. Board of Directors

As of December 31st, 2015, Board of Directors of VDB has 7 members, in which, 4 of them are in charge members including Chairman, General Director cum BOD's member, BOD's member, Director of Supervising Board cum BOD's member; 3 of them are partially in charge including leaders of Ministries such as Ministry of Finance, Ministry of Planning and Investment, 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

## 3. Board of Management

As of December 31st, 2015, Board of Management had 6 members which included 01 General Director and 05 Deputy General Director 31/12/2015 (01 Deputy Director was appointed to be Chairman of Vietnam Infrastructure Development and Finance Investment, details as below:

No	Full name	Title
1	Mr. Tran Ba Huan	General Director
2	Mr. Dao Van Chien	Deputy General Director (cum Chairman of the Board of VIDIFI)
3	Mr. Nguyen Chi Trang	Deputy General Director
4	Mr. Pham Duc Hoa	Deputy General Director
5	Mr. Tran Phu Minh	Deputy General Director
6	Mr. Dao Quang Truong	Deputy General Director

## IV - VDB'S BRANCHES NETWORK

<b>1</b>	<b>DONG THAP - AN GIANG BRANCH</b>
	Add: 83 Nguyen Hue Street - My Long Ward - Long Xuyen City - Long An Province
	Tel: 0763 846220 Fax: 0763 846223
<b>1.1</b>	<b>DONG THAP TRANSACTION OFFICE:</b>
	Add: 48 Nguyen Quang Dieu Street - Ward 1 - Cao Lanh City - Dong Thap Province
	Tel: 067 3852472 Fax: 067 3852477
<b>2</b>	<b>BA RIA - VUNG TAU BRANCH</b>
	Add: 211 Le Hong Phong Street - Ward 8 - Vung Tau City - Ba Ria Vung Tau Province
	Tel: 064 3857091 Fax: 064 3854676
<b>3</b>	<b>BAC KAN - THAI NGUYEN BRANCH</b>
	Add: 16 Nha Trang Street - Trung Vuong Ward - Thai Nguyen City - Thai Nguyen Province
	Tel: 0280 3657368 - 0280 3657968 Fax: 0280 3852866
<b>3.1</b>	<b>BAC KAN TRANSACTION OFFICE</b>
	Add: 02 Hung Vuong Street - Group 4 - Duc Xuan Ward - Bac Can Town - Bac Can Province
	Tel: 0281 3870008 Fax: 0281 3870628
<b>4</b>	<b>BAC GIANG BRANCH</b>
	Add: Nguyen Thi Luu Street - Bac Giang City - Bac Giang Province
	Tel: 0240 3856211 Fax: 0240 3857011
<b>5</b>	<b>SONG TIEN REGIONAL BRANCH</b>
	Add: 172 Hung Vuong - Ward 3 - Ben Tre City - Ben Tre Province
	Tel: 075 3826056 Fax: 075 3803358
<b>5.1</b>	<b>TRA VINH TRANSACTION OFFICE</b>
	Add: 7A Trung Nu Vuong Street - Ward 1 - Tra Vinh City - Tra Vinh Province
	Tel: 074 3854007 Fax: 074 3854076
<b>5.2</b>	<b>TIEN GIANG TRANSACTION OFFICE</b>
	Add: 19 Nam Ky Khoi Nghia Street - Ward 4 - My Tho City - Tien Giang Province
	Tel: 073 2210629 Fax: 073 3875542
<b>6</b>	<b>BINH DUONG - BINH PHUOC REGIONAL BRANCH</b>
	Add: 189 Binh Duong Avenue - Phu Tho Ward - Thu Dau Mot Town - Binh Duong Province
	Tel: 0650 3823946 Fax: 0650 3823695



<b>6.1</b>	<b>BINH PHUOC TRANSACTION OFFICE</b>
	Add: Nguyen Van Linh Street - Tan Phu Ward - Dong Xoai Town - Binh Phuoc Province
	Tel: 0651 3870206 Fax: 0651 3879460
<b>7</b>	<b>BINH DINH BRANCH</b>
	Add: 06 Le Duan Stree - Quy Nhon City - Binh Dinh Province
	Tel: 056 3520719 Fax: 056 3520709
<b>8</b>	<b>BINH THUAN BRANCH</b>
	Add: 12 Nguyen Tat Thanh Street - Binh Hung Ward - Phan Thiet City - Binh Thuan Province
	Tel: 062 3824719 Fax: 062 3833451
<b>9</b>	<b>CAO BANG BRANCH</b>
	Add: 32 Xuan Truong Street - Hop Giang Ward - Cao Bang City - Cao Bang Province
	Tel: 026 3853673 Fax: 026 3853069
<b>10</b>	<b>CAN THO REGIONAL BRANCH</b>
	Add: 01 Hai Ba Trung Street - Ninh Kieu District - Can Tho City
	Tel: 0710 3821769 Fax: 0710 3821778
<b>10.1</b>	<b>VINH LONG TRANSACTION OFFICE</b>
	Add: Hung DaoVuong Street - Ward 1 - Vinh Long City - Vinh Long Province
	Tel: 070 3824262 Fax: 070 3824425
<b>11</b>	<b>DAKLAK – DAKNONG REGIONAL BRANCH</b>
	Branch Office: 15 Truong Chinh Street - Buon Ma Thuot City - Daklak Province
	Tel: 0500 3956365 Fax : 0500 3955675
<b>12</b>	<b>DIEN BIEN BRANCH</b>
	Add: 908 Vo Nguyen Giap Avenue - Muong Thanh Ward - Dien Bien Phu City - Dien Bien Province
	Tel: 0230 3827385 Fax: 0230 3825801
<b>13</b>	<b>DONG NAI BRANCH</b>
	Add: Nguyen Ai Quoc Street - Quang Vinh Ward - Bien Hoa City - Dong Nai Province
	Tel: 061 3828558 Fax: 061 3826288
<b>14</b>	<b>GIA LAI BRANCH</b>
	Add: 2A Hoang Hoa Tham Street - Pleiku City - Gialai Province
	Tel: 059 3821390 Fax: 059 3822505
<b>15</b>	<b>HA GIANG BRANCH</b>
	Add: 10 Bach Dang Stree - 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: 039 3857273                      Fax: 039 3856575
<b>17</b>	<b>HAI DUONG - HUNG YEN REGIONAL 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 Street - Hien Nam Ward - Hung Yen City - Hung Yen Province
	Tel: 0321 3551089                      Fax: 0321 3862798
<b>18</b>	<b>HAI PHONG BRANCH</b>
	Add: 47A Luong Khanh Thien Street - Ngo Quyen Ward - Hai Phong City
	Tel: 031 3920060                      Fax: 031 3921201
<b>19</b>	<b>KHANH HOA - NINH THUAN REGIONAL BRANCH</b>
	Add: 65 Yersin Street - Nha Trang City - Khanh Hoa Province
	Tel: 058 3825091                      Fax: 058 3825435
<b>19.1</b>	<b>NINH THUAN TRANSACTION OFFICE</b>
	Add: 28, 6 THANG 4 Street - Phan Rang City - Thap Cham - Ninh Thuan Province
	Tel: 068 3824540                      Fax: 068 3824569
<b>20</b>	<b>KIEN GIANG BRANCH</b>
	Add: No. 321 - 3 THANG 2 Street - Vinh Lac Ward - Rach Gia City - Kien Giang Province
	Tel: 077 3863637                      Fax : 077 3868165
<b>21</b>	<b>KON TUM BRANCH</b>
	Add: 84B Phan Chu Trinh Street - Kon Tum City - Kon Tum Province
	Tel: 060 3862906                      Fax: 060 3863890
<b>22</b>	<b>LAI CHAU BRANCH</b>
	Add: Dong Phong Ward - Lai Chau Town - Lai Chau Province
	Tel: 0231 3875408                      Fax: 0231 3876769
<b>23</b>	<b>LAM DONG BRANCH</b>
	Add: 2A Le Hong Phongv Street - Ward 4 - Da Lat City - Lam Dong Province
	Tel: 063 3825356                      Fax: 063 3825983
<b>24</b>	<b>LANG SON BRANCH</b>
	Add: 53 Le Loi Street - Vinh Trai Ward - Lang Son City - Lang Son Province
	Tel: 025 3872196                      Fax: 025 3873010

<b>25</b>	<b>LAO CAI BRANCH</b>
	Add: 1 Thang 5 Street - Nam Cuong Ward - Lao Cai City - Lao Cai Province
	Tel: 020 3825161                      Fax: 020 3820576
<b>26</b>	<b>MINH HAI REGIONAL BRANCH</b>
	Add: 7 An Duong Vuong Street - Ward 7 - Ca Mau City - Ca Mau Province
	Tel: 0780 3835018                      Fax: 0780 3836016
<b>26.1</b>	<b>BAC LIEU TRANSACTION OFFICE</b>
	Add: 175 Tran Quynh Street - 1 Ward - Bac Lieu City - Bac Lieu Province
	Tel: 0781 3820328                      Fax: 0781 3823960
<b>27</b>	<b>NAM DINH - HA NAM REGIONAL BRANCH</b>
	Add: 151 Bac Ninh Street - Nguyen Du Ward - Nam Dinh City - Nam Dinh Province
	Tel: 0350 3846862                      Fax: 0350 3844033
<b>27.1</b>	<b>HA NAM TRANSACTION OFFICE</b>
	Add: 03 Tran Phu Street - Quang Trung Ward - Phu Ly City - Ha Nam Province
	Tel: 0351 3852095                      Fax: 0351 3854130
<b>28</b>	<b>NGHE AN BRANCH</b>
	Add: 45 Duy Tan Street - Hung Phuc Ward - Vinh City - Nghe An Province
	Tel: 038 3840668                      Fax: 038 3846228
<b>29</b>	<b>NINH BINH BRANCH</b>
	Add: 05 Le Hong Phong Street - Van Giang - Ninh Binh City - Ninh Binh Province
	Tel: 030 3872624                      Fax : 030 3873066
<b>30</b>	<b>PHU THO BRANCH</b>
	Add: 1500 - Hung Vuong Street - 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 Street - Ward 7 - Tuy Hoa City - Phu Yen Province
	Tel: 057 3843180                      Fax: 057 3841056
<b>32</b>	<b>QUANG BINH BRANCH</b>
	Add: 2 Tran Hung Dao Street - Dong Hoi City - Quang Binh Province
	Tel: 052 3822003                      Fax: 052 3822338
<b>33</b>	<b>QUANG NAM - DA NANG REGIONAL BRANCH</b>
	Add: 74 Quang Trung Street - Thach Thang Ward - Hai Chau District - Da Nang City
	Tel: 0511 3834265                      Fax: 0511 3830577

<b>33.1</b>	<b>QUANG NAM TRANSACTION OFFICE</b>
	Add: 13 Tran Hung Dao Street - Tam Ky City - Quang Nam Province
	Tel: 0510 3852926                      Fax: 0510 3852296
<b>34</b>	<b>QUANG NGAI BRANCH</b>
	Add: 29 Hai Ba Trung Street - Quang Ngai City - Quang Ngai Province
	Tel: 055 3828528                      Fax: 055 3820533
<b>35</b>	<b>QUANG NINH BRANCH</b>
	Add: 3 Dong Ho Street - Ha Long City - Quang Ninh Province
	Tel: 033 3828050                      Fax: 033 3828174
<b>36</b>	<b>TRANSACTION CENTER I</b>
	Add: 104 Tran Hung Dao Street - Cua Nam Ward - Hoan Kiem District - Hanoi
	Tel: 04 39427908                      Fax: 04 39427900
<b>36.1</b>	<b>VINH PHUC TRANSACTION OFFICE</b>
	Add: 10 Kim Ngoc Street - Vinh yen City - Vinh Phuc Province
	Tel: 0211 3860591                      Fax: 0211 3861163
<b>36.2</b>	<b>HOA BINH TRANSACTION OFFICE</b>
	Add: Dong Tien Street - Hoa Binh City - Hoa Binh Province
	Tel: 0218 3856600                      Fax: 0218 3856604
<b>36.3</b>	<b>BAC NINH TRANSACTION OFFICE</b>
	Add: 2 Nguyen Dang Dao Street - Tien An Ward - Bac Ninh City - Bac Ninh Province
	Tel: 0241 3822624                      Fax: 0241 3822625
<b>37</b>	<b>TRANSACTION CENTER II</b>
	Add: 229 Dong Khoi Street - Ben Nghe Ward - District 1 - Ho Chi Minh City
	Tel: 083 8250063                      Fax: 083 8245811
<b>37.1</b>	<b>TAY NINH TRANSACTION OFFICE</b>
	Add: 385 - 30 Thang 4 Street - Ward 1 - Tay Ninh Town - Tay Ninh Province
	Tel: 066 3821194                      Fax: 066 3827088
<b>38</b>	<b>SOC TRANG BRANCH</b>
	Add: 16 Tran Hung Dao Street - Ward 2 - Soc Trang City - Soc Trang Province
	Tel: 079 3822618                      Fax: 079 3820778
<b>39</b>	<b>SON LA BRANCH</b>
	Add: 56B Lo Van Gia Street - Son La City - Son La Province
	Tel: 022 3852861                      Fax: 022 3853060

<b>40</b>	<b>THAI BINH BRANCH</b>
	Add: 5 Le Loi Street - Le Hong Phong Ward - Thai Binh City - Thai Binh Province
	Tel: 036 3734426                      Fax: 036 3734840
<b>41</b>	<b>THANH HOA BRANCH</b>
	Add: 44A Le Loi Avenue - Tan Son Ward - Thanh Hoa City - Thanh Hoa Province
	Tel: 037 3853072                      Fax: 037 3854048
<b>42</b>	<b>THUA THIEN HUE BRANCH</b>
	Add: 2 Nguyen Thi Minh Khai Street - Hue City - Thua Thien Hue Province
	Tel: 054 3828526                      Fax: 054 3828527
<b>42.1</b>	<b>QUANG TRI TRANSACTION OFFICE</b>
	Add: 184 Tran Hung Dao Street - Dong Ha City - Quang Tri Province
	Tel: 053 3851857 - 053 3854707                      Fax: 053 3851085
<b>43</b>	<b>TUYEN QUANG BRANCH</b>
	Add: 258 Tan Trao Street - Minh Xuan Ward - Tuyen Quang Town - Tuyen Quang Province
	Tel: 027 3821382                      Fax: 027 3821461
<b>44</b>	<b>YEN BAI BRANCH</b>
	Add: 1026 Dien Bien Phu Street - Dong Tam Ward - Yen Bai City - Yen Bai Province
	Tel: 029 3853158/ 073 2210629                      Fax: 029 3851319/ 073 3875542

## V - FINANCIAL STATEMENT OF Vietnam Development Bank for 2015

### **TO: THE BOARD OF DIRECTORS**

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

We have reviewed the financial statement attached of VDB which were prepared October 10th, 2017, from page 07 to 43, including Balance sheet as of December 31st, 2015, the income statement, the cash flow statement for the fiscal year then ended and the notes to the financial statements.

#### **Confirmation of the Board of Management.**

The Board of Management of the Vietnam Development Bank is responsible for the preparation of the financial statements to give a true and fair view on the financial position in accordance with Vietnam Accounting System, the Accounting system applied to Vietnam Development Bank which was approved in Official Document No. 15682/BTC-CĐKT dated December 24th, 2008 and Official Document No. 12375/BTC-CĐKT dated October 04 th, 2010 regarding supplement of accounts and Decision No. 959/QĐ-NHPT dated December 30th, 2010 issued by General Director of VDB regarding guidances on VDB accounting mechanism and applicable laws and regulations to prepare and present the financial statement and responsibilities for internal control which Supervising Board determined that necessary to ensure the preparation and presentation of the Financial statement.

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

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

The review work includes procedures in order to collect the audit evidences of the data and the notes of the financial statements. These review procedures were selected subject to the consideration of auditors, including the evaluation on the



risks of the occurrence of the material errors in the Financial statement for the sake of fraud or negligence. Considering these risks, the auditor reviewed internal control of VDB regarding preparation and performance of the Financial statement in a true and fair manner in order to customize the appropriate audit procedures, however this will be not for the purpose of evaluation of efficiency of internal control of VDB. The review work also includes the evaluation of the appropriateness of applied accounting policies and the reasonableness of accounting estimation of Board of Management as well as the evaluation of preparation of the whole Financial statement.

We believe that all the audit evidences collected by ourselves are full and proper to make the foundation of our audit opinion.

### **Auditor's opinion**

Based on our review, the Financial statement can fairly and properly reflect the financial position of VDB in December 31st, 2015, the business results and the cash flows for the fiscal year then ended of VDB in conformity with Vietnam Accounting System, the Accounting system applied to Vietnam Development Bank which was approved in Official Document No. 15682/BTC-CĐKT dated December 24th, 2008 and Official Document No. 12375/BTC-CĐKT dated October 04 th, 2010 regarding supplement of accounts and Decision No. 959/QĐ-NHPT dated December 30th, 2010 issued by General Director of VDB regarding guidances on VDB accounting mechanism and applicable laws and regulations to prepare and present the financial statement and responsibilities for internal control which Supervising Board determined that necessary to ensure the preparation and presentation of the Financial statement.

## BALANCE SHEET

Unit: VND million

Items	Note	2014	2015
<b>A - ASSETS</b>			
Cash in hand	1	4,620	4,919
Deposit	2	24,177,257	10,580,886
Assets in operating activities	3	274,326,336	289,604,322
Accounts receivable	4	20,376,131	18,987,591
Fixed assets	5	1,766,989	2,226,538
Others	6	3,875,532	3,711,362
<b>Total asset</b>		<b>324,526,866</b>	<b>325,115,618</b>
<b>B - LIABILITIES</b>			
Deposit of State Treasury, Financial institutions and credit institutions.	7	1,789,380	1,191,048
Deposit of Economic institutions and customers	8	4,155,453	3,462,865
Loans from State budget and Financial institutions and credit institutions	9	19,150,316	21,018,765
Trust funds	10	133,391,243	146,440,996
Bond and notes	11	141,868,565	127,652,565
Account Payable	12	4,598,805	3,080,844
Others	13	4,396,101	4,017,349
VDB's equity	14	14,159,332	18,137,946
VDB's funds	15	1,017,671	113,240
<b>Total liabilities</b>		<b>324,526,866</b>	<b>325,115,618</b>

## INCOME STATEMENT

Unit: VND million

Items	Note	2014	2015
Receipt from loan interest	17	9,619,148	9,729,008
Receipt from deposits interest	18	525,614	645,836
Non-interest revenue	19	6,200,837	5,511,358
<b>Total revenue</b>		<b>16,345,599</b>	<b>15,886,202</b>
Payment for loan interest	20	785,035	735,175
Payment for deposit interest	21	466,323	304,944
Payment for interest of valuable papers	22	14,245,619	13,696,471
Non-interest expenses	23	1,863,675	1,640,512
<b>Total expenses</b>		<b>17,360,652</b>	<b>16,377,102</b>

## FINANCIAL NOTES

### 1. Cash

Unit: VND million

Items	2014	2015
<b>Cash</b>	<b>4,620</b>	<b>4,919</b>
Cash in hand	4,620	4,919

### 2. Deposits

Unit: VND million

Items	2014	2015
<b>Cash deposit</b>	<b>24,177,257</b>	<b>10,580,886</b>
At State Bank of Vietnam	111,220	179,459
At credit institutions	24,066,037	10,401,427
+ Non-term deposit	3,622,446	3,098,831
+ Term deposit	20,443,591	7,302,596

### 3. Operating assets

Unit: VND million

Items	2014	2015
<b>Operating assets</b>	<b>274,326,336</b>	<b>289,604,322</b>
Export credit	8,837,977	7,643,870
Of which		
+ overdue debts	3,571,263	2,682,834
+ frozen debts	0	798,232
Long and medium term investment credit	108,876,014	106,385,275
Of which		
+ overdue debts	4,794,275	5,042,252
+ frozen debts	4,237,149	4,239,878
Credit to importers	0	0
Of which		
+ overdue debts	0	0
+ frozen debts	0	0
ODA On lending	127,002,067	138,409,690
Of which		
+ overdue debts	1,616,220	1,978,588
+ frozen debts	35,383	32,304
Other credits	29,442,497	36,989,097
Of which		
+ overdue debts	183,092	164,793
+ frozen debts	0	0
Guarantee and Re-Guarantee	167,781	176,390

#### 4. Receivables

Unit: VND million

Items	2014	2015
<b>Receivables</b>	<b>20,376,131</b>	<b>18,987,591</b>
Receivables for	10,754,699	8,744,354
+ management fee and interest difference to be paid by State budget.	10,092,443	8,178,381
+ other receivables	654,404	563,889
+ advances	7,852	2,084
Amounts receivable for settlement (including amount to be noted as expenses and revenue and ODA to be paid to MOF)	9,621,432	10,243,237

#### 5. Fixed asset

Unit: VND million

Items	2014	2015
<b>Fixed assets</b>	<b>1,766,989</b>	<b>2,226,538</b>
<i>Tangible fixed assets</i>	<i>458,347</i>	<i>773,319</i>
Historical costs	1,169,234	1,556,840
Accumulated depreciation	(710,887)	(783,521)
<i>Non tangible fixed assets</i>	<i>1,308,642</i>	<i>1,453,219</i>
Historical costs	1,337,124	1,490,381
Accumulated depreciation	(28,482)	(37,162)



## 6. Other assets

Unit: VND million

Items	2014	2015
<b>Other assets</b>	<b>3,875,533</b>	<b>3,711,362</b>
+ Tools and materials	181	225
+ Construction in progress	267,844	109,774
+ Advances	10,295	3,475
+ Funds contributions, long term investments	3,594,298	3,594,942
+ Others assets	2,915	2,946

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

Unit: VND million

Items	2014	2015
<b>Deposit of State Treasury, credit institutions, financial institutions</b>	<b>1,789,380</b>	<b>1,191,048</b>
Deposit of State Treasury, credit institutions, financial institutions in VND	1,789,380	1,191,048

## 8. Customers deposits

Unit: VND million

Items	2014	2015
<b>Deposit of Economic institutions and customers</b>	<b>4,155,453</b>	<b>3,462,865</b>
<i>Term and non - terms deposits of customers</i>	<i>4,153,692</i>	<i>3,460,817</i>
+ Deposit of domestic customers in VND	4,153,651	3,460,773
+ Deposit of domestic customers in foreign currency	41	44
+ Deposit of foreign customers in foreign currency	0	0
<b>Escrow Deposits(*)</b>	<b>1,761</b>	<b>2,048</b>

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

Unit: VND million

Items	2014	2015
<b>Loans from State budget, financial institutions and credit institutions</b>	<b>19,150,316</b>	<b>21,018,764</b>
Loans from state budget	3,367,200	2,523,779
Loans from domestic financial institutions and credit institutions	9,555,000	9,555,000
Loans from foreign financial institutions and credit institutions	6,228,116	8,939,985

## 10. Trusted funds

Unit: VND million

Items	2014	2015
<b>Trust funds</b>	<b>133,391,243</b>	<b>146,440,997</b>
Receiving ODA funds for on-lending	132,594,486	145,179,257
Exchange rate difference of ODA funds	0	0
Trusted fund for post-investment subsidies	11,440	6,085
+ trusted fund	662,130	610,587
+ trusted grant	(650,690)	(604,502)
Trusted fund for allocation	(1,036,329)	(872,954)
+ trust fund	24,768,530	26,918,758
+ granted	(25,804,859)	(27,791,712)
Trust fund for credit (*)	1,821,646	2,128,609
+ trust fund	29,210,555	27,073,536
+ Loans trust funds	(27,388,909)	(24,944,927)

## 11. Issuance of valuable notes

Unit: VND million

Items	2014	2015
<b>Valuable notes issuance</b>	<b>141,868,565</b>	<b>127,652,565</b>
<i><b>Bonds and notes in VND</b></i>	<i><b>141,868,565</b></i>	<i><b>127,652,565</b></i>
Face value	141,868,565	127,652,565
Extra value		
Discounted value		
<i><b>Bonds and notes in foreign currency</b></i>		
Face value	0	0
Extra value	0	0
Discounted value	0	0

## 12. Payable

Unit: VND million

Items	2014	2015
<b>Liabilities payable</b>	<b>4,598,805</b>	<b>3,080,843</b>
Payables	2,869,906	3,038,652
+ Interest and fee on trusted fund's loans	2,539,092	2,663,806
+ Payable to suppliers	1,736	3,767
+ Payables to staff	157,083	202,753
+ Payables to the government including ODA funds to be payables and other payables to Government	6,371	3,839
+ Other payables	165,624	164,487
Account payable in settlement activities	1,728,899	42,191

### 13. Other liabilities

Unit: VND million

Items	2014	2015
<b>Other liabilities</b>	<b>4,396,101</b>	<b>4,017,350</b>
+ To be kept for others and to be paid	82	604
+ Provisions fund	4,211,798	3,860,997
+ Provision for unemployment allowance	87,563	91,601
+ Others liabilities	96,658	64,148

### 14. VDB equity

Unit: VND million

Items	2014	2015
<b>VDB equity</b>	<b>14,159,332</b>	<b>18,137,946</b>
Charter capital	11,683,630	14,890,926
Construction investment capital	21,757	21,757
Other ownership's capital	2,453,945	3,225,263

### 15. VDB funds

Unit: VND million

Items	2014	2015
<b>VDB fund</b>	<b>2,418,473</b>	<b>1,999,103</b>
Reserve fund for supplement of charter capital	195,011	195,011
Research and Development fund	2,223,462	1,804,092
Other funds	0	0

### 16. Not distributed retained earnings

Unit: VND million

Items	2014	2015
<b>Undistributed retained earnings</b>	<b>(1,400,802)</b>	<b>(1,885,863)</b>
Undistributed retained earnings of the last period	(385,749)	(1,394,964)
Undistributed retained earnings of this year	(1,015,053)	(490,899)

### 17. Interest receipts

Unit: VND million

Items	2014	2015
<b>Interest revenue</b>	<b>9,619,147</b>	<b>9,729,008</b>
Receipt of interest on export credit	470,144	256,303
Receipt of interest on investment credit	5,984,869	5,595,886
Receipt of interest on other loans	3,164,134	3,876,819

### 18. Receipts of interest on deposits

Unit: VND million

Items	2014	2015
<b>Receipts of interest on deposits</b>	<b>525,613</b>	<b>645,836</b>
Non term deposit	20,715	19,158
With term deposit	504,898	626,678

### 19. Non- interest receipts

Unit: VND million

Items	2014	2015
<b>Non- interest receipts</b>	<b>6,200,837</b>	<b>5,511,357</b>
Interest difference and management fee (*)	5,884,352	5,239,254
Guarantee premium	611	260
Settlement fee	3,610	3,430
Treasury fee	2	0
Trust fund fee (**)	224,093	221,873
Other receipts	88,169	46,540

(\*): Including export credit and investment credit management fee and management fee of trust fund from MOF

(\*\*): Not including management fee from funds trusted by MOF

### 20. Payment of interest on loan

Unit: VND million

Items	2014	2015
<b>Interest payment</b>	<b>785,036</b>	<b>735,175</b>
Payment of interest on short-term loan	510,844	402,324
Payment of interest on medium and long	274,192	332,851

### 21. Payment of interest on deposits

Unit: VND million

Items	2014	2015
<b>Payment of interest on deposit.</b>	<b>466,323</b>	<b>304,944</b>
Payment of interest on non-term deposits	4,072	5,015
Payment of interest on term deposits	462,251	299,929



## 22. Payment of interest on valuable papers

Unit: VND million

Items	2014	2015
<b>Payment of interest onvaluable papers</b>	<b>14,245,618</b>	<b>13,696,471</b>
Payment of interest onbonds	14,245,618	13,696,471

## 23. Non-interest payment

Unit: VND million

Items	2014	2015
<b>Non-interest payments</b>	<b>1,863,675</b>	<b>1,640,512</b>
Fund mobilization	70,724	70,608
Settlement and treasury expenses	1,361	771
Tax and fees	960	1,229
Others	11,325	7,590
Payment for staff	499,644	499,145
Administration expenses	172,926	164,098
Fixed asset depreciation	82,551	84,279
Other asset expenses	19,018	14,052
Provisions expenses	794,852	783,426
Others	210,314	15,314



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