

## Bank data released for turbulent 2012

Figures released by the State Bank have shown that at the end of 2012, the total assets of the entire domestic banking system recorded a growth of 2.54 per cent compared with 2011, meaning that last year's total for the entire system rose by nearly VND126 trillion (US\$6 billion).

The data also shows that most of these assets were contributed by State-owned commercial banks, which saw a rise of VND232 trillion (\$11 billion), or 11.78 per cent.

In contrast, the total assets of joint stock banks declined VND102 trillion (\$4.8 billion) compared with 2011.

The State Bank also said that the equity of the banking system rose more than VND35 trillion to nearly VND426 trillion, a growth of 8.97 per cent. Compared with 2011, the equity capital of most credit institutions increased.

However, financial companies have seen both equity and charter capital decrease compared to 2011. With figures from commercial banks included, the total charter capital of credit institutions reached VND392 trillion by the end of last year, a rise of 11.24 per cent.

The year 2012 was considered a turbulent and challenging period for the entire banking sector as many issues arose relating to credit quality, bad debt and cooled credit. The banking system witnessed soaring bad debts while profits declined dramatically.

According to a source from the State Bank, the total banking profit last year stood at VND28.6 trillion, a decrease of nearly 50 per cent compared with 2011. While the profits of large scale state-run commercial banks remained stable, profits of joint stock banks are estimated to have dropped by half.

Last year, Return on Assets (ROA) and Return on Equity (ROE) of the banking system reached 0.79 per cent and 10.34 per cent respectively.

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