



**Ho Chi Minh City Development
Joint Stock Commercial Bank**

Consolidated interim financial statements
for the six-month period ended
30 June 2016



Ho Chi Minh City Development Joint Stock Commercial Bank Bank Information

Banking Establishment and Operation Licence No.

00019/NH-GP

6 June 1992

The Banking Establishment and Operation Licence was issued by the State Bank of Vietnam and is valid for 50 years from the licence date.

Business Registration Certificate No.

0300608092

11 August 1992

The Business Registration Certificate has been amended several times, the most recent certificate dated 2 October 2015. The Business Registration Certificate was issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors

Ms. Le Thi Bang Tam	Chairwoman
Ms. Nguyen Thi Phuong Thao	Standing Vice Chairwoman
Mr. Luu Duc Khanh	Vice Chairman
Mr. Diep Dung	Vice Chairman
Mr. Luu Van Son	Member
Mr. Nguyen Huu Dang	Member
Mr. Chu Viet Cuong	Member
Ms. Nguyen Thi Tam	Independent Member
Mr. Lim Peng Khoon	Independent Member

Supervisory Board

Mr. Dao Duy Tuong	Head of Supervisory Board
Ms. Nguyen Thi Phung	Member
Ms. Nguyen Thi Tich	Member

Board of Management, Finance Director and Chief Accountant

Mr. Nguyen Huu Dang	General Director
Ms. Nguyen Doan Duy Ai	Deputy General Director
Mr. Pham Quoc Thanh	Deputy General Director
Mr. Nguyen Minh Duc	Deputy General Director
Mr. Le Thanh Tung	Deputy General Director
Mr. Pham Thien Long	Deputy General Director
Mr. Le Thanh Trung	Deputy General Director
Mr. Tran Hoai Nam	Deputy General Director
Mr. Le Xuan Vu	Deputy General Director
Mr. Tran Thai Hoa	Deputy General Director
Mr. Pham Van Dau	Finance Director
Ms. Ho Dang Hoang Quyen	Chief Accountant

**Ho Chi Minh City Development Joint Stock Commercial Bank
Bank Information (continued)**

Registered Office

HD Tower Building
25 Bis Nguyen Thi Minh Khai Street
District 1, Ho Chi Minh City
Vietnam

Auditor

KPMG Limited
Vietnam

Ho Chi Minh City Development Joint Stock Commercial Bank Statement of the Board of Management

The Board of Management of Ho Chi Minh City Development Joint Stock Commercial Bank (“the Bank”) presents this statement and the accompanying consolidated interim financial statements of the Bank and its subsidiaries (collectively referred to as “the Group”) for the six-month period ended 30 June 2016.

The Bank’s Board of Management is responsible for the preparation and fair presentation of the consolidated interim financial statements 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 applicable to interim financial reporting. In the opinion of the Bank’s Board of Management:

- (a) the consolidated interim financial statements set out on pages 6 to 99 give a true and fair view of the consolidated financial position of the Group as at 30 June 2016 and of the consolidated results of operations and the consolidated cash flows of the Group for the six-month period 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 applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised the accompanying consolidated interim financial statements for issue.

On behalf of the Board of Management



Nguyen Huu Dang
General Director

Ho Chi Minh City, 29 September 2016



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street
District 1, Ho Chi Minh City
The Socialist Republic of Vietnam

Telephone +84 (8) 3821 9266
Fax +84 (8) 3821 9267
Internet www.kpmg.com.vn

INTERIM FINANCIAL INFORMATION REVIEW REPORT

To the Shareholders

Ho Chi Minh City Development Joint Stock Commercial Bank

We have reviewed the accompanying consolidated interim financial statements of Ho Chi Minh City Development Joint Stock Commercial Bank (“the Bank”) and its subsidiaries (collectively referred to as “the Group”), which comprise the consolidated balance sheet as at 30 June 2016, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Bank’s Board of Management on 29 September 2016, as set out on pages 6 to 99.

The Board of Management’s Responsibility

The Bank’s Board of Management is responsible for the preparation and fair presentation of these consolidated interim financial statements 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 applicable to interim financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor’s Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Ho Chi Minh City Development Joint Stock Commercial Bank and its subsidiaries as at 30 June 2016 and of their consolidated results of operations and their consolidated cash flows for the six-month period 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 applicable to interim financial reporting.



Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2015 and the consolidated interim financial statements for the six-month period ended 30 June 2015 were audited and reviewed by another firm of auditors whose audit report dated 29 April 2016 and review report dated 31 October 2015 expressed an unqualified opinion and an unqualified review conclusion on those statements, respectively.

KPMG Limited's Branch in Ho Chi Minh City



Review Report No.: 16-01-160/1

Trương Vinh Phúc

Practicing Auditor Registration
Certificate No. 1901-2013-007-1
Deputy General Director

Ho Chi Minh City, 29 September 2016

	Note	30/6/2016 VND million	31/12/2015 VND million
A ASSETS			
I Cash on hand, gold	4	1,569,671	1,472,407
II Balances with the State Bank of Vietnam	5	1,532,113	2,742,385
III Deposits with and loans to other credit institutions	6	14,718,584	11,994,220
1 Deposits with other credit institutions		9,261,093	6,779,815
2 Loans to other credit institutions		5,457,491	5,318,025
3 Allowance for losses		-	(103,620)
IV Trading securities	7	916,034	916,034
1 Trading securities		922,956	922,956
2 Allowance for losses on trading securities		(6,922)	(6,922)
V Derivatives and other financial assets	8	103,963	39,044
VI Loans and advances to customers		70,815,074	55,853,240
1 Loans and advances to customers	9	71,779,198	56,558,835
2 Allowance for losses on loans and advances to customers	10	(964,124)	(705,595)
VII Purchases of debts	11	5,489	5,489
1 Purchases of debts		8,690	8,690
2 Allowance for losses on purchases of debts		(3,201)	(3,201)
VIII Investment securities	12	27,930,032	21,197,715
1 Available-for-sale securities		24,186,711	16,705,365
2 Held-to-maturity securities		4,455,761	5,011,604
3 Allowance for losses on investment securities		(712,440)	(519,254)
IX Capital contribution, long-term investments	13	435,119	419,118
4 Other long-term investments		547,032	530,192
5 Allowance for diminution in the value of long-term investments		(111,913)	(111,074)
X Fixed assets		752,724	805,214
1 Tangible fixed assets	14	486,269	518,828
a Cost		925,118	911,585
b Accumulated depreciation		(438,849)	(392,757)
3 Intangible fixed assets	15	266,455	286,386
a Cost		416,544	423,978
b Accumulated amortisation		(150,089)	(137,592)
XI Investment property	16	62,413	64,838
a Cost		62,690	64,984
b Accumulated depreciation		(277)	(146)
XII Other assets	17	10,142,750	10,976,231
1 Receivables		6,057,966	7,651,409
2 Accrued interest and fees receivable		2,653,004	1,916,536
3 Deferred tax assets		23,636	23,636
4 Other assets		1,449,636	1,423,639
In which: Goodwill	18	42,259	45,140
5 Allowance for losses on other assets		(41,492)	(38,989)
TOTAL ASSETS		128,983,966	106,485,935

The accompanying notes are an integral part of these consolidated interim financial statements

	Note	30/6/2016 VND million	31/12/2015 VND million
B			
LIABILITIES AND EQUITY			
LIABILITIES			
I			
Borrowings from the Government and the State Bank of Vietnam	19	221,763	2,488,321
II			
Deposits and borrowings from other credit institutions	20	11,741,011	6,594,931
1 Deposits from other credit institutions		7,577,790	3,031,471
2 Borrowings from other credit institutions		4,163,221	3,563,460
III			
Deposits from customers	21	93,167,357	74,542,719
V			
Grants, entrusted funds, loans exposed to risks	22	2,811,847	2,822,563
VI			
Valuable papers issued	23	8,995,000	7,847,000
VII			
Other liabilities		2,694,017	2,348,722
1 Accrued interest and fees payable		1,918,512	1,744,418
3 Other liabilities	24	775,505	604,304
TOTAL LIABILITIES		119,630,995	96,644,256
EQUITY			
VIII			
Owners' equity	26	8,824,812	9,392,415
1 Capital		8,104,686	8,104,686
a Charter capital		8,100,000	8,100,000
b Capital for construction, purchases of fixed assets		89	89
c Share premium		4,599	4,599
d Treasury shares		(2)	(2)
2 Reserves		439,283	378,601
4 Foreign exchange differences		4,528	-
5 Retained profits		276,315	909,128
IX			
Non-controlling interest		528,159	449,264
TOTAL EQUITY		9,352,971	9,841,679
TOTAL LIABILITIES AND EQUITY		128,983,966	106,485,935

The accompanying notes are an integral part of these consolidated interim financial statements

	Note	30/6/2016 VND million	31/12/2015 VND million	
OFF-BALANCE SHEET ITEMS				
1	Lending guarantees	40	10,962	12,062
2	Commitments on foreign exchange transactions	40	23,271,416	7,716,776
	In which:			
	▪ <i>Commitments on purchases of foreign currency</i>		4,297,335	1,590,000
	▪ <i>Commitments on sales of foreign currency</i>		3,131,606	1,789,655
	▪ <i>Commitments on currency swap transactions</i>		15,842,475	4,337,121
4	Letters of credit commitments	40	1,359,758	1,184,843
5	Other guarantees	40	3,104,185	1,924,973

29 September 2016

Prepared by:



Ho Dang Hoang Quyen
Chief Accountant

Reviewed by:



Pham Van Dau
Finance Director



Approved by:
 Nguyen Huu Dang
 General Director


			Six-month period ended	
			30/6/2016	30/6/2015
		Note	VND million	VND million
1	Interest and similar income	27	5,192,798	3,588,236
2	Interest and similar expenses	27	(2,984,172)	(2,187,771)
I	Net interest income	27	2,208,626	1,400,465
3	Fee and commission income	28	79,422	164,514
4	Fee and commission expenses	28	(24,765)	(23,003)
II	Net fee and commission income	28	54,657	141,511
III	Net gain from trading of foreign currencies	29	102,272	8,570
IV	Net loss from trading of trading securities		-	(8,984)
V	Net loss from trading of investment securities	30	(88,079)	(19,072)
5	Other income	31	34,000	18,511
6	Other expenses	31	(13,696)	(17,002)
VI	Net other income	31	20,304	1,509
VII	Income from capital contribution, share purchase	32	3,475	15,623
VIII	Operating expenses	33	(1,469,138)	(1,025,382)
IX	Operating profit before allowance expenses for credit losses		832,117	514,240
X	Allowance expenses for credit losses	34	(429,932)	(289,348)
XI	Profit before tax (carried forward to the next page)		402,185	224,892

Ho Chi Minh City Development Joint Stock Commercial Bank
HD Tower Building, 25 Bis Nguyen Thi Minh Khai Street
District 1, Ho Chi Minh City, Vietnam
Consolidated statement of income for the six-month period
ended 30 June 2016 (continued)

Form B03a/TCTD-HN
(Issued under Circular
No. 49/2014/TT-NHNN
dated 31 December 2014)

	Note	Six-month period ended	
		30/6/2016 VND million	30/6/2015 VND million
XI Profit before tax (brought forward from the previous page)		402,185	224,892
7 Income tax expense – current	35	(81,887)	(49,670)
8 Income tax expense – deferred	35	-	-
XII Total income tax expense	35	(81,887)	(49,670)
XIII Profit after tax		320,298	175,222
XIV Non-controlling interest		78,895	13,180
XV Earnings per share (VND/share)	36	298	200

29 September 2016

Prepared by: 



Ho Dang Hoang Quyen
Chief Accountant

Reviewed by:



Pham Van Dau
Finance Director

Approved by:



Nguyen Huu Dang
General Director


The accompanying notes are an integral part of these consolidated interim financial statements

		Six-month period ended	
		30/6/2016	30/6/2015
		VND million	VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Interest and similar income received	4,379,822	3,502,874
02	Interest and similar expenses paid	(2,810,078)	(2,218,159)
03	Net fee and commission income received	53,691	178,439
04	Net receipts from foreign currencies, gold and securities trading activities	140,562	24,384
05	Other income received	1,048	3,404
06	Collection of bad debts previously written off	17,993	2,886
07	Salaries and operating expenses paid	(1,385,726)	(959,829)
08	Corporate income tax paid	(134,861)	(151,619)
Cash flows from operating activities before changes in operating assets and liabilities		262,451	382,380
Changes in operating assets			
09	Decrease in deposits with and loans to other credit institutions	1,143,570	2,859,255
10	Increase in trading securities	(6,925,503)	(1,278,121)
11	Increase in derivatives and other financial assets	(64,919)	(14,221)
12	Increase in loans and advances to customers	(15,220,363)	(2,589,367)
13	Increase in purchases of debts	-	(1,138,624)
14	Utilisation of allowance for losses on loans	(207,756)	(147,580)
15	Decrease in other operating assets	1,646,933	495,707
Changes in operating liabilities			
16	(Decrease)/increase in borrowings from the Government and the State Bank of Vietnam	(2,266,558)	5,945
17	Increase/(decrease) in deposits and borrowings from other credit institutions	5,146,080	(6,516,321)
18	Increase/(decrease) in deposits from customers	18,624,638	(1,478,394)
19	Increase in valuable papers issued	1,148,000	1,189,000
20	Decrease in grants, entrusted funds, loans exposed to risks	(10,716)	(11,813)
21	Increase in other operating liabilities	201,246	167,402
22	Utilisation of reserves	(534)	(1,648)
I	NET CASH FLOWS FROM OPERATING ACTIVITIES	3,476,569	(8,076,400)

The accompanying notes are an integral part of these consolidated interim financial statements

	Six-month period ended		
	30/6/2016	30/6/2015	
	VND million	VND million	
CASH FLOWS FROM INVESTING ACTIVITIES			
01	Payment for purchases of fixed assets	(18,865)	(157,941)
02	Proceeds from disposals of fixed assets	10,106	38
05	Proceeds from disposals of investment properties	2,320	-
07	Payments for investments in other entities	(16,840)	(12,731)
08	Proceeds from investments in other entities	-	830,864
09	Receipts of dividends and distributions from capital contribution, long-term investments	3,475	15,623
II	NET CASH FLOWS FROM INVESTING ACTIVITIES	(19,804)	675,853
CASH FLOWS FROM FINANCING ACTIVITIES			
04	Dividends paid	(809,987)	-
III	NET CASH FLOWS FROM FINANCING ACTIVITIES	(809,987)	-
IV	NET CASH FLOWS FOR THE PERIOD	2,646,778	(7,400,547)
V	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	14,069,062	15,293,239
VI	EFFECT OF EXCHANGE RATE FLUCTUATIONS	4,528	(12,507)
VII	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 37)	16,720,368	7,880,185

29 September 2016

Prepared by: 

Ho Dang Hoang Quyen
Chief Accountant

Reviewed by: 

Pham Van Dau
Finance Director



Nguyen Huu Dang
General Director

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

1. Reporting entity

(a) Establishment and operation

Ho Chi Minh City Development Joint Stock Commercial Bank (“the Bank”) is a commercial joint stock bank incorporated in the Socialist Republic of Vietnam.

The Bank was established under the Banking Establishment and Operation Licence No. 00019/NH-GP issued by the State Bank of Vietnam (“SBV”) on 6 June 1992 for a period of 50 years from the licence date.

The principal activities of the Bank are to mobilise and receive short, medium and long-term deposits from organisations and individuals; to make short, medium and long-term loans to organisations and individuals based on the nature and capability of the Bank’s capital resources; to conduct foreign currency transactions; to provide international trade finance services; to discount commercial notes, bonds and other valuable papers; to provide settlement services and other banking services allowed by the SBV.

(b) Charter capital

As at 30 June 2016 and 31 December 2015, the Bank’s charter capital is VND8,100,000 million. The Bank has issued 810,000,000 ordinary shares with a par value of VND10,000 per share.

(c) Location and operational network

The Bank’s Head Office is located at HD Tower Building, 25 Bis Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City, Vietnam. As at 30 June 2016, the Bank had one (1) head office, one (1) representative office in Northern area, fifty two (52) branches and one hundred and sixty seven (167) transaction offices nation-wide (31/12/2015: one (1) head office, one (1) representative office in Northern area, fifty one (51) branches and one hundred and sixty seven (167) transaction offices nation-wide).

(d) Group structure

The consolidated interim financial statements for the six-month period ended 30 June 2016 included the financial statements of the Bank and its subsidiaries.

As at 30 June 2016 and 31 December 2015, the Bank had two (2) following subsidiaries:

Name of subsidiary	Operation licence	Nature of business	Percentage of equity owned and voting rights	
			30/6/2016	31/12/2015
Ho Chi Minh City Development Joint Stock Commercial Bank – Assets Management Company Limited (“HD AMC”)	No. 3602376446 dated 13 January 2015	Asset management	100%	100%
HD SAISON Finance Co., Ltd (“HD SAISON”)	No. 0304990133 dated 10 April 2015	Banking finance	50%	50%

All of the subsidiaries are established in Vietnam.

(e) Number of employees

As at 30 June 2016, the Group had 9,941 employees (31/12/2015: 8,464 employees).

2. Basis of preparation

(a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the SBV and the relevant statutory requirements applicable to interim financial reporting. These standards and statutory requirements may differ in some material respects from International Financial Reporting Standards and the generally accepted accounting principles and standards in other countries. Accordingly, the accompanying consolidated interim financial statements are not intended to present the consolidated financial position and consolidated results of operations and consolidated cash flows in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. Furthermore, their utilisation is not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices applicable to credit institutions (“CI”).

These consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2015.

(b) Basis of measurement

The consolidated interim 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.

(c) Annual accounting period

The annual accounting period of the Group is from 1 January to 31 December.

The consolidated interim financial statements are prepared for the six-month period ended 30 June 2016.

(d) Accounting and presentation currency

The Group's accounting currency is Vietnam Dong ("VND"). The consolidated interim financial statements are prepared and presented in VND rounded to the nearest million ("VND million").

(e) Form of records applied

The Group uses accounting software to record its transactions.

3. Summary of significant accounting policies

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

The accounting policies that have been adopted by the Group in the preparation of these consolidated interim financial statements are consistent with those adopted in the preparation of the most recent consolidated annual financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity in order to obtain economic benefits from its activities. The financial statements of subsidiaries are included in the consolidated interim financial statements from the date that control commences until the date that control ceases.

Where the accounting policies of subsidiaries are different from those adopted by the Bank, adjustments have been made where necessary to ensure consistency of accounting policies for consolidated interim financial statements purpose.

(ii) Transactions eliminated on consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated interim financial statements.

(b) Foreign currency transactions

All transactions are recorded in original currencies. Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the reporting date. Transactions in currencies other than VND during the period have been translated into VND at rates ruling on transaction dates.

Foreign exchange differences arising from monthly revaluation are recognised in the foreign exchange revaluation reserve on the balance sheet at each month-end and are transferred to the consolidated statement of income at the end of annual accounting period.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, gold, balances with the State Bank of Vietnam, deposits with and loans to other credit institutions with original term to maturity of not more than three months and securities which have maturity dates within three months from the purchase dates.

(d) Deposits with and loans to other credit institutions

Deposits with other credit institutions excluding demand deposits are deposits with other credit institutions with original term to maturity of not more than 3 months.

Loans to other credit institutions are loans with original term to maturity of not more than one year.

Deposits with other credit institutions excluding demand deposits are stated at the amount of outstanding principal less specific allowance for credit losses.

Credit risk classification of deposits with and loans to other credit institutions and allowance thereof is made in accordance with Circular No. 02/2013/TT-NHNN do NHNNVN dated 21 January 2013 issued by the SBV ("Circular 02") and Circular No. 09/2014/TT-NHNN dated 18 March 2014 issued by the SBV amending and supplementing certain articles of Circular 02 ("Circular 09"). Accordingly, the Group made the specific allowance for credit losses on deposits with and loans to other credit institutions in accordance with the accounting policy as described in Note 3(g).

In accordance with Circular 02, the Group is not required to make general allowance for credit losses on deposits with and loans to other credit institutions.

(e) Derivative financial instruments

Forward and swap currency contracts

Forward currency contracts and swap currency contracts are recorded at the contract values in the consolidated financial statements. The differences between the currency amounts which are committed to buy/sell at contractual exchange rate and the currency amounts translated at the spot exchange rate at the effective date of the forward currency contracts and swap currency contracts are amortised to the consolidated statement of income on a straight-line basis over the terms of these contracts.

The positions of forward currency contracts are revalued at the spot exchange rate at each month-end. Unrealised gains/losses are recorded in the foreign exchange differences account in equity on the consolidated balance sheet at each month-end and transferred to the consolidated statement of income at the end of the annual accounting period.

(f) Loans and advances to customers

Loans and advances to customers are stated at the amount of principal less allowance for credit losses. Allowance for credit losses on loans and advances to customers comprises specific allowance and general allowance.

Short-term loans are those with repayment term within one year from the loan disbursement date; medium-term loans are those with repayment term over one year to five years from the loan disbursement date and long-term loans are those with repayment term of more than five years from the loan disbursement date.

The Group derecognises loans and advances to customers when the contractual rights to the cash flows from the loans expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the loans are transferred.

For the loans sold to Vietnam Asset Management Company (“VAMC”), the Group derecognises from the balance sheet in accordance with the guidance in Official Letter No. 8499/NHNN-TCKT dated 14 November 2013 (“Official Letter 8499”) issued by the SBV and Official Letter No. 925/NHNN-TCKT dated 19 February 2014 (“Official Letter 925”) issued by the SBV.

Debt classification and allowance for credit losses on loans and advances to customers are made in accordance with Circular 02 and Circular 09 as described in Note 3(g).

(g) Debt classification, allowance level and calculation method of allowance for credit losses

(i) Debt classification

Debt classification for deposits with and loans to other credit institutions (except for demand deposits), unlisted corporate bonds, loans and advances to customers (together referred to as “debts”), the debts sold but not yet paid have been classified in accordance with the quantitative method as stipulated in Article 10 of Circular 02.

(ii) *Specific allowance for credit losses*

In accordance with Circular 02 and Circular 09, the specific allowance is calculated based on the outstanding loan balance of each borrower on the last working day of each quarter (for quarter 4, specific allowance is calculated based on the outstanding loan balance of each borrower on the last working day of November) less the discounted value of collateral assets. Specific allowance rates applied to each group of debts were as follows:

Group		Overdue status	Allowance rate
1	Current debts	(a) Current debts being assessed as fully and timely recoverable, both principal and interest; or (b) Debts being overdue for less than 10 days and being assessed as fully recoverable, both overdue principal and interest, and fully and timely recoverable, both remaining principal and interest.	0%
2	Special mention debts	(a) Debts being overdue between 10 days and 90 days; or (b) Debts having rescheduled terms of repayment for the first time.	5%
3	Sub-standard debts	(a) Debts being overdue between 91 days and 180 days; or (b) Debts having extended terms of repayment for the first time; or (c) Debts having exempt or reduced interest because customers are not able to pay the interest according to the credit contract; or (d) Debts falling in one of the following cases not yet collected within 30 days after the issuance date of the recovery decision: <ul style="list-style-type: none"> ▪ Debts having violated regulations specified in Points 1, 3, 4, 5, 6 of Article 126 of Laws on Credit Institutions; or ▪ Debts having violated regulations specified in Points 1, 2, 3, 4 of Article 127 of Laws on Credit Institutions; or ▪ Debts having violated regulations specified in Points 1, 2, 5 of Article 128 of Laws on Credit Institutions. (e) Debts in the collection process under inspection conclusions.	20%
4	Doubtful debts	(a) Debts being overdue between 181 days and 360 days; or (b) Debts having rescheduled terms of repayment for the first time and being overdue less than 90 days according to the first rescheduled terms of repayment; or (c) Debts having rescheduled terms of repayment for the second time; or (d) Debts specified in point (d) of Sub-standard debts not yet collected between 30 days and 60 days after the issuance date of recovery decision; or (e) Debts in the collection process under inspection conclusions but being overdue up to 60 days according to recovery term.	50%
5	Loss debts	(a) Debts being overdue more than 360 days; or (b) Debts having rescheduled terms of repayment for the first time and being overdue more than 90 days according to the first rescheduled terms of repayment; or (c) Debts having rescheduled terms of repayment for the second time and being overdue according to the second reschedule terms of repayment; or	100%

Group	Overdue status	Allowance rate
	(d) Debts having rescheduled terms of repayment for the third time or more, regardless of whether the debts are overdue or not; or (e) Debts specified in point (d) of Sub-standard debts not yet collected within 60 days after the issuance date of recovery decision; or (f) Debts in the collection process under inspection conclusions but being overdue of more than 60 days according to recovery term; or (g) Debts to credit institutions being announced under special control status by the SBV, or to foreign bank branches of which capital and assets are blockaded.	

For off-balance sheet commitments, the Group classifies debts based on the overdue days from the date when the Group performs committed obligation:

- Group 3 – Sub-standard debts: overdue below 30 days;
- Group 4 – Doubtful debts: overdue from 30 days to less than 90 days;
- Group 5 – Loss debts: overdue from 90 days.

Where a customer owes more than one debt to the Group, and has any of its debts transferred to a higher risk group, the Group is obliged to classify the remaining debts of such customer into the group of debts with higher risk corresponding with their level of risk.

Where the Group participates in a syndicated loan not as the lead bank, the Group reclassifies all debts (including the syndicated loan) of the customer into a higher risk group of debt as decided by the lead bank, participating banks and by the Group.

The Group is also required to use the results of debt classification as provided by the Credit Information Center of the SBV (“CIC”) at the date of classification to adjust the results of its internal classification of debts. Where debts and off-balance sheet commitments of one customer is classified by the Group into a group of debts with lower risk as compared to those provided by CIC, the Group is required to reclassify such debts and off-balance sheet commitments to the group of debts as provided by CIC.

The allowed value of collaterals is determined in accordance with the following principles as set out in Circular 02:

- Collaterals with value of VND50 billion or more for debts to related parties or other parties subject to credit restriction under Article 127 of Law on Credit Institutions and collaterals with value of VND200 billion or more must be valued by a licensed asset valuation organisation; and
- Other than the above, collaterals are valued in accordance with the Group’s internal policies and processes.

The maximum allowed value of collaterals is specified in Point 6, Article 12 of Circular 02.

Collaterals that do not satisfy the legal conditions as specified in Point 3, Article 12 of Circular 02 are deemed to have zero allowed value.

(iii) General allowance for credit losses

In accordance with Circular 02, a general allowance is made at 0.75% of the outstanding balance of debts on the last working day of each quarter (for quarter 4, a general allowance is made at 0.75% of the outstanding balance of debts on the last working day of November), excluding the total balance of debts which are classified as loss debts.

(iv) Writing-off bad debts

In accordance with Circular 02 and Circular 09, debts are written-off against the allowance when they have been classified to Group 5 or when borrowers have been declared bankrupt or dissolved (for borrowers being organisations and enterprises) or borrowers are deceased or missing (for borrowers being individuals).

Debts written-off against allowance are recorded as off-balance sheet items for following up and collection. The amounts collected from debts previously written-off, including proceeds from sales of collaterals against those loans, are recognised in the consolidated statement of income upon receipt.

(v) Provision for off-balance sheet commitments

In accordance with Circular 02 and Circular 09, the debt classification of off-balance sheet commitments is done solely for risk management, credit quality supervision of credit granting activities. The Group is not required to make provision for off-balance sheet commitments, except where the Group has been required to made payment under the guarantee contract, in which case the payment on behalf is classified and allowance for credit losses is made in accordance with the accounting policy as described in Note 3(g)(ii).

(h) Purchases of debts

(i) Purchases of debts

The value of purchases of debts are recognised at the purchasing price on the contract. The interest received is recorded in the consolidated statement of income, except the interest incurred before the Group purchasing the debts which will be reduced the value of purchases of debts.

(ii) Allowance for losses on purchases of debts

The purchases of debts are classified into the group with risk not lower than the group that the debts are classified into by the sellers before purchasing and the allowance is made in accordance with the method as described in Note 3(g).

(i) Trading securities

Classification

Trading securities are debt securities or equity securities acquired principally for the purpose of selling in the short-term, not over one year, for the purpose of short-term profit-taking.

Recognition

The Group recognises trading securities on the date it becomes a party to the contractual provisions of these securities (trade date accounting).

Measurement

Trading unlisted bonds issued by enterprises are stated at cost less allowance for credit losses. Credit risk classification of unlisted bonds issued by enterprises and allowance thereof is made in accordance with the same accounting policy applied for loans and advances to customers as described in Note 3(g).

Other trading securities are stated at cost less allowance for diminution in value. Allowance for diminution in value is made when the market value is lower than the book value.

For listed trading securities, the market price is the closing price of securities obtained from the Ho Chi Minh City Stock Exchange or from the Hanoi Stock Exchange at the reporting date.

For unlisted trading equity securities that have been registered on the unlisted public company market ("the UPCom market"), the market price is the closing prices obtained from the UPCom market at the reporting date.

For unlisted trading equity securities that have not been registered on the UPCom market and are actively traded on the OTC market, the market price is the average of the transaction prices quoted by three securities companies at the reporting date.

For securities not actively traded on the market or where the market price of those securities cannot be determined reliably, with the exception of unlisted bonds issued by enterprises being classified into debt group and allowance thereof is made in accordance with the same accounting policy applied for loans and advances to customers as described in Note 3(g), no allowance is made and such securities are stated at cost.

Interest income during the holding period of trading securities is recognised in the consolidated statement of income upon receipt.

The allowance for credit losses on trading unlisted bonds issued by enterprises and allowance for diminution in the value of other trading securities as described above are reversed if the recoverable amount of the securities subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Derecognition

Trading securities are derecognised when the rights to receive cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership.

(j) Investment securities

(i) Available-for-sale securities

Classification

Available-for-sale securities are debt securities or equity securities which are intended to be held for an indefinite period and may be sold at any time.

Recognition

The Group recognises available-for-sale securities on the date it becomes a party to the contractual provisions of these securities (trade date accounting).

Measurement

Available-for-sale unlisted bonds issued by enterprises are stated at cost less allowance for credit losses. Debt classification of unlisted bonds issued by enterprises and allowance thereof is made in accordance with the same accounting policy applied for loans and advances to customers as described in Note 3(g).

Other available-for-sale securities are stated at cost less allowance for diminution in value. Allowance for diminution in value is made when the market value is lower than the book value.

For listed available-for-sale securities, the market price is the closing price of securities obtained from the Ho Chi Minh City Stock Exchange or from the Hanoi Stock Exchange at the reporting date.

For unlisted available-for-sale equity securities that have been registered on the UPCOM market, the market price is the closing prices obtained from the UPCOM market at the reporting date.

For unlisted available-for-sale equity securities that have not been registered on the UPCOM market and are actively traded on the OTC market, the market price is the average of the transaction prices quoted by three securities companies at the reporting date.

For securities not actively traded on the market or where the market price of those securities cannot be determined reliably, with the exception of unlisted bonds issued by enterprises being classified into debt group and allowance thereof is made in accordance with the same accounting policy applied for loans and advances to customers as described in Note 3(g), no allowance is made and such securities are stated at cost.

Premiums and discounts arising from purchases of available-for-sale debt securities are amortised to the consolidated statement of income using the straight line method over the period from the acquisition date to the maturity date, in cases these available-for-sale securities would be sold before their maturity dates, the unamortised premiums and discounts are recognised fully in the consolidated statement of income at the sale date.

Post-acquisition interest income of available-for-sale securities is recognised in the consolidated statement of income on an accrual basis.

The allowance for credit losses on available-for-sale unlisted bonds issued by enterprises and allowance for diminution in value of other available-for-sale securities as described above are reversed if the recoverable amount of the securities subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Derecognition

Available-for-sale securities are derecognised when the rights to receive cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership.

(ii) Held-to-maturity securities

Classification

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

Recognition

The Group recognises held-to-maturity securities on the date it becomes a party to the contractual provisions of these securities (trade date accounting).

Measurement

Held-to-maturity unlisted bonds issued by enterprises are stated at cost less allowance for credit losses. Debt classification of unlisted bonds issued by enterprises and allowance thereof is made in accordance with the same accounting policy applied for loans and advances to customers as described in Note 3(g).

Other held-to-maturity securities are stated at cost less allowance for diminution in value. Allowance for diminution in value is made when there is an indicator of long-term devaluation according to the Board of Management's assessment.

Premiums and discounts arising from purchases of held-to-maturity securities are amortised to the consolidated statement of income using the straight line method over the period from the acquisition date to the maturity date.

Post-acquisition interest income of held-to-maturity securities is recognised in the consolidated statement of income on an accrual basis.

The allowance for credit losses on held-to-maturity unlisted bonds issued by enterprises and the allowance for diminution in the value of other held-to-maturity securities as described above are reversed if the recoverable amount of the securities subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Derecognition

Held-to-maturity securities are derecognised when the rights to receive cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership.

(iii) Special bonds issued by Vietnam Asset Management Company (“VAMC”)

Classification

Special bonds issued by VAMC are valuable papers issued by VAMC to purchase the Group’s bad debts.

Recognition

The Group accounts for bad debts sold in exchange for special bonds issued by VAMC in accordance with the guidance of Official letter 8499 and Official letter 925. These special bonds are classified as held-to-maturity securities, measured initially at par value at transaction date and subsequently at par value less allowance for losses.

Measurement

In exchange for every bad debt sold to VAMC, the Group receives a corresponding special bond issued by VAMC. Par value of the special bond is equal to the carrying value of bad debts sold net of specific allowance which was made but not yet utilised.

After completing the procedures of selling bad debts, the Group writes down the book value of bad debts, uses specific allowance made but not yet utilised and derecognises interest receivables recorded in off-balance sheet account. At the same time, the Group recognises the special bonds issued by VAMC as held-to-maturity securities issued by local economic entities.

For the special bonds issued by VAMC, specific allowance is calculated and made in accordance with the guidance in Circular No. 19/2013/TT-NHNN dated 6 September 2013 issued by the SBV regulating the purchase, sale and handling of bad debts of VAMC (“Circular 19”) and Circular No. 14/2015/TT-NHNN dated 28 August 2014 issued by the SBV amending and supplementing certain articles of Circular 19 (“Circular 14”). Accordingly, the minimum specific allowance required to make each year during the term of the special bonds is the positive difference between 20% of the par value of the special bonds less the collected amount of the underlying bad debts during the year. Annually within 5 consecutive working days prior the due date of special bonds, the Group is required to make the above specific allowance once and is not required to make general allowance for special bonds. Allowance for special bonds is recognised in the consolidated statement of income.

When receiving debts previously sold to VAMC, the Group uses specific allowance for losses on special bonds to write off bad debts and recognises the difference between allowance for losses on special bonds and the uncollectable loan balance in the consolidated statement of income.

(k) Other long-term investments

Other long-term investments are investments in equity instruments of entities where the Group has no control or significant influence. These long-term investments are initially recognised at cost. Subsequent to the initial recognition, they are measured at cost less allowance for diminution in value.

Allowance for diminution in value of long-term investments in economic entities is required if the economic entities suffer losses, except when the loss was anticipated in the initial business plan. The allowance for diminution in value is equal to the difference between the actual capital contributed by all investors and the actual equity multiply (x) with the percentage of actual capital contributed by the Group over total actual capital contributed by all investors at the reporting date. The allowance is reversed if the recoverable amount increases after the allowance being recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(l) Other assets

Other assets, except for receivables from credit activities and receivables from Shipbuilding Industry Corporation as described in Note 17(vi), are stated at cost less the allowance for losses on other assets. Receivables from credit activities are stated at cost less the allowance for credit losses in accordance with the policy applicable to loans and advances to customers described in Note 3(g).

Allowance for losses on other assets are made based on the overdue status of receivables or expected losses on undue debts which may occur when an economic organisation is bankrupted or liquidated; or debtor is missing, running away, being prosecuted, in prison, under a trial or pending execution of sentences or deceased. The incurred expenses are accounted as the operating expenses during the year.

For the assets which has overdue payments, the Group applies the allowance rate based on the overdue status as required in Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance as follows:

Overdue status	Allowance rate
Over 6 months to below 1 year	30%
From 1 to below 2 years	50%
From 2 to below 3 years	70%
From 3 years and above	100%

Allowance for losses on other assets based on the expected losses of undue receivables are determined by the Group after giving consideration to the recovery of these receivables.

(m) Goodwill

Goodwill arises on the acquisition of subsidiaries. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income. Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortised.

(n) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises of its purchase price, import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is charged to the consolidated statement of income in the period in which the costs are incurred. In situations where 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 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 tangible fixed assets. The estimated useful lives are as follows:

▪ buildings and structures	5 - 50 years
▪ machinery and equipment	7 - 14 years
▪ motor vehicles	6 - 10 years
▪ office equipment	3 - 10 years
▪ others	<u>3 - 10 years</u>

(o) Intangible fixed assets

(i) Land use rights

Land use rights comprise those acquired in a legitimate transfer.

Land use rights are stated at cost less accumulated amortisation. The initial cost of a land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over a period ranging from 34 to 49 years.

Indefinite land use rights are stated at cost and without amortisation. 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.

(ii) Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software costs are amortised on a straight-line basis over 5 to 10 years.

(p) Investment property held to earn rental

(i) Cost

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Group. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repairs and maintenance, is charged to the consolidated statement of income in the period in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property. The estimated useful lives are as follows:

- buildings 10 - 40 years

Investment property is indefinite land use rights without amortisation.

(iii) Disposals

Gains or losses on disposal of investment property held to earn rental are the difference between the net proceeds from disposals and the carrying amount of investment property held to earn rental and are recognised as other income or other expenses in the consolidated statement of income.

(q) Borrowings from the Government and the State Bank of Vietnam

Borrowings from the Government and the State Bank of Vietnam are stated at cost.

(r) Deposits and borrowings from other credit institutions

Deposits and borrowings from other credit institutions are stated at cost.

(s) Deposits from customers

Deposits from customers are stated at cost.

(t) Fiduciary activities

The Group's fiduciary activities at risk are grants, entrusted fund, loans for use in accordance with specified purposes, the Group is responsible for repaying when due. The Group recognises the received funds as grants, entrusted funds, loans and recognises investment, lending activities in the consolidated financial statements.

(u) Valuable papers issued

Valuable papers issued are stated at cost. Cost of these issued valuable papers comprise proceeds from issuance net off issuance costs.

(v) Other payables

Other payables are stated at cost.

(w) Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Severance allowance and unemployment insurance

Under the Vietnamese Labour Code, when an employee who has worked for the Group for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service as of 31 December 2008 and employee’s average monthly salary of the latest 6 consecutive months period up to the resignation date. Before 24 October 2012, provision for severance allowance has been provided based on employees’ years of service and their current salary level.

On 24 October 2012, the Ministry of Finance issued Circular No. 180/2012/TT-BTC (“Circular 180”) guiding the financial treatment for redundancy allowance to employees of enterprises. Circular 180 provides that, in preparation of 2012 financial statements, if an enterprise’s provision for redundancy allowance still has the outstanding balance, the enterprise must reverse the balance to other income for 2012 and must not carry forward balance to the following year. Accordingly, the Group reversed the outstanding balance of provision for severance allowance. This change in accounting policy has been applied prospectively from 2012.

Pursuant to the Law on Social Insurance, effective from 1 January 2009, the Group and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The unemployment insurance paid by the Group for the years of service is recorded as expense in the consolidated statement of income when it incurs.

The unemployment insurance is recorded as part of salary expense and other related expenses in the consolidated statement of income.

(x) Taxation

Income tax on the consolidated statement of income for the period comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except for 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 period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet method, providing for 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 reporting 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.

(y) Capital

(i) Share capital

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 issue price and par value of issued shares is credited/debited to the share premium account in equity.

(iii) Treasury shares

When the Group repurchases its ordinary shares ("treasury shares"), the amount of consideration paid, which includes directly attributable costs, is recognised as a deduction from equity.

When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transactions is transferred to/from share premium.

(z) **Reserves**

(i) **Statutory reserves**

The Bank and HD SAISON

According to Decree No. 57/2012/ND-CP dated 20 July 2012 issued by the Government, the Bank and HD SAISON are required to make the following allocations before distribution of profits:

	Percentage of annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax	100% of charter capital
Financial reserve	10% of profit after tax	25% of charter capital

The purpose of the financial reserve is to offset residual asset losses and damage occurring in the course of business after such losses have been offset with compensation paid by the organisations, individuals who caused them, indemnity paid by insurers and with the allowance set up and accounted for in expenses, and shall be used for other purposes in accordance with the law. The statutory reserves are non-distributable and are classified as part of equity.

HD AMC

According to Circular No. 27/2002/TT-BTC dated 22 March 2002 issued by the Ministry of Finance, the appropriations of statutory reserves are made in accordance with the requirements applicable to the Bank as described above.

(ii) **Bonus and welfare fund**

Bonus and welfare fund is not required by laws and is fully distributable, and is used primarily to make payments to the Group's employees. Bonus and welfare fund is established at the shareholders' decision at the General Meeting of the Bank's shareholders and is recognised as other liabilities. The appropriation rate is decided by the shareholders at the General Meeting of the Bank's shareholders.

(iii) **Other reserves**

Other reserves include investment and development fund and other reserves appropriated from the Group's profit after tax approved by the shareholders at the General Meeting of the Bank's shareholders. These reserves are not required by laws, fully distributable and classified as part of equity.

(aa) **Off-balance sheet items**

Commitments and contingent liabilities

From time to time, the Group has outstanding commitments to extend credit. These commitments take the form of approved loans and overdraft facilities. The Group also provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. The contingent liabilities and commitments may expire without being advanced in whole or in part. Therefore the amounts do not represent a firm commitment of future cash flows.

(bb) Interest income

The Group recognises interest income on an accrual basis, except for interest income from the debts classified in Group 2 to Group 5 as defined in Note 3(g). When debts are classified in Group 2 to Group 5 as defined in Note 3(g) the accrued interest is reversed and recorded in the off-balance sheet. Interest income from these debts is recognised in the consolidated statement of income upon receipt. Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(cc) Interest expense

Interest expense is recognised in the consolidated statement of income on an accrual basis. Interest expense is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(dd) Fees and commission income

Fees and commission income include the income from the settlement services, guarantee services, cashier services and other services. Fees and commission income are recognised on an accrual basis.

(ee) Fees and commission expenses

Fees and commission expenses are recognised in the consolidated statement of income when they incurred.

(ff) Dividend income

Dividend receivable in the form of cash is recognised in the consolidated statement of income when the Group's right to receive dividend is established.

Dividend received in the form of shares and bonus shares is not recognised as income and the Group only records the increase in number of shares. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

(gg) 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. Lease incentives received are recognised in the consolidated statement of income as an integral part of the total lease expense.

(hh) Related parties

Parties are considered to be related to the Group if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Group and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

(ii) Earnings per share

The Group presents basic earnings per share (“EPS”) and diluted EPS for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options.

(jj) Segment reporting

A segment is a distinguishable component of the Group that is 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. The Group’s primary format for segment reporting is based on geographical segments and the secondary format is based on business segments.

(kk) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Group’s financial position and results of operations and the nature and extent of risk arising from financial instruments, the Group classifies its financial instruments as follows:

(i) Financial assets

Financial assets at fair value through profit or loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is classified by the Group as held for trading. A financial asset is classified as held for trading if:
 - it is acquired principally for the purpose of selling it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - it is a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Group as a financial asset at fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity, other than:

- those that the Group, upon initial recognition, designates as financial assets at fair value through profit or loss;
- those that the Group designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Group intends to sell immediately or in the near term, which are classified as held for trading and those that the Group, on initial recognition, designates as financial assets at fair value through profit or loss;
- that the Group, upon initial recognition, designates as available-for-sale; or
- for which the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or those are not classified as:

- loans and receivables;
- held-to-maturity investments; or
- financial assets at fair value through profit or loss.

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by the Group as held for trading. A financial liability is classified as held for trading if:
 - it is incurred principally for the purpose of repurchasing it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - it is a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Group as a financial liability at fair value through profit or loss.

Financial liabilities carried at amortised cost

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

The above described classification of financial liabilities is solely for presentation and disclosure purposes and is not intended to be a description of how the financial instruments are measured. Accounting policies for measurement of financial liabilities are disclosed in other relevant notes.

(II) Nil balance

Items or balances required by Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV that are not shown in these consolidated interim financial statements indicate nil balances.

4. Cash on hand, gold

	30/6/2016 VND million	31/12/2015 VND million
Cash in VND	763,251	639,509
Cash in foreign currencies	789,335	820,147
Gold	17,085	12,751
	1,569,671	1,472,407

5. Balances with the State Bank of Vietnam

These consist of compulsory reserve for liquidity and current account at the SBV.

Under the SBV's regulations relating to the compulsory reserve, banks are permitted to maintain a floating balance for compulsory reserve requirement ("CRR"). The monthly average balance of the reserve must not be less than relevant CRR rates multiplied by the preceding month's average balances of deposits in scope as follows:

Deposits in scope	CRR rates	
	30/6/2016	31/12/2015
Preceding month's average deposit balances of:		
<i>Customers:</i>		
▪ Deposits in foreign currencies with term of less than 12 months	8%	8%
▪ Deposits in foreign currencies with term of 12 months and above	6%	6%
▪ Deposits in VND with term of less than 12 months	3%	3%
▪ Deposits in VND with term of 12 months and above	1%	1%
<i>Overseas credit institutions:</i>		
▪ Deposits in foreign currencies	1%	1%
	30/6/2016 VND million	31/12/2015 VND million
Current account and compulsory reserve		
▪ In VND	1,469,692	2,493,820
▪ In USD	62,421	248,565
	1,532,113	2,742,385

6. Deposits with and loans to other credit institutions

	30/6/2016 VND million	31/12/2015 VND million
Deposits with other credit institutions		
Demand deposits		
▪ Demand deposits in VND	2,140,311	68,676
▪ Demand deposits in foreign currencies	4,504,837	795,961
Term deposits		
▪ Term deposits in VND	2,370,967	4,553,620
▪ Term deposits in foreign currencies	244,978	1,361,558
	9,261,093	6,779,815
Allowance for losses on deposits with other credit institutions (i)	-	(103,620)
	9,261,093	6,676,195
Loans to other credit institutions		
▪ Loans in VND	3,992,000	4,934,950
▪ Loans in foreign currencies	1,465,491	383,075
	5,457,491	5,318,025
	14,718,584	11,994,220

Term deposits and loans to other credit institutions categorised by debt group were as follows:

	30/6/2016 VND million	31/12/2015 VND million
Group 1 - Current debts	8,073,436	11,129,583
Group 5 - Loss debts	-	103,620
	8,073,436	11,233,203

- (i) Movements in the allowance for losses on deposits with and loans to other credit institutions during the period were as follows:

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Opening balance	103,620	7,001
Allowance reversed during the period	(450)	(150)
Allowance utilised during the period	(103,170)	-
Closing balance	-	6,851

7. Trading securities

	30/6/2016	31/12/2015
	VND million	VND million
Debt securities		
Debt securities issued by domestic economic entities (i)	922,956	922,956
Allowance for losses on trading securities (ii)		
General allowance	(6,922)	(6,922)
	916,034	916,034

- (i) Trading securities are categorised into listed and unlisted as follows:

	30/6/2016	31/12/2015
	VND million	VND million
Debt securities		
Unlisted	922,956	922,956

- (ii) Movements in the allowance for losses on trading securities during the period were as follows:

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Opening balance	6,922	-
Allowance made during the period	-	10,949
Closing balance	6,922	10,949

8. Derivatives and other financial assets

	30 June 2016		
	Total contract value (at foreign exchange rate at the contract date)	Total carrying value (at foreign exchange rate as at 30 June 2016)	
	VND million	Assets VND million	Liabilities VND million
Currency derivatives			
▪ Forward contracts	4,992,120	-	11,464
▪ Currency swap contracts	7,987,588	115,427	-
	12,979,708	115,427	11,464

	31 December 2015		
	Total contract value (at foreign exchange rate at the contract date)	Total carrying value (at foreign exchange rate as at 31 December 2015)	
	VND million	Assets VND million	Liabilities VND million
Currency derivatives			
▪ Forward contracts	4,347,810	17,556	7,384
▪ Currency swap contracts	1,996,203	28,872	-
	6,344,013	46,428	7,384

9. Loans and advances to customers

	30/6/2016	31/12/2015
	VND million	VND million
Loans to domestic economic entities and individuals	68,828,838	53,810,428
Discounted transferrable instruments and valuable papers	2,536,343	2,298,677
Overdraft and credit cards	373,641	422,799
Loans to foreign entities and individuals	40,376	26,931
	<hr/>	<hr/>
	71,779,198	56,558,835
	<hr/>	<hr/>

Loan portfolio by debt group was as follows:

	30/6/2016	31/12/2015
	VND million	VND million
Group 1 - Current debts	69,319,824	54,474,049
Group 2 - Special mentioned debts	1,196,494	1,187,695
Group 3 - Sub-standard debts	360,067	288,405
Group 4 - Doubtful debts	448,013	335,861
Group 5 - Loss debts	454,800	272,825
	<hr/>	<hr/>
	71,779,198	56,558,835
	<hr/>	<hr/>

Loan portfolio by term was as follows:

	30/6/2016	31/12/2015
	VND million	VND million
Short-term loans	28,840,453	22,060,108
Medium-term loans	25,125,909	20,162,349
Long-term loans	17,812,836	14,336,378
	<hr/>	<hr/>
	71,779,198	56,558,835
	<hr/>	<hr/>

Loan portfolio by type of borrower and type of business was as follows:

	30/6/2016	31/12/2015
	VND million	VND million
Other joint stock companies	24,324,150	15,852,643
Other limited liability companies	11,434,997	9,552,151
100% state-owned limited liability companies	1,594,358	850,032
State-owned joint stock companies	871,688	182,910
Private companies	697,233	730,956
Other state-owned enterprises	674,248	604,735
House-hold business	648,023	692,517
Foreign owned companies	243,237	422,873
Co-operatives	19,556	17,106
Others	340,299	64,477
Individuals	30,931,409	27,588,435
	<hr/>	<hr/>
	71,779,198	56,558,835
	<hr/>	<hr/>

Loan portfolio by business sector of customers was as follows:

	30/6/2016	31/12/2015
	VND million	VND million
Household work, production and consumer services	32,055,794	28,172,385
Construction	7,299,018	5,000,975
Agriculture, forestry and aquaculture	4,226,610	3,795,381
Hotels and restaurants	3,112,275	1,526,513
Real estates	2,668,555	1,557,967
Electricity, gas, hot water, steam producing and distribution and air conditioning	2,525,375	2,016,680
Manufacturing and processing	2,441,524	2,124,555
Wholesale and retail, repair of automobiles, motorcycles and other motors	2,364,150	1,986,680
Finance, banking and insurance	1,467,891	830,885
Transportation and warehousing	943,431	1,011,046
Activities of the Communist Party, political and social organisation, state management, security and defense, compulsory social security	547,722	549,748
Administrative operations and support services	476,581	511,028
Information and communication	448,020	218,271
Professional, science and technology	388,183	300,358
Mining exploration	156,858	125,504
Education and training	133,880	220,737
Health care and social relief activities	75,744	85,088
Arts, entertainment and leisure	58,353	63,454
Water supplies and waste treatment	24,699	28,736
Others	10,364,535	6,432,844
	<hr/>	<hr/>
	71,779,198	56,558,835
	<hr/>	<hr/>

10. Allowance for losses on loans and advances to customers

Allowance for losses on loans and advances to customers consists of:

	30/6/2016 VND million	31/12/2015 VND million
General allowance (i)	522,881	404,022
Specific allowance (ii)	441,243	301,573
	964,124	705,595

- (i) Movements in the general allowance for losses on loans and advances to customers during the period were as follows:

	Six-month period ended	
	30/6/2016 VND million	30/6/2015 VND million
Opening balance	404,022	274,628
Allowance made during the period (Note 34)	118,859	51,065
	522,881	325,693

- (ii) Movements in the specific allowance for losses on loans and advances to customers during the period were as follows:

	Six-month period ended	
	30/6/2016 VND million	30/6/2015 VND million
Opening balance	301,573	208,978
Allowance made during the period (Note 34)	244,256	155,790
Allowance utilised during the period	(104,586)	(57,946)
Allowance utilised for debts sold to VAMC	-	(88,553)
	441,243	218,269

11. Purchases of debts

	30/6/2016 VND million	31/12/2015 VND million
Purchases of debts in VND	8,690	8,690
Allowance for losses	(3,201)	(3,201)
	5,489	5,489

The principals of purchases of debts were as follows:

	30/6/2016 VND million	31/12/2015 VND million
Principals of purchases of debts (i)	11,383	11,383

- (i) As at 30 June 2016 and 31 December 2015, purchases of debts are classified as Group 5 - Loss debts.

Movements in the allowance for losses during the period were as follows:

	Six-month period ended	
	30/6/2016 VND million	30/6/2015 VND million
Opening balance	3,201	-
Allowance made during the period (Note 34)	-	49,189
Allowance utilised for debts sold to VAMC	-	(1,081)
	3,201	48,108

12. Investment securities

	30/6/2016 VND million	31/12/2015 VND million
Available-for-sale securities		
<i>Debt securities</i>		
▪ Government securities (i)	18,142,653	10,109,405
▪ Debt securities issued by other domestic credit institutions	210,000	210,000
▪ Debt securities issued by domestic economic entities	5,634,097	6,185,999
<i>Equity securities</i>		
▪ Equity securities issued by domestic economic entities	199,961	199,961
Allowance for losses on available-for-sale securities		
▪ Allowance for diminution in value (ii)	(90,484)	(81,492)
▪ General allowance (iii)	(40,182)	(50,634)
▪ Specific allowance (iv)	(130,071)	-
	23,925,974	16,573,239
Held-to-maturity securities (excluding special bonds issued by VAMC)		
<i>Debt securities</i>		
▪ Government securities	12	12
▪ Debt securities issued by other domestic credit institutions	1,500,000	1,500,000
▪ Debt securities issued by domestic economic entities	199,801	498,940
Allowance for losses on held-to-maturity securities		
▪ General allowance (v)	(1,498)	(3,740)
	1,698,315	1,995,212
Special bonds issued by VAMC (vi)		
▪ Par value of special bonds	2,755,948	3,012,652
▪ Allowance for special bonds	(450,205)	(383,388)
	2,305,743	2,629,264
	27,930,032	21,197,715

- (i) As at 30 June 2016, VND3,969,662 million (31/12/2015: VND4,961,539 million) of government bonds were pledged for deposits and borrowings from other credit institutions (Note 20(i)).

- (ii) Movements in the allowance for diminution in value of available-for-sale securities during the period were as follows:

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Opening balance	81,492	115,526
Allowance made during the period (Note 30)	8,992	47,695
Reclassification to other long-term investments (Note 13(iii))	-	(90,000)
	<hr/>	<hr/>
Closing balance	90,484	73,221
	<hr/>	<hr/>

- (iii) Movements in the general allowance for losses on available-for-sale securities during the period were as follows:

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Opening balance	50,634	63,012
Allowance reversed during the period (Note 30)	(10,452)	(8,299)
	<hr/>	<hr/>
Closing balance	40,182	54,713
	<hr/>	<hr/>

- (iv) Movements in the specific allowance for losses on available-for-sale securities during the period were as follows:

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Opening balance	-	-
Allowance made during the period (Note 30)	130,071	-
	<hr/>	<hr/>
Closing balance	130,071	-
	<hr/>	<hr/>

- (v) Movements in the general allowance for losses on held-to-maturity securities during the period were as follows:

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Opening balance	3,740	5,514
Allowance reversed during the period (Note 30)	(2,242)	(1,784)
	<hr/>	<hr/>
Closing balance	1,498	3,730
	<hr/>	<hr/>

- (vi) These are special bonds issued by VAMC in exchange for bad debts sold to VAMC by the Group with total outstanding principal as at 30 June 2016 of VND3,421,757 million (31/12/2015: VND3,700,059 million). The specific allowance made by the Group up to the date these debts were sold to VAMC was VND665,809 million (31/12/2015: VND687,407 million). For these special bonds, the Group made allowance in accordance with the requirements of Circular 19 and Circular 14.

Movements in the allowance for losses on special bonds issued by VAMC during the period were as follows:

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Opening balance	383,388	-
Allowance made during the period (Note 34)	66,817	33,304
Closing balance	450,205	33,304

Securities categorised by debt group were as follows:

	30/6/2016	31/12/2015
	VND million	VND million
Group 1 - Current debts	7,243,898	8,394,939
Group 4 - Doubtful debts	300,000	-
	7,543,898	8,394,939

13. Capital contribution, long-term investments

	30/6/2016	31/12/2015
	VND million	VND million
Other long-term investments (i)	547,032	530,192
Allowance for diminution in the value of long-term investments		
▪ Allowance for diminution in the value of other long-term investments (ii)	(111,913)	(111,074)
	435,119	419,118

(i) Other long-term investments:

	30/6/2016 VND million	31/12/2015 VND million
Investments in other local credit institutions		
▪ Unlisted entities	19,627	19,627
Investments in local economic entities		
▪ Unlisted entities	527,405	510,565
	547,032	530,192

(ii) Movements of allowance for diminution in the value of other long-term investments during the period were as follows:

	Six-month period ended	
	30/6/2016 VND million	30/6/2015 VND million
Opening balance	111,074	21,094
Reclassification from available-for-sale securities (Note 12(ii))	-	90,000
Allowance made during the period	839	-
Closing balance	111,913	111,094

14. Tangible fixed assets

Six-month period ended 30 June 2016	Buildings and structures		Office equipment		Motor vehicles		Office equipment		Others		Total	
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Cost												
Opening balance	364,252	151,670	162,589	223,833	9,241	911,585						
Additions	-	136	-	2,034	-	2,170						
Transfer from construction in progress	109	191	8,142	4,209	-	12,651						
Disposals	(220)	(152)	(636)	(280)	-	(1,288)						
Closing balance	364,141	151,845	170,095	229,796	9,241	925,118						
Accumulated depreciation												
Opening balance	55,000	93,986	90,731	147,488	5,552	392,757						
Charge for the period	7,442	10,021	9,580	19,162	784	46,989						
Disposals	(87)	(152)	(493)	(165)	-	(897)						
Closing balance	62,355	103,855	99,818	166,485	6,336	438,849						
Net book value												
Opening balance	309,252	57,684	71,858	76,345	3,689	518,828						
Closing balance	301,786	47,990	70,277	63,311	2,905	486,269						

14. Tangible fixed assets (continued)

Six-month period ended 30 June 2015

Cost	Buildings and structures VND million	Office equipment VND million	Motor vehicles VND million	Office equipment VND million	Others VND million	Total VND million
Opening balance	185,808	134,119	144,188	163,434	7,330	634,879
Additions	51,060	7,104	13,031	26,477	2,002	99,674
Disposals	(2,273)	(108)	(155)	(284)	-	(2,820)
Closing balance	234,595	141,115	157,064	189,627	9,332	731,733
Accumulated depreciation						
Opening balance	45,985	75,276	77,041	121,548	4,101	323,951
Charge for the period	4,512	9,447	9,513	11,031	711	35,214
Disposals	(2,273)	(97)	(155)	(160)	-	(2,685)
Closing balance	48,224	84,626	86,399	132,419	4,812	356,480
Net book value						
Opening balance	139,823	58,843	67,147	41,886	3,229	310,928
Closing balance	186,371	56,489	70,665	57,208	4,520	375,253

As at 30 June 2016, included in tangible fixed assets were assets costing VND149,603 million (30/6/2015: VND115,248 million) which were fully depreciated but which are still in use.

15. Intangible fixed assets

Six-month period ended 30 June 2016

	Definite land use rights		Indefinite land use rights		Software VND million	Others VND million	Total VND million
	VND million	VND million	VND million	VND million			
Cost							
Opening balance	19,513		222,954		179,793	1,718	423,978
Transfer from construction in progress	-		-		882	183	1,065
Disposals	-		(8,499)		-	-	(8,499)
Closing balance	19,513		214,455		180,675	1,901	416,544
Accumulated amortisation							
Opening balance	1,240		-		135,014	1,338	137,592
Charge for the period	329		-		12,065	103	12,497
Closing balance	1,569		-		147,079	1,441	150,089
Net book value							
Opening balance	18,273		222,954		44,779	380	286,386
Closing balance	17,944		214,455		33,596	460	266,455

15. Intangible fixed assets (continued)

Six-month period ended 30 June 2015

Cost	Definite land use rights		Indefinite land use rights		Software VND million	Others VND million	Total VND million
	VND million	VND million	VND million	VND million			
Opening balance	161,598	7,198	158,813	1,492			329,101
Additions	27,400	23,348	7,519	-			58,267
Other decreases	-	-	(3)	-			(3)
Closing balance	188,998	30,546	166,329	1,492			387,365
Accumulated amortisation							
Opening balance	-	854	110,577	1,200			112,631
Charge for the period	-	100	11,383	59			11,542
Other decreases	-	-	(3)	-			(3)
Closing balance	-	954	121,957	1,259			124,170
Net book value							
Opening balance	161,598	6,344	48,236	292			216,470
Closing balance	188,998	29,592	44,372	233			263,195

As at 30 June 2016, included in intangible fixed assets were assets costing VND69,981 million (30/6/2015: VND51,804 million) which were fully depreciated but which are still in use.

16. Investment properties

Six-month period ended 30 June 2016

	Buildings and structures VND million	Indefinite land use rights VND million	Total VND million
Cost			
Opening balance	10,523	54,461	64,984
Disposals	(463)	(1,831)	(2,294)
Closing balance	10,060	52,630	62,690
Accumulated depreciation			
Opening balance	146	-	146
Charge for the period	152	-	152
Disposals	(21)	-	(21)
Closing balance	277	-	277
Net book value			
Opening balance	10,377	54,461	64,838
Closing balance	9,783	52,630	62,413

The fair value of investment properties held to earn rental has not been determined as there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprise and the relevant statutory requirements applicable to financial reporting.

17. Other assets

	30/6/2016 VND million	31/12/2015 VND million
Receivables		
▪ Receivables from disposal of securities on credit (i)	3,404,001	4,255,992
▪ Advances for purchases of fixed assets (ii)	1,304,389	1,414,059
▪ Receivables from disposal of fixed assets (iii)	315,000	315,000
▪ Advances for operating activities	193,582	134,801
▪ Construction in progress (iv)	147,224	144,245
▪ Receivables from Joint Stock Commercial Bank for Foreign Trade Vietnam – Head Office (“Vietcombank”) (v)	135,597	-
▪ Deposits for rental/purchase assets	80,000	10,000
▪ Receivables from Shipbuilding Industry Corporation (“Vinashin”) (vi)	70,779	70,779
▪ Advances for business salary of employees	44,650	757
▪ Deposits for swap contracts	44,490	44,860
▪ Deposits for rental/purchase offices	41,720	150,000
▪ Deposits/advances for rental offices, fixed assets and tools, supplies	36,060	76,852
▪ Receivables from investment cooperation	28,800	602,756
▪ Advances for debt collateral finalisation	22,918	21,066
▪ Advances for saving deposits with prepaid interests	21,583	6,733
▪ Receivables from leasing Abacus Building	14,871	14,871
▪ Receivables from commissions received	11,945	27,504
▪ Advances for capital contribution	11,619	34,119
▪ Receivables from entrusted deposits	9,194	9,194
▪ Over-paid corporate income tax	1,329	1,933
▪ Receivables from sale of debts	-	95,000
▪ Receivables from bond issuance	-	80,000
▪ Receivables from share transfer	-	51,905
▪ Others	118,215	88,983
	6,057,966	7,651,409
Accrued interests and fees receivable	2,653,004	1,916,536
Deferred tax assets (Note 35)	23,636	23,636
Other assets		
▪ Prepaid expenses (vii)	915,039	893,614
▪ Foreclosed assets which ownership transferred to the Bank, awaiting finalisation (viii)	405,921	425,057
▪ Tools and supplies	82,967	58,275
▪ Goodwill (Note 18)	42,259	45,140
▪ Other assets	3,450	1,553
	1,449,636	1,423,639
Allowance for losses on other assets (ix)	(41,492)	(38,989)
	10,142,750	10,976,231

- (i) These are receivables as at 30 June 2016 from individuals and enterprises relating to the contracts of disposal of securities on credit amounting to VND3,230,835 million (31/12/2015: VND3,972,216 million) and interests receivable amounting to VND173,166 million (31/12/2015: VND283,776 million). According to purchase contract and associated appendices, these receivables and related interests receivable will be paid in 2016, 2017, 2018 and 2019.

- (ii) Advances for purchases of fixed assets includes:

	30/6/2016	31/12/2015
	VND million	VND million
Purchases of houses and offices (*)	1,296,092	1,396,225
Motor vehicles	589	950
Fixed assets purchased for implementation of the core banking system in progress	-	798
Purchases of other fixed assets	7,708	16,086
	<hr/>	<hr/>
	1,304,389	1,414,059
	<hr/>	<hr/>

- (*) Balances of purchases of houses and offices as at 30 June 2016 includes:

- Advance of 75% of the contract value amounting to VND448,500 million (31/12/2015: VND448,500 million) and deposit amounting to VND112,000 million (31/12/2015: VND112,000 million) to purchase entire asset at No. 1 Phan Ke Binh Street and No. 58 Nguyen Dinh Chieu Street, Ho Chi Minh City in previous years; and
- In addition, the Group also signed contracts to purchase assets including buildings and land use rights for offices, branches and transaction offices amounting to VND735,592 million (31/12/2015: VND835,725 million).

- (iii) Balance as at 30 June 2016 includes a receivable from an economic entity in Vietnam amounting to VND315,000 million relating to the transfer of buildings located at 69 Pham Ngoc Thach Street and 174 Phan Dang Luu Street, Ho Chi Minh City. These amounts will be paid annually in 9 years, with the first payment on 15 November 2016.

- (iv) These are advances for renovation and decoration of offices at branches and transaction offices of the Group.

- (v) This is the amount transferred from the deposit account of the Bank at Deutsche Bank Frankfurt to the deposit account of the Bank at Vietcombank at the end of 30 June 2016 but Vietcombank had not sent credit advice to the Bank yet. On 1 July 2016, the Bank received credit advice from Vietcombank.

- (vi) This is irrecoverable remaining debts of Vinashin which is treated in accordance with guidance from the State Bank of Vietnam and it is amortised to the expenses until 2018.

- (vii) Prepaid expenses include costs of tools and supplies, repairing costs of fixed assets, costs of leasing fixed assets and leasing lines, in which the prepaid expense for lease of 11 floors of building at 25 Bis Nguyen Thi Minh Khai Street and 7 floors of building at 22-24-26 Pasteur Street for the Head Office and branches amounting to VND232,400 million and VND134,621 million, respectively (31/12/2015: VND243,084 million and VND136,181 million).

- (viii) Foreclosed assets which ownership transferred to the Bank, awaiting finalisation are collaterals foreclosed by the Bank to net off doubtful debts including loans and other receivables. The Bank completed the procedures for transfer of ownership of above assets to the Bank at the reporting date.
- (ix) Movements in the allowance for losses on other assets during the period were as follows:

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Opening balance	38,989	20,014
Allowance made during the period	2,503	18,947
Closing balance	41,492	38,961

Other assets with credit risk categorised by debt group were as follows:

	30/6/2016	31/12/2015
	VND million	VND million
Group 1 - Current debts	-	375,000
	-	375,000

18. Goodwill

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Total goodwill	115,251	115,251
Amortisation period (years)	10	10
- Accumulative amortisation of goodwill at the beginning of period	(70,111)	(63,330)
- Carrying amount of goodwill at the beginning of period	45,140	51,921
Goodwill decreased during the period	(2,881)	(3,878)
- Goodwill decreased due to partial disposal of a subsidiary	-	(975)
- Amortisation of goodwill during the period	(2,881)	(2,903)
Carrying amount of goodwill at the end of period (Note 17)	42,259	48,043

19. Borrowings from the Government and the State Bank of Vietnam

	30/6/2016	31/12/2015
	VND million	VND million
Borrowings from the SBV through open market	-	2,233,966
Asian Development Bank (i)	24,474	27,305
Japan Bank for International Cooperation (ii)	197,289	227,050
	221,763	2,488,321

- (i) These borrowings were made under the Credit Financing Project funded by Asian Development Bank through the SBV. According to the agreement dated 16 January 2006 and its amendments dated 24 November 2006 and 11 October 2010 signed with the SBV, total credit limit is VND68,000 million. The borrowings have a term of 20 years from 6 January 2004 and bear interest rate calculated on the basis of the interest rate adjusted at the end of each quarter and using weighted average method of all types of term deposits in the banking system.
- (ii) These borrowings were made under the Credit Financing for Small and Medium Enterprises Project – Phase II and Phase III funded by Japan Bank for International Cooperation (JBIC) through the SBV. According to the agreement dated 1 November 2007, the Bank obtained these loans to support enterprises which meet the criteria of the project.

20. Deposits and borrowings from other credit institutions

	30/6/2016	31/12/2015
	VND million	VND million
Demand deposits		
▪ Demand deposits in VND	2,021,503	8,916
Term deposits		
▪ Term deposits in VND (i)	5,140,700	2,814,600
▪ Term deposits in foreign currencies	415,587	207,955
	<hr/> 7,577,790	<hr/> 3,031,471
Borrowings		
▪ Borrowings in VND (i)	2,896,000	3,070,000
▪ Borrowings in foreign currencies	1,267,221	493,460
	<hr/> 4,163,221	<hr/> 3,563,460
	<hr/> <hr/> 11,741,011	<hr/> <hr/> 6,594,931

- (i) Incuded in these deposits and borrowings were deposits and borrowings amounting to VND2,755,000 million (31/12/2015: VND1,055,000 million) were secured by available-for-sale securities amounting to VND3,969,662 million (31/12/2015: VND4,961,539 million) (Note 12(i)).

21. Deposits from customers

	30/6/2016 VND million	31/12/2015 VND million
Demand deposits		
▪ Demand deposits in VND	9,396,019	4,774,031
▪ Demand deposits in foreign currencies	542,198	825,084
Term deposits		
▪ Term deposits in VND	19,811,676	16,920,185
▪ Term deposits in foreign currencies	249,529	260,734
Saving deposits		
▪ Saving deposits in VND	61,121,624	48,999,743
▪ Saving deposits in foreign currencies	1,414,197	1,999,059
Specialised capital deposits		
▪ Specialised capital deposits in VND	132,784	230,394
▪ Specialised capital deposits in foreign currencies	9,364	144,576
Margin deposits		
▪ Margin deposits in VND	118,192	174,161
▪ Margin deposits in foreign currencies	57,976	53,689
Other payables to the customers		
Other saving deposits in VND	313,798	161,063
	93,167,357	74,542,719

Deposits from customers by type of customer and type of business were as follows:

	30/6/2016	31/12/2015
	VND million	VND million
Individuals	63,904,861	47,878,740
Other joint stock companies	11,375,845	8,237,741
Other state-owned enterprises	3,907,417	3,359,292
100% state-owned limited liability companies	3,913,020	3,737,735
Other limited liability companies	3,352,278	3,286,132
Household businesses	2,679,897	3,242,873
State and administrative unit of government	459,903	279,146
State-owned enterprises	375,470	536,304
More than 50% state-owned limited liability companies	398,751	490,154
100% foreign owned companies	264,616	356,650
Foreign joint venture company	466,335	527,774
Co-operatives	54,516	47,984
Private companies	62,475	100,243
Partnerships	3,081	3,825
Farms	11,257	11,495
Others	1,937,635	2,446,631
	<hr/>	<hr/>
	93,167,357	74,542,719
	<hr/>	<hr/>

22. Grants, entrusted funds, loans exposed to risks

	30/6/2016	31/12/2015
	VND million	VND million
Grants, entrusted funds, loans exposed to risks in VND		
Entrusted funds from Rural Development Fund	10,837	19,376
Grants, entrusted funds, loans exposed to risks in foreign currencies		
Entrusted funds from Rural Development Fund	1,266	1,267
Entrusted funds of support program for reforming power sector – Phase III (i)	2,799,744	2,801,920
	<hr/>	<hr/>
	2,811,847	2,822,563
	<hr/>	<hr/>

- (i) This is borrowing of USD128 million from the Ministry of Finance to finance support program for reforming power sector – Phase III for a period of 29 years from 4 August 2015 to 4 August 2043 and bear interest of six-month US Dollar LIBOR plus spread adjusted periodically by World Bank on 1 January and 1 July each year.

23. Valuable papers issued

	30/6/2016 VND million	31/12/2015 VND million
Certificates of deposit		
▪ Under 12 months	200,000	736,000
▪ From 12 months to less than 5 years	2,965,000	1,281,000
Straight bonds		
▪ From 12 months to less than 5 years	3,830,000	3,830,000
▪ From 5 years and above	2,000,000	2,000,000
	8,995,000	7,847,000

24. Other liabilities

	30/6/2016 VND million	31/12/2015 VND million
Internal payables		
▪ Payables to employees	61,869	40,987
External payables		
▪ Unearned revenue from sale of bonds	116,639	57,792
▪ Corporate income tax payable	22,173	75,751
▪ Other taxes payable to State Treasury	6,590	9,666
▪ Cash held on behalf and awaiting settlement	235,350	116,458
▪ Management fee payable on Abacus Building	6,039	6,039
▪ Commissions payable	65,518	68,515
▪ Accrued expenses	48,085	30,404
▪ Payables for business cooperation	14,400	-
Bonus and welfare fund (i)	10,926	11,779
Other payables		
Defferred revenue	76,733	74,205
Payables for constructions	3,238	2,437
Other payables	107,945	110,271
	775,505	604,304

- (i) Movements of bonus and welfare fund during the period were as follows:

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Opening balance	11,779	12,595
Transfer from equity (Note 26)	3,000	3,000
Amount utilised during the period	(3,853)	(1,647)
Closing balance	10,926	13,948

25. Obligations to the State Treasury

Six-month period ended 30 June 2016	Opening balance	Movements during the period		Closing balance
	VND million	Incurred	Paid	VND million
		VND million	VND million	
Value added tax	5,903	7,163	(11,585)	1,481
Corporate income tax	73,818	81,887	(134,861)	20,844
Personal income tax	3,543	41,059	(40,384)	4,218
Foreign contractor tax	220	2,221	(1,550)	891
License tax	-	230	(230)	-
Other taxes	-	8	(8)	-
	83,484	132,568	(188,618)	27,434

Six-month period ended 30 June 2015	Opening balance	Movements during the period		Closing balance
	VND million	Incurred	Paid	VND million
		VND million	VND million	
Value added tax	3,477	23,346	(25,500)	1,323
Corporate income tax	114,640	49,673	(151,619)	12,694
Personal income tax	2,327	16,503	(16,296)	2,534
Foreign contractor tax	57	1,361	(1,259)	159
License tax	-	219	(219)	-
Other taxes	-	19	(19)	-
	120,501	91,121	(194,912)	16,710

26. Capital and reserves

(a) Statement of changes in equity

	Charter capital VND million	Capital for construction, purchases of fixed assets VND million	Share premium VND million	Treasury shares VND million	Foreign exchange differences VND million	Reserve to supplement charter capital VND million	Investment and development fund VND million	Financial reserve VND million	Other reserves VND million	Retained profits VND million	Non-controlling interest VND million	Total VND million
Balance at 1 January 2015	8,100,000	89	4,599	(2)	-	108,072	70	138,826	8,845	513,550	324,794	9,198,843
Net profit for the period	-	-	-	-	-	-	-	-	-	162,042	13,180	175,222
Profit from disposal of investment in HD SAISON	-	-	-	-	-	-	-	-	-	9,105	7,396	16,501
Appropriation to reserves	-	-	-	-	-	20,963	-	41,925	20,000	(82,888)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	-	-	(3,000)	-	(3,000)
Foreign exchange differences	-	-	-	-	(12,507)	-	-	-	-	-	-	(12,507)
Other decreases	-	-	-	-	-	-	-	-	-	(298)	-	(298)
Balance at 30 June 2015	8,100,000	89	4,599	(2)	(12,507)	129,035	70	180,751	28,845	598,511	345,370	9,374,761
Balance at 1 January 2016	8,100,000	89	4,599	(2)	-	135,428	70	214,258	28,845	909,128	449,264	9,841,679
Net profit for the period	-	-	-	-	-	-	-	-	-	241,403	78,895	320,298
Appropriation to reserves	-	-	-	-	-	20,406	-	40,810	-	(61,216)	-	-
Dividends	-	-	-	-	-	-	-	-	-	(810,000)	-	(810,000)
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	-	-	(3,000)	-	(3,000)
Foreign exchange differences	-	-	-	-	4,528	-	-	-	-	-	-	4,528
Other decreases	-	-	-	-	-	-	-	-	(534)	-	-	(534)
Balance at 30 June 2016	8,100,000	89	4,599	(2)	4,528	155,834	70	255,068	28,311	276,315	528,159	9,352,971

(b) Charter capital

	30/6/2016		31/12/2015	
	Number of shares	Par value VND million	Number of shares	Par value VND million
Authorised charter capital	810,000,000	8,100,000	810,000,000	8,100,000
Issued share capital				
Ordinary shares	810,000,000	8,100,000	810,000,000	8,100,000
Treasury shares				
Ordinary shares	208	2	208	2
Shares in circulation				
Ordinary shares	809,999,792	8,099,998	809,999,792	8,099,998

Each ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of shareholders of the Bank. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Bank's residual assets. In respect of shares bought back by the Bank, all rights are suspended until those shares are reissued.

(c) Dividends

	Six-month period ended	
	30/6/2016 VND million	30/6/2015 VND million
Dividends payable at the beginning of the period	742	742
Dividends payable during the period (i)	810,000	-
Dividends paid during the period	(809,987)	-
Dividends payable at the end of the period	755	742

- (i) Pursuant to Resolution No. 05/2016/NQ-DHDCD dated 12 May 2016, the General Meeting of Shareholders of the Bank resolved to distribute dividends amounting to VND810,000 million from retained profits of 2015.

27. Interest and similar income

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Interest and similar income from		
▪ Loans and advances to customers and loans to other credit institutions	4,111,255	2,483,930
▪ Deposits with other credit institutions	95,109	88,039
▪ Investment securities	706,623	779,739
▪ Guarantee services	26,599	12,020
▪ Other income from credit activities	253,212	224,508
	<hr/>	<hr/>
	5,192,798	3,588,236
	<hr/>	<hr/>
Interest and similar expenses on		
▪ Deposits from customers and deposits from other credit institutions	(2,370,593)	(1,830,317)
▪ Borrowings from other credit institutions	(138,488)	(159,059)
▪ Valuable papers issued	(406,119)	(174,310)
▪ Other expenses on credit activities	(68,972)	(24,085)
	<hr/>	<hr/>
	(2,984,172)	(2,187,771)
	<hr/>	<hr/>
Net interest income	2,208,626	1,400,465
	<hr/>	<hr/>

28. Net fees and commission income

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Fees and commission income		
▪ Settlement services	58,003	48,120
▪ Cashiering services	5,832	5,927
▪ Asset preservation and insurance services	5,194	3,125
▪ Trust and agent services	9	91,307
▪ Advisory services	-	1
▪ Discounted fees	-	3,376
▪ Other services	10,384	12,658
	79,422	164,514
Fees and commission expenses		
▪ Settlement services	(15,574)	(13,507)
▪ Cashiering services	(2,054)	(2,564)
▪ Advisory services	(143)	-
▪ Postage and telecommunications	(1,461)	(1,214)
▪ Brokerage commission	(4,509)	(3,858)
▪ Trust and agent services	(100)	(129)
▪ Other services	(924)	(1,731)
	(24,765)	(23,003)
Net fees and commission income	54,657	141,511

29. Net gain from trading of foreign currencies

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Gain from trading of foreign currencies from		
▪ Spot contracts	85,206	22,796
▪ Gold trading	508	341
▪ Currency derivatives	89,015	22,203
	174,729	45,340
Loss from trading of foreign currencies on		
▪ Spot contracts	(54,653)	(5,489)
▪ Gold trading	(114)	(192)
▪ Currency derivatives	(17,690)	(31,089)
	(72,457)	(36,770)
Net gain from trading of foreign currencies	102,272	8,570

30. Net loss from trading investment securities

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Net loss from trading available-for-sale securities		
▪ Gains from trading available-for-sale securities	51,723	29,035
▪ Expenses on trading available-for-sale securities	(13,433)	(10,495)
▪ Addition to allowance for diminution in the value of available-for-sale securities (Note 12(ii))	(8,992)	(47,695)
▪ Reversal of general allowance for losses on available-for-sale securities (Note 12(iii))	10,452	8,299
▪ Addition to specific allowance for losses on available-for-sale securities (Note 12(iv))	(130,071)	-
	(90,321)	(20,856)
Net gain from trading held-to-maturity securities		
▪ Reversal of general allowance for losses on held-to-maturity securities (Note 12(v))	2,242	1,784
Net loss from trading investment securities	(88,079)	(19,072)

31. Net other income

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Other income		
▪ Collections of bad debts previously written-off	17,993	2,886
▪ Collections from leasing offices	2,051	2,256
▪ Gains from disposals of assets	2,364	38
▪ Collections of contract breach penalties	-	14
▪ Collections of insurance premiums	10,000	3,936
▪ Collections from foreign exchange differences	-	3,519
▪ Other income	1,592	5,862
	34,000	18,511
Other expenses		
▪ Expenses on foreign exchange differences	(2,963)	(2,990)
▪ Losses from disposals of assets	(115)	(135)
▪ Goodwill	(2,881)	(2,932)
▪ Sponsoring cost	(1,598)	(1,248)
▪ Other expenses	(6,139)	(9,697)
	(13,696)	(17,002)
Net other income	20,304	1,509

32. Income from capital contribution, share purchase

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Dividends/profit distributions during the period from:		
▪ Equity securities	1,705	2,380
▪ Capital contribution, long-term investments	1,770	13,243
	3,475	15,623

33. Operating expenses

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
1. Tax, duties and fees	1,410	1,136
2. Salaries and related expenses	646,795	437,980
In which:		
▪ Salary and allowances	590,612	392,286
▪ Salary related contributions	49,138	33,995
▪ Others	7,045	11,699
3. Expenses on assets	272,312	245,456
In which:		
▪ Depreciation and amortisation expenses	59,638	46,756
▪ Office rental	99,897	99,276
▪ Repair and maintenance	64,706	61,450
▪ Tools and supplies	45,857	36,136
▪ Insurance fee	2,214	1,838
4. Allowance expenses (excluding allowance for credit losses, security risks)	2,892	18,797
5. Administration expenses	508,091	292,005
In which:		
▪ Marketing, promotion and printing expenses	280,614	151,404
▪ General administration expenses	91,088	59,332
▪ Communication expenses	34,752	22,841
▪ Credit information service expenses	29,236	-
▪ Debt collection service expenses	37,965	-
▪ Travelling expenses	16,282	10,753
▪ Materials and printing expenses	11,143	8,413
▪ Training expenses	7,011	39,262
6. Insurance expenses for deposits from customers	37,638	30,008
	1,469,138	1,025,382

34. Allowance expenses for credit losses

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Addition to general allowance for losses on loans and advances to customers (Note 10(i))	118,859	51,065
Addition to specific allowance for losses on loans and advances to customers (Note 10(ii))	244,256	155,790
Addition to allowance for losses on purchases of debts (Note 11(i))	-	49,189
Addition to allowance for special bonds (Note 12(vi))	66,817	33,304
	<hr/>	<hr/>
	429,932	289,348
	<hr/>	<hr/>

35. Corporate income tax

(a) Recognised in the consolidated statement of income

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Current tax expense		
Current period	81,887	49,670
Deferred tax expense	-	-
Corporate income tax expense	81,887	49,670

(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Profit before tax	402,185	224,892
<i>Adjustments</i>		
Non-deductible expenses	7,965	3,725
Tax exempt income (dividends)	(128,475)	(15,623)
Tax loss utilised	(120)	(167)
Consolidated adjustments	127,881	13,638
Others	-	(696)
Taxable income	409,436	225,769
Corporate income tax expense based on taxable income	81,887	49,670
Corporate income tax payable at the beginning of the period	73,818	114,640
Corporate income tax paid during the period	(134,861)	(151,619)
Tax adjustments in prior years	-	3
Corporate income tax payable at the end of the period	20,844	12,694

(c) Applicable tax rates

The corporate income tax rate applicable to the Group is 20% from 2016 due to change in the Income Tax Law (2015: 22%). The corporate income tax computation is subject to the review and approval of tax authorities.

(d) **Deferred tax assets**

	30/6/2016 VND million	31/12/2015 VND million
Unrealised foreign exchange losses	3,836	3,836
Allowance for investment securities	19,800	19,800
	23,636	23,636

36. Earnings per share

(a) **Basic earnings per share**

The calculation of basic earnings per share for the six-month period ended 30 June 2016 was based on net profit attributable to ordinary shareholders of the Bank of VND241,403 million (six-month period ended 30 June 2015: VND162,042 million) and a weighted average number of ordinary shares outstanding of 809,999,792 shares (six-month period ended 30 June 2015: 809,999,792 shares), calculated as follows:

(i) *Net profit attributable to ordinary shareholders*

	Six-month period ended	
	30/6/2016 VND million	30/6/2015 VND million
Net profit attributable to ordinary shareholders	241,403	162,042
Appropriation to bonus and welfare fund (*)	-	-
	241,403	162,042

(*) The Group appropriates the bonus and welfare fund based on profit after tax of previous year as approved by the General Meeting of Shareholders. The Group did not appropriate this fund for the six-month period ended 30 June 2016 and 2015.

(ii) *Weighted average number of ordinary shares*

	Six-month period ended	
	30/6/2016 Shares	30/6/2015 Shares
Weighted average number of ordinary shares at the beginning/end of the period	809,999,792	809,999,792

(iii) *Basic earnings per share*

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Basic earnings per share	298	200

(b) **Diluted earnings per share**

As at 30 June 2016 and 31 December 2015, the Bank did not have any dilutive potential ordinary shares. Accordingly, the requirement of presentation of diluted earnings per share is not applicable.

37. Cash and cash equivalents

	30/6/2016	31/12/2015
	VND million	VND million
Cash on hand, gold	1,569,671	1,472,407
Balances with the SBV	1,532,113	2,742,385
Deposits with other credit institutions with original terms of three months or less	9,261,093	6,676,195
Loans to other credit institutions with original terms of three months or less	4,357,491	3,178,075
	16,720,368	14,069,062

38. Employees' benefits

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Total average number of employees during the period	9,661	7,347
Employees' remunerations		
1. Salary and bonus	557,345	343,391
2. Other income	33,267	48,895
3. Total income (3 = 1 + 2)	590,612	392,286
Average monthly salary/employee	10	8
Average monthly income/employee	10	9

39. Assets, valuable papers mortgaged, pledged, discounted and rediscounted

(a) Assets, valuable papers mortgaged, pledged, discounted and rediscounted

	30/6/2016 VND million	31/12/2015 VND million
Assets, valuable papers of customers mortgaged, pledged and discounted at the Group		
Real estates	84,249,093	63,322,301
Valuable papers	46,307,898	35,000,578
Movable assets	25,675,723	20,421,501
Other assets	35,423,811	34,526,988
	191,656,525	153,271,368
Assets, valuable papers of other credit institutions mortgaged, pledged, discounted and rediscounted at the Group		
Valuable papers	450,000	450,000
	192,106,525	153,721,368

(b) The Group's assets, valuable papers mortgaged, pledged, discounted and rediscounted

	30/6/2016 VND million	31/12/2015 VND million
Investment securities	3,969,662	4,961,539
	3,969,662	4,961,539

40. Contingent liabilities and commitments

	30/6/2016			31/12/2015		
	Contractual amount – gross VND million	Margin deposits VND million	Contractual amount – net VND million	Contractual amount – gross VND million	Margin deposits VND million	Contractual amount – net VND million
Lending guarantees	10,962	-	10,962	12,062	-	12,062
Foreign exchange commitments	23,271,416	-	23,271,416	7,716,776	-	7,716,776
<i>In which:</i>						
▪ Purchase commitments of foreign currencies	4,297,335	-	4,297,335	1,590,000	-	1,590,000
▪ Sale commitments of foreign currencies	3,131,606	-	3,131,606	1,789,655	-	1,789,655
▪ Commitments on currency swap transactions	15,842,475	-	15,842,475	4,337,121	-	4,337,121
Letters of credit	1,420,646	(60,888)	1,359,758	1,249,452	(64,609)	1,184,843
Other guarantees	3,211,423	(107,238)	3,104,185	2,064,030	(139,057)	1,924,973

41. Significant transactions with related parties

As at the period-end/year-end and during the period, there were the following significant balances and transactions with related parties:

Balance at the period-end/year-end	30/6/2016	31/12/2015
	VND million	VND million
	Receivables/(payables)	
Major shareholders and related parties with major shareholders		
Term deposits	(208,061)	(245,988)
Demand deposits	(27,503)	(12,700)
Specialised capital deposits	(2)	(2)
Guarantee payment deposits	(46)	(46)
Payables from equity interest transfer in investment cooperation contracts	-	(22,905)
Available-for-sale debt securities	350,000	350,000
Interests receivable from available-for-sale debt securities	7,940	25,234
Companies in which the Group has capital contribution		
Term deposits	(38,659)	(685,418)
Demand deposits	(253,911)	(84,474)
Other guarantee payment deposits	97	-
Loans	566,235	344,930
Interests receivable	15,520	5,501
Rental deposits	-	170,000
Receivables from bond transfer of Viet Hung Food Industry Limited Company	-	280,000
Advances for capital contribution in VietJet Aviation Joint Stock Company	-	22,500
Advances for capital contribution in City Housing Development Real Estate Business Joint Stock Company	6,669	6,669
Members of Board of Directors, Board of Management and Supervisory Board		
Term deposits	(176,878)	(159,166)
Demand deposits	(86,965)	(5,359)
Loans	32,450	32,550
Interests receivable	509	167

Transactions incurred during the period

	Six-month period ended	
	30/6/2016	30/6/2015
	VND million	VND million
Major shareholders and related parties with major shareholders		
Demand deposits placed	3,289,083	1,861,019
Term deposits placed	499,660	307,512
Guarantee payment deposits placed	773	515
Specialised capital deposits placed	1,619	16,320
Demand deposits withdrawn	3,274,276	1,862,964
Term deposits withdrawn	537,587	293,249
Guarantee payment deposits withdrawn	773	515
Specialised capital deposits withdrawn	1,619	16,320
Companies in which the Group has capital contribution		
Demand deposits placed	15,701,275	13,060,349
Term deposits placed	768,768	609,121
Margin deposits placed	-	16,530
Guarantee payment deposits placed	18,671	-
Demand deposits withdrawn	15,523,187	13,105,881
Term deposits withdrawn	1,415,527	575,121
Margin deposits withdrawn	135	16,340
Guarantee payment deposits withdrawn	19,069	-
Members of Board of Management, Board of Directors and Supervisory Board		
Demand deposits and demand saving deposits placed	639,752	287,260
Term deposits placed	189,162	90,051
Guarantee payment deposits placed	398	778
Demand deposits and demand savings withdrawn	558,145	291,521
Term deposits withdrawn	171,561	85,493
Guarantee payment deposits withdrawn	398	778
Salary and bonus	13,728	12,459

42. Concentration of assets, liabilities and off-balance sheet commitments by geographical area

As at 30 June 2016

	Loans and advances to customers – gross VND million	Deposits from customers VND million	Valuable papers issued VND million	Contingent liabilities and credit commitments VND million	Investment securities – gross VND million	Capital contribution, long-term investments – gross VND million	Deposits with and loans to other credit institutions – gross VND million	Deposits and borrowings from other credit institutions VND million	Derivatives (Total contractual value) VND million
Domestic	71,779,198	93,167,357	8,995,000	4,643,031	29,565,428	547,032	14,575,082	11,741,011	12,979,708
Overseas	-	-	-	-	-	-	143,502	-	-
	71,779,198	93,167,357	8,995,000	4,643,031	29,565,428	547,032	14,718,584	11,741,011	12,979,708

As at 31 December 2015

	Loans and advances to customers – gross VND million	Deposits from customers VND million	Valuable papers issued VND million	Contingent liabilities and credit commitments VND million	Investment securities – gross VND million	Capital contribution, long-term investments – gross VND million	Deposits with and loans to other credit institutions – gross VND million	Deposits and borrowings from other credit institutions VND million	Derivatives (Total contractual value) VND million
Domestic	56,558,835	74,542,719	7,847,000	3,325,545	22,639,925	530,192	11,533,308	6,594,931	6,344,013
Overseas	-	-	-	-	-	-	564,532	-	-
	56,558,835	74,542,719	7,847,000	3,325,545	22,639,925	530,192	12,097,840	6,594,931	6,344,013

43. Segment reporting

(a) Geographical segments

Six-month period ended 30 June 2016	The North VND million	The Central VND million	The South VND million	Eliminations VND million	Total VND million
I. Income					
1. Interest income					
<i>Interest income from external customers</i>	876,848	365,713	3,950,237	-	5,192,798
<i>Internal interest income</i>	857,380	244,994	4,962,332	(6,064,706)	-
2. Fees and commission income	16,445	3,429	59,548	-	79,422
3. Other income	7,993	2,891	265,737	-	276,621
II. Expenses					
1. Interest expenses					
<i>Interest expenses from external customers</i>	(468,709)	(220,631)	(2,294,832)	-	(2,984,172)
<i>Internal interest expenses</i>	(857,380)	(244,994)	(4,962,332)	6,064,706	-
2. Expenses for depreciation of fixed assets	(3,908)	(2,457)	(53,273)	-	(59,638)
3. Expenses relating to business activities	(150,210)	(72,748)	(1,449,956)	-	(1,672,914)
Results before allowance expenses	278,459	76,197	477,461	-	832,117
Allowance expenses	(104,230)	(13,867)	(311,835)	-	(429,932)
Segment results before tax	174,229	62,330	165,626	-	402,185

As at 30 June 2016	The North VND million	The Central VND million	The South VND million	Eliminations VND million	Total VND million
III. Assets					
1. Cash on hand	339,510	211,204	1,018,957	-	1,569,671
2. Fixed assets	13,435	47,563	691,726	-	752,724
3. Other assets	26,467,174	7,910,611	97,295,807	(5,012,021)	126,661,571
IV. Liabilities					
1. External liabilities	(25,949,144)	(7,316,315)	(83,671,519)	-	(116,936,978)
2. Internal liabilities	(167,049)	(66)	(320,056)	-	(487,171)
3. Other liabilities	(529,875)	(790,679)	(5,898,313)	5,012,021	(2,206,846)

(b) Business segments

The Group has main activities in commercial banking and asset management.

Six-month period ended 30 June 2016	Commercial banking VND million	Asset management VND million	Total VND million
Income	5,523,796	25,045	5,548,841
Expenses	(5,065,430)	(21,588)	(5,087,018)
Depreciation and amortisation of fixed assets	(59,372)	(266)	(59,638)
Profit before tax	398,994	3,191	402,185
As at 30 June 2016	Commercial banking VND million	Asset management VND million	Total VND million
Segment assets	128,756,247	227,719	128,983,966
Segment liabilities	(119,556,537)	(74,458)	(119,630,995)

44. Financial risk management

(a) Financial risk management

(i) Overview

Risk is inherent in the Group's activities and is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk prevention relating to his or her responsibilities. The Group is exposed to risks such as credit risk, liquidity risk and market risk (then being classified into business and non-business risks). The Group are also subject to various operational risks.

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

(ii) Risk management framework

Risk management structure

The Board of Directors is ultimately responsible for identifying and monitoring risks. However, each member shall be responsible for managing and monitoring risks.

Board of Directors

The Board of Directors is responsible for monitoring the overall risk management process within the Group.

Risk Management Committee

Risk Management Committee consults the Board of Directors in the promulgation of procedures and policies under their jurisdiction relating to risk management in the Group's activities.

Risk Management Committee analyses and provides warnings on the safety level of the Group against potential risks that may affect the Group's operations and preventive measures in the short-term as well as long-term.

Risk Management Committee reviews and evaluates the appropriateness and effectiveness of the risk management of procedures and policies of the Group to make recommendations to the Board of Directors on the improvement of procedures, policies and operations.

Supervisory Board

The Supervisory Board has the responsibility to control the overall risk management process within the Group.

Internal Audit

According to the annual internal audit plan, business processes throughout the Group are audited by the internal audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with the Board of Management, and reports its findings and recommendations to the Supervisory Board.

Risk measurement and reporting systems

The Group's risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models.

Monitoring and controlling risks is primarily carried out based on limits established by the Group in compliance with the SBV's regulations on safety. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group are willing to accept.

Information compiled from all business activities is examined and processed in order to analyse, control and early identify risks. This information is presented and explained to the Board of Directors, Supervisory Board, Board of Management and the Departments' Heads. The report includes aggregate credit exposure, credit metric forecasts, limit exceptions, liquidity ratios and risk profile changes. The Group's Management assesses the appropriateness of the allowance for credit losses on a quarterly basis. The Group's Management receives a comprehensive risk report quarterly which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

For all levels throughout the Group, specifically tailored risk reports are prepared and distributed in order to ensure that all business departments have access to extensive, necessary and up-to-date information.

Risk mitigation

The Group actively uses collaterals to reduce its exposure to credit risk.

Risk concentration

Risk concentrations arise when a number of customers of the Group are engaged in similar business activities, or activities in the same geographic area, or have similar economic features that would affect the group of customers' payment obligations or payment receipt rights when due under changes in economic, political or other conditions.

These above concentrations indicate the level of sensitivity of the banking activities to the developments of a particular industry or geographic area.

In order to avoid concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly. Selective hedging is used within the Group in respect of the industries and other related factors.

(b) Credit risk

The Group is exposed to credit risk from loans and investments as well as when the Group acts as an intermediary on behalf of customers or other third parties or when the Group grants guarantees. Risks when partners cannot afford to pay debts are monitored on an ongoing basis. To manage the level of credit risk, the Group deals only with partners with high creditworthiness and, when appropriate, will require collaterals. Main credit risk faced by the Group arises from loans and advances to customers of the Group. Level of credit risk is reflected in the carrying value of the assets on the balance sheet. In addition, the Group also faces off-balance sheet credit risk in the form of commitments to grant credit and guarantee.

Credit risk management

The Group controls and manages the credit risk by establishing credit limit based on the level of risk that the Group can accept with each customer, each geographical area and each industry, and by monitoring the risk on those levels.

The Group has established the credit quality review process that allows to early predict changes in the confidence level of customers, including review of collaterals regularly. The credit limit of each customers is established using the credit rating system in which each customer would be classified at each specific risk level. This level can be changed and updated regularly.

Collaterals

Collaterals are valued by an unit independent from the business units based on the market value at the valuation date. The collateral valuation is updated times once 12 months for real estates and once 6 months for movable assets.

The main types of collateral obtained are real estates, movable assets and valuable papers. Guidance to evaluate movable assets and real estates is being reviewed and updated to comply with the regulations of the SBV.

Commitments and guarantees

To meet the financial needs of customers, the Group enters into various irrevocable commitments and contingent liabilities. Commitments and guarantees are classified as credit risk.

Credit risk concentration

The level of credit risk concentration of the Group are managed by customer, according to the geographical and business sector.

Not considering collaterals, the Group's maximum exposure to credit risk at the reporting date was as follows:

	30/6/2016 VND million	31/12/2015 VND million
Credit risk exposures relating to on balance sheet items		
Balances with the State Bank of Vietnam	1,532,113	2,742,385
Deposits with and loans to other credit institutions – gross (i)	14,718,584	12,097,840
Trading securities – gross (ii)	922,956	922,956
Derivatives and other financial assets	103,963	39,044
Loans and advances to customers – gross (iii)	71,779,198	56,558,835
Purchases of debts – gross	8,690	8,690
Investment securities (ii)		
▪ Available-for-sale debt securities – gross	23,986,750	16,505,404
▪ Held-to-maturity securities – gross	4,455,761	5,011,604
Interest and fees receivable	2,653,004	1,916,536
Other receivables – gross	3,937,966	5,003,189
	124,098,985	100,806,483
Credit risk exposures relating to off-balance sheet items		
Credit commitments – gross	10,962	12,062
Letters of credit – gross	1,420,646	1,249,452
Other guarantees – gross	3,211,423	2,064,030
	4,643,031	3,325,544
	128,742,016	104,132,027

(i) Deposits with and loans to other credit institutions

Deposits with and loans to other credit institutions of the Group neither past due nor impaired are mainly held with well-known financial institutions. The Bank's Board of Management does not foresee any significant credit risk from these deposits and loans and does not expect that these financial institutions may default and cause losses to the Group.

(ii) Trading securities and investment securities

The Bank's Board of Management does not foresee any significant credit risk from these investments and does not expect that these financial institutions may default and cause losses to the Group.

(iii) Loans and advances to customers

Loans and advances to customers that are neither past due nor impaired are mostly from customers with good payment records with the Group.

An aging analysis of financial assets that are past due but not impaired at the reporting date was as follows:

As at 30 June 2016	From 10 to 90 days VND million	From 91 to 180 days VND million	Overdue From 181 to 360 days VND million	Over 360 days VND million	Total VND million
Loans and receivables					
Loans and advances to customers – gross	458,966	40,419	20,125	107,628	627,138
Other receivables – gross (*)	-	-	863,173	-	863,173
	458,966	40,419	883,298	107,628	1,490,311
<hr/>					
As at 31 December 2015	From 10 to 90 days VND million	From 91 to 180 days VND million	Overdue From 181 to 360 days VND million	Over 360 days VND million	Total VND million
Loans and receivables					
Loans and advances to customers – gross	125,149	31,563	19,151	108,579	284,442
	<hr/>				

(*) Overdue status of receivables relating to disposal of securities on credit is based on the payment terms of original contracts, regardless of the extension of the payment terms between the parties.

An aging analysis of financial assets that are impaired at the reporting date was as follows:

As at 30 June 2016	From 10 to 90 days VND million	From 91 to 180 days VND million	Overdue From 181 to 360 days VND million	Over 360 days VND million	Total VND million
Loans and advances to customers – gross	737,529	319,647	427,888	347,172	1,832,236
Purchases of debts – gross	-	-	-	8,690	8,690
Investment securities – gross	-	-	300,000	12	300,012
Other receivables – gross	-	-	-	113,342	113,342
	737,529	319,647	727,888	469,216	2,254,280

As at 31 December 2015	From 10 to 90 days VND million	From 91 to 180 days VND million	Overdue From 181 to 360 days VND million	Over 360 days VND million	Total VND million
Deposits with and loans to other credit institutions – gross	-	-	-	103,620	103,620
Loans and advances to customers – gross	1,062,545	256,842	316,710	164,247	1,800,344
Purchases of debts – gross	-	-	-	8,690	8,690
Other receivables – gross	10,221	-	-	81,773	91,994
	1,072,766	256,842	316,710	358,330	2,004,648

See Note 39 of the types and value of collaterals received from customers. The Group has not determined and presented fair values of the collaterals for overdue and impaired financial assets in these financial statements because there is currently no guidance on determination of fair value under Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the SBV in case quoted price in the market is not available. The fair values of these collaterals may differ from their carrying amounts.

(c) **Market risk**

Market risks are the risks that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity instruments, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and share prices.

(i) **Interest rate risk**

Interest rate risk is the risk that fair value or cash flows of financial instruments will fluctuate because of changes in the market interest rate. The Group will be exposed to the interest rate risk when there is a gap between maturity date or interest repricing date of assets, liabilities and off-balance sheet commitments in a specific period of time. The Group manages this risk by matching the dates of interest rate repricing of assets and liabilities.

Analysis of assets and liabilities based on actual interest rate repricing term

The actual term of interest rate repricing is the remaining period calculated from the reporting date to the next interest rate repricing term or the maturity term of assets and liabilities whichever is earlier.

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

- Cash, gold; derivatives and other financial assets; long-term investments; other assets (including fixed assets and other assets) and other liabilities are classified as non-interest bearing items.
- Balances with the State Bank of Vietnam are considered as current, interest rate repricing term is therefore considered within 1 month.
- The actual interest rate repricing term of investment debt securities are determined based on the actual maturity term of each type of securities at the reporting date.
- The actual interest rate repricing term of deposits with and loans to other credit institutions; loans and advances to customers; deposits and borrowings from other credit institutions and deposits from customers are determined as follows:
 - Items which bear fixed interest rate for the entire contractual term: the actual interest rate repricing term is determined based on the remaining contractual term calculated from the reporting date.
 - Items which bear floating interest rate: the actual interest rate repricing term is determined based on the next interest rate repricing term subsequent to the reporting date.
- The actual interest rate repricing term of valuable papers issued is determined based on the remaining maturity term of each valuable paper.

The following tables show the Group's assets and liabilities categorised by the earlier of interest rate repricing date and contractual maturity date at the reporting date.

Ho Chi Minh City Development Joint Stock Commercial Bank
HD Tower Building, 25 Bis Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City, Vietnam
Notes to the consolidated financial statements for the six-month period ended 30 June 2016 (continued)

Form B05a/TCTD-HN
(Issued under Circular No. 49/2014/TT-NHNN dated 31 December 2014)

As at 30 June 2016	Overdue VND million	Free of interest VND million	Less than 1 month VND million	From 1 to 3 months VND million	From over 3 to 6 months VND million	From over 6 to 12 months VND million	From over 1 to 5 years VND million	Over 5 years VND million	Total VND million
Assets									
Cash on hand, gold	-	1,569,671	-	-	-	-	-	-	1,569,671
Balances with the SBV	-	-	1,532,113	-	-	-	-	-	1,532,113
Deposits with and loans to other credit institutions – gross	-	-	11,338,664	2,194,920	1,185,000	-	-	-	14,718,584
Trading securities – gross	-	-	-	-	400,000	522,956	-	-	922,956
Derivatives and other financial assets	-	103,963	-	-	-	-	-	-	103,963
Loans and advances to customers – gross	2,459,374	-	4,107,012	60,269,077	933,435	2,271,987	1,738,313	-	71,779,198
Purchases of debts – gross	8,690	-	-	-	-	-	-	-	8,690
Investment securities – gross	300,012	2,955,909	1,625,103	851,387	1,816,062	2,189,640	15,453,703	3,450,656	28,642,472
Capital contribution, long-term investments – gross	-	547,032	-	-	-	-	-	-	547,032
Fixed assets	-	752,724	-	-	-	-	-	-	752,724
Investment properties	-	62,413	-	-	-	-	-	-	62,413
Other assets – gross	976,515	4,109,143	123,003	1,546,142	48,103	618,435	2,649,762	113,139	10,184,242
	3,744,591	10,100,855	18,725,895	64,861,526	4,382,600	5,603,018	19,841,778	3,563,795	130,824,058
Liabilities									
Borrowings from the Government and the State Bank of Vietnam	-	-	-	221,763	-	-	-	-	221,763
Deposits and borrowings from other credit institutions	-	-	8,541,986	1,188,000	1,087,857	478,268	444,900	-	11,741,011
Deposits from customers	-	176,303	33,578,569	15,319,209	13,275,053	23,295,725	7,521,668	830	93,167,357
Grants, entrusted funds, loans exposed to risks	-	-	12,103	2,799,744	-	-	-	-	2,811,847
Valuable papers issued	-	-	-	110,000	1,730,000	2,844,000	2,811,000	1,500,000	8,995,000
Other liabilities	-	2,679,617	-	14,400	-	-	-	-	2,694,017
	-	2,855,920	42,132,658	19,653,116	16,092,910	26,617,993	10,777,568	1,500,830	119,630,995
Interest sensitivity gap of balance sheet items	3,744,591	7,244,935	(23,406,763)	45,208,410	(11,710,310)	(21,014,975)	9,064,210	2,062,965	11,193,063
Interest sensitivity gap of off-balance sheet items	-	(4,474,905)	-	-	-	-	-	-	(4,474,905)
Total interest sensitivity gap	3,744,591	2,770,030	(23,406,763)	45,208,410	(11,710,310)	(21,014,975)	9,064,210	2,062,965	6,718,158

Ho Chi Minh City Development Joint Stock Commercial Bank
HD Tower Building, 25 Bis Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City, Vietnam
Notes to the consolidated financial statements for the six-month period ended 30 June 2016 (continued)

Form B05a/TCITD-HN
(Issued under Circular No. 49/2014/TT-NHNN dated 31 December 2014)

As at 31 December 2015

Assets	Overdue VND million	Free of interest VND million	From 1 to 3 months VND million	From over 3 to 6 months VND million	From over 6 to 12 months VND million	From over 1 to 5 years VND million	Over 5 years VND million	Total VND million
Cash on hand, gold	-	1,472,407	-	-	-	-	-	1,472,407
Balances with the SBV	-	-	-	-	-	-	-	2,742,385
Deposits with and loans to other credit institutions – gross	103,620	-	5,632,805	50,000	750,000	-	-	12,097,840
Trading securities – gross	-	922,956	-	-	-	-	-	922,956
Derivatives and other financial assets	-	39,044	-	-	-	-	-	39,044
Loans and advances to customers – gross	1,625,630	-	48,533,429	396,815	1,891,331	1,684,853	-	56,558,835
Purchases of debts – gross	8,690	-	-	-	-	-	-	8,690
Investment securities – gross	-	3,212,613	400,410	303,543	826,030	14,023,273	2,310,376	21,716,969
Capital contribution, long-term investments – gross	-	-	-	-	-	-	-	530,192
Fixed assets	-	805,214	-	-	-	-	-	805,214
Investment properties	-	64,838	-	-	-	-	-	64,838
Other assets – gross	-	7,418,881	126,078	159,129	768,074	2,322,884	9,224	11,015,220
Liabilities	1,737,940	14,466,145	54,692,722	909,487	4,235,435	18,031,010	2,319,600	107,974,590
Borrowings from the Government and the State Bank of Vietnam	-	-	300,379	3,301	2,759	205,059	42,770	2,488,321
Deposits and borrowings from other credit institutions	-	-	1,677,460	1,201,450	178,505	-	-	6,594,931
Deposits from customers	-	3,537,516	14,844,613	12,906,547	17,189,466	3,869,465	694	74,542,719
Grants, entrusted funds, loans exposed to risks	-	-	-	8,539	5,016	5,821	2,803,187	2,822,563
Valuable papers issued	-	101,000	200,000	435,000	1,876,000	3,735,000	1,500,000	7,847,000
Other liabilities	-	2,348,722	-	-	-	-	-	2,348,722
Interest sensitivity gap of balance sheet items	-	2,348,722	17,022,452	14,554,837	19,251,746	7,815,345	4,346,651	96,644,256
Interest sensitivity gap of off-balance sheet items	1,737,940	12,117,423	37,670,270	(13,645,350)	(15,016,311)	10,215,665	(2,027,051)	11,330,334
Total interest sensitivity gap	1,737,940	8,995,545	(19,722,252)	(13,645,350)	(15,016,311)	10,215,665	(2,027,051)	8,208,456

The following table shows the actual interest rates of interest bearing financial instruments with different terms and currencies:

As at 30 June 2016	Overdue	Current	Less than 1 month	From 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years
Assets								
Balances with the SBV								
▪ VND	(*)	(*)	1.20%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	(*)	(*)	0.05%	(*)	(*)	(*)	(*)	(*)
Deposits with and loans to other credit institutions								
▪ VND	(*)	(*)	1.30% - 11.00%	3.00% - 5.20%	3.80% - 11.00%	11.00%	(*)	(*)
▪ Foreign currencies	(*)	(*)	0.60% - 1.30%	1.00% - 1.20%	(*)	(*)	(*)	(*)
Trading securities								
▪ VND	(*)	(*)	(*)	(*)	9.50%	12.00%	(*)	(*)
Loans and advances to customers								
▪ VND (**)	0.00% - 79.02%	(*)	0.00% - 79.02%	0.00% - 79.02%	(*)	(*)	(*)	(*)
▪ Foreign currencies	2.20% - 7.45%	(*)	2.00% - 5.50%	1.20% - 8.50%	(*)	(*)	(*)	(*)
Purchases of debts								
▪ VND	18.50% - 23.90%	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Investment securities								
▪ VND	8.60% - 10.00%	(*)	8.50% - 12.50%	6.60% - 14.00%	8.75% - 10.50%	6.00% - 10.00%	5.00% - 9.50%	6.00% - 8.90%
Liabilities								
Borrowings from the Government and the State Bank of Vietnam								
▪ VND	(*)	(*)	(*)	5.64% - 5.88%	(*)	(*)	(*)	(*)
Deposits and borrowings from other credit institutions								
▪ VND	(*)	(*)	1.20% - 5.30%	2.40% - 4.80%	3.80% - 4.20%	(*)	(*)	(*)
▪ Foreign currencies	(*)	(*)	0.10% - 0.80%	(*)	(*)	(*)	(*)	(*)
Deposits from customers								
▪ VND	(*)	(*)	0.70% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	0.00% - 9.50%	5.00% - 9.50%	6.70% - 9.00%
▪ Foreign currencies	(*)	(*)	0.00% - 1.30%	0.00% - 1.30%	0.00% - 1.60%	0.00% - 1.60%	0.00% - 0.75%	(*)
Grants, entrusted funds, loans exposed to risks								
▪ VND	(*)	(*)	7.32%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	(*)	(*)	0.75%	1.18%	(*)	(*)	(*)	(*)
Valuable papers issued								
▪ VND	(*)	(*)	(*)	(*)	8.20%	8.15% - 8.40%	7.20% - 8.35%	7.70% - 8.50%

Ho Chi Minh City Development Joint Stock Commercial Bank
HD Tower Building, 25 Bis Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City, Vietnam
Notes to the consolidated financial statements for the six-month period ended 30 June 2016 (continued)

Form B05a/TCCTD-HN
(Issued under Circular No. 49/2014/TT-NHNN dated 31 December 2014)

As at 31 December 2015

	Overdue	Current	Less than 1 month	From 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years
Assets								
Balances with the SBV								
▪ VND	(*)	(*)	1.20%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	(*)	(*)	0.05%	(*)	(*)	(*)	(*)	(*)
Deposits with and loans to other credit institutions								
▪ VND	(*)	(*)	4.90% - 5.20%	3.90% - 5.50%	4.30% - 5.70%	5.00% - 11.00%	(*)	(*)
▪ Foreign currencies	(*)	(*)	(*)	0.60% - 1.00%	1.00% - 1.20%	(*)	(*)	(*)
Trading securities								
▪ VND	(*)	(*)	(*)	(*)	9.50%	12.00%	(*)	(*)
Loans and advances to customers								
▪ VND (**)	0.00% - 79.02%	(*)	0.00% - 79.02%	0.00% - 79.02%	(*)	(*)	(*)	(*)
▪ Foreign currencies	5.30% - 8.50%	(*)	2.00% - 6.00%	1.45% - 7.50%	(*)	(*)	(*)	(*)
Purchases of debts								
▪ VND	18.50% - 23.90%	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Investment securities								
▪ VND	(*)	(*)	6.80% - 8.60%	6.10% - 11.50%	7.60% - 9.00%	8.75% - 14.00%	5.00% - 12.20%	7.30% - 9.50%
Liabilities								
Borrowings from the Government and the State Bank of Vietnam								
▪ VND	(*)	(*)	5.00%	5.00%	5.00%	5.00%	5.64%	5.64% - 5.88%
Deposits and borrowings from other credit institutions								
▪ VND	(*)	(*)	4.95% - 5.20%	4.40% - 5.20%	4.60% - 6.00%	(*)	(*)	(*)
▪ Foreign currencies	(*)	(*)	(*)	0.30% - 0.70%	(*)	(*)	(*)	(*)
Deposits from customers								
▪ VND	(*)	(*)	5.00% - 9.50%	5.40% - 11.00%	5.10% - 10.50%	0.00% - 9.50%	0.00% - 9.50%	6.70% - 9.00%
▪ Foreign currencies	(*)	(*)	0.70% - 1.30%	0.00% - 1.30%	0.00% - 1.60%	0.00% - 2.40%	0.25% - 1.00%	(*)
Grants, entrusted funds, loans exposed to risks								
▪ VND	(*)	(*)	(*)	(*)	7.32%	7.32%	7.32%	7.32%
▪ Foreign currencies	(*)	(*)	(*)	(*)	(*)	(*)	(*)	0.75% - 1.80%
Valuable papers issued								
▪ VND	(*)	(*)	(*)	(*)	(*)	8.20%	7.20% - 8.40%	7.70% - 8.50%

(*) Balances of these terms at the period-end/year-end were nil.

(**) Interest rates ranges from 37.50% to 79.02% are interest rates of HD SAISON.

(ii) **Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates to VND, the Group's accounting currency.

The Group was established and operates in Vietnam. All financial assets and liabilities of the Group are denominated mainly in VND, partially in USD, EUR and gold. However, some other financial assets and liabilities of the Group are denominated in foreign currencies other than VND, USD, EUR and gold. The Group sets limits on the level of exposure by each currency. The currency position is monitored daily and the Group takes risk mitigation actions to ensure that the currency position is within the set limit.

The followings are the significant exchange rates applied by the Group at the reporting date:

	Exchange rate as at	
	30/6/2016	31/12/2015
USD/VND	21,873	21,890
EUR/VND	24,654	24,489
XAU/VND (one tenth of a tael)	3,490,000	3,255,000

Ho Chi Minh City Development Joint Stock Commercial Bank
HD Tower Building, 25 Bis Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City, Vietnam
Notes to the consolidated financial statements for the six-month period ended 30 June 2016 (continued)

Form B05a/TCTD-HN
(Issued under Circular No. 49/2014/TT-NHNN dated 31 December 2014)

As at 30 June 2016	USD VND million	Gold VND million	EUR VND million	Other currencies VND million	Total VND million
Assets					
Cash on hand, gold	404,503	17,085	185,709	199,123	806,420
Balances with the SBV	62,421	-	-	-	62,421
Deposits with and loans to other credit institutions – gross	3,029,709	-	3,134,776	50,821	6,215,306
Loans and advances to customers – gross	4,085,013	513	-	-	4,085,526
Other assets – gross	65,286	-	136,985	11	202,282
	7,646,932	17,598	3,457,470	249,955	11,371,955
Liabilities and equity					
Deposits and borrowings from other credit institutions	1,682,808	-	-	-	1,682,808
Deposits from customers	2,095,341	-	98,317	79,606	2,273,264
Derivatives and other financial liabilities	736,521	-	3,339,458	139,944	4,215,923
Grants, entrusted funds, loans exposed to risks	2,801,010	-	-	-	2,801,010
Other liabilities	21,643	228	2,816	18,255	42,942
	7,337,323	228	3,440,591	237,805	11,015,947
FX position on-balance sheet	309,609	17,370	16,879	12,150	356,008
FX position off-balance sheet	(1,812,609)	-	3,341,093	143,102	1,671,586
FX position on and off-balance sheet	(1,503,000)	17,370	3,357,972	155,252	2,027,594

As at 31 December 2015	USD VND million	Gold VND million	EUR VND million	Other currencies VND million	Total VND million
Assets					
Cash on hand, gold	403,354	12,751	294,790	122,003	832,898
Balances with the SBV	248,565	-	-	-	248,565
Deposits with and loans to other credit institutions – gross	2,503,962	-	12,319	24,313	2,540,594
Derivatives and other financial assets	369,850	-	-	-	369,850
Loans and advances to customers – gross	2,950,708	537	-	-	2,951,245
Other assets – gross	58,778	-	-	3,925	62,703
	6,535,217	13,288	307,109	150,241	7,005,855
Liabilities and equity					
Deposits and borrowings from other credit institutions	701,415	-	-	-	701,415
Deposits from customers	3,073,282	-	130,723	79,137	3,283,142
Derivatives and other financial liabilities	-	-	171,423	22,375	193,798
Grants, entrusted funds, loans exposed to risks	2,803,187	-	-	-	2,803,187
Other liabilities	14,072	220	2,877	29,235	46,404
	6,591,956	220	305,023	130,747	7,027,946
FX position on-balance sheet	(56,739)	13,068	2,086	19,494	(22,091)
FX position off-balance sheet	(162,355)	-	-	(13,081)	(175,436)
	(219,094)	13,068	2,086	6,413	(197,527)
FX position on and off-balance sheet					

Below is the analysis of impact to net profit of the Group after consideration the current foreign exchange rate and the fluctuations in the past as well as market expectation as at the reporting date.

	Effect to net profit VND million
As at 30 June 2016	
USD (weakening by 1%)	12,024
EUR (strengthening by 1%)	26,864
XAU (strengthening by 7%)	973
<hr/>	
As at 31 December 2015	
USD (strengthening by 3%)	(5,127)
EUR (weakening by 5%)	(81)
XAU (weakening by 7%)	(714)
<hr/>	

The opposite movement of the currencies would have the equal but opposite effect to the net profit of the Group as at 30 June 2016 and 31 December 2015.

(iii) Equity price risk

Equity price risk is the risk that the market value of securities decreases due to changes in value of individual securities. Equity price risk mainly derives from available-for-sale equity investments of the Group.

Available-for-sale equity investments of the Group bear the equity price risk incurred from the uncertainties in fluctuation of equity price in the future of these securities. The Group manages the equity price risk by diversification and prudence in selection of investment securities within the approved limit.

(iv) Sensitivity analysis

Changes in market risks can result in increase/decrease of profit which the Group has recognised.

The sensitivity assessment of market risk can be made based on changes to main risk factors such as interest rate, currency exchange rate and share prices while other factors are kept constant. The Group will analyse and present the sensitivity analysis of its market risks when it has detailed guidance from the regulators.

(d) Liquidity risk

Liquidity risk is the risk that the Group has difficulties in performing obligations for financial liabilities at the maturity dates or the Group may suffer significant losses when performing those obligations.

To reduce the liquidity risk, the Group mobilises from various sources beside the basic capital resources of the Group and the Group should have flexible liquid asset management policies, monitor the future cash flows and daily liquidity. The Group also evaluates the expected cash flows and availability of current collateral assets in case of mobilising more capital.

The following assumptions and conditions are applied in analysing the maturity of assets and liabilities of the Group:

- Balances with the SBV is classified as demand deposits, in which statutory reserve deposit is included. The balance of statutory reserve deposit depends on elements and term of deposits from customers of the Group.
- The maturity of deposits with and loans to other credit institutions, derivatives and other financial assets and loans and advances to customers are defined based on the contractual due date. The actual maturity date can be changed as the loan contracts are extended.
- The maturity of investment securities is based on the maturity date of each security.
- The maturity of capital contribution, long-term investments is categorised over 5 years because these investments do not have exact maturity date and the Group has intention to hold them for long-term.
- The maturity of fixed assets is defined by the remaining useful time of assets.
- The maturity of deposits and borrowings from other credit institutions and deposits from customers is defined based on the characteristic of each item or the due date specified in the contracts. Demand deposits from other credit institutions and customers are performed as requirement of customers and categorised as call deposit. The maturity for loans and term deposits are defined based on contractual maturity date. In practice, the actual maturities of those assets and liabilities may be longer than the original contractual term due to rollover.

Below is the analysis of assets and liabilities of the Group classified into groups based on the remaining terms from the reporting date until the maturity date. In reality, the maturity date of assets and liabilities might be different from commitments, depends on the appendices signed.

Ho Chi Minh City Development Joint Stock Commercial Bank
HD Tower Building, 25 Bis Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City, Vietnam
Notes to the consolidated financial statements for the six-month period ended 30 June 2016 (continued)

Form B05a/TCTD-HN
(Issued under Circular No. 49/2014/TT-NHNN dated 31 December 2014)

As at 30 June 2016	Overdue		Up to 1 month VND million	From over 1 to 3 months VND million	Current From over 3 to 12 months VND million	From over 1 to 5 years VND million	Over 5 years VND million	Total VND million
	Overdue over 3 months VND million	Overdue up to 3 months VND million						
Assets								
Cash on hand, gold	-	-	1,569,671	-	-	-	-	1,569,671
Balances with the SBV	-	-	1,532,113	-	-	-	-	1,532,113
Deposits with and loans to other credit institutions – gross	-	-	11,285,799	2,247,785	1,185,000	-	-	14,718,584
Trading securities – gross	-	-	-	-	-	522,956	400,000	922,956
Derivatives and other financial assets	-	-	101,652	1,301	1,010	-	-	103,963
Loans and advances to customers – gross	1,262,880	1,196,494	4,131,411	6,272,015	18,614,081	25,343,397	14,958,920	71,779,198
Purchases of debts – gross	8,690	-	-	-	-	-	-	8,690
Investment securities – gross	300,012	-	199,960	251,387	2,091,190	20,849,266	4,950,657	28,642,472
Capital contribution, long-term investments – gross	-	-	-	-	-	-	547,032	547,032
Fixed assets	-	-	229,676	29	99	89,606	433,314	752,724
Investment properties	-	-	-	-	-	-	62,413	62,413
Other assets – gross	976,515	-	800,229	356,540	1,279,015	4,120,508	2,651,435	10,184,242
	2,548,097	1,196,494	19,850,511	9,129,057	23,170,395	50,925,733	24,003,771	130,824,058
Liabilities								
Borrowings from the Government and the State Bank of Vietnam	-	-	28	193	7,903	185,112	28,527	221,763
Deposits and borrowings from other credit institutions	-	-	8,513,186	1,216,800	1,566,125	444,900	-	11,741,011
Deposits from customers	-	-	33,754,872	15,319,209	36,570,778	7,521,668	830	93,167,357
Grants, entrusted funds, loans exposed to risks	-	-	-	4,146	3,020	3,671	2,801,010	2,811,847
Valuable papers issued	-	-	-	110,000	4,574,000	2,811,000	1,500,000	8,995,000
Other liabilities	-	-	667,827	504,187	1,120,070	238,231	163,702	2,694,017
	-	-	42,935,913	17,154,535	43,841,896	11,204,582	4,494,069	119,630,995
Net liquidity gap	2,548,097	1,196,494	(23,085,402)	(8,025,478)	(20,671,501)	39,721,151	19,509,702	11,193,063

Ho Chi Minh City Development Joint Stock Commercial Bank
HD Tower Building, 25 Bis Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City, Vietnam
Notes to the consolidated financial statements for the six-month period ended 30 June 2016 (continued)

Form B05a/TCTD-HN
(Issued under Circular No. 49/2014/TT-NHNN dated 31 December 2014)

As at 31 December 2015	Overdue		Up to 1 month VND million	From over 1 to 3 months VND million	Current		From over 1 to 5 years VND million	Over 5 years VND million	Total VND million
	Overdue over 3 months VND million	Overdue up to 3 months VND million			From over 3 to 12 months VND million	From over 1 to 5 years VND million			
Assets									
Cash on hand, gold	-	-	1,472,407	-	-	-	-	-	1,472,407
Balances with the SBV	-	-	2,742,385	-	-	-	-	-	2,742,385
Deposits with and loans to other credit institutions – gross	103,620	-	5,561,415	5,632,805	800,000	-	-	-	12,097,840
Trading securities – gross	-	-	-	-	922,956	-	-	-	922,956
Derivatives and other financial assets	-	-	(938)	41,658	(1,676)	-	-	-	39,044
Loans and advances to customers – gross	763,027	862,603	2,900,498	5,178,031	16,120,421	18,405,942	12,328,313	56,558,835	
Purchases of debts – gross	8,690	-	-	-	-	-	-	-	8,690
Investment securities – gross	-	-	18,486	552	7,214	192,967	530,192	585,995	805,214
Capital contribution, long-term investments – gross	-	-	-	-	-	-	-	64,838	64,838
Fixed assets	-	-	-	-	-	-	-	542,226	542,226
Investment properties	-	-	-	-	-	-	-	-	-
Other assets – gross	81,773	10,221	1,398,952	920,903	2,482,984	5,578,161	17,035,925	2,310,376	21,716,969
	957,110	872,824	14,933,890	12,174,359	21,461,472	41,212,995	16,361,940	107,974,590	
Liabilities									
Borrowings from the Government and the State Bank of Vietnam	-	-	1,934,053	300,379	6,060	205,059	42,770	-	2,488,321
Deposits and borrowings from other credit institutions	-	-	3,537,516	1,677,460	1,379,955	-	-	-	6,594,931
Deposits from customers	-	-	25,731,934	14,844,613	30,096,013	3,869,465	694	-	74,542,719
Grants, entrusted funds, loans exposed to risks	-	-	-	-	13,555	5,821	2,803,187	-	2,822,563
Valuable papers issued	-	-	101,000	200,000	2,311,000	3,735,000	1,500,000	-	7,847,000
Other liabilities	-	-	618,102	561,309	896,417	171,741	101,153	-	2,348,722
	-	-	31,922,605	17,583,761	34,703,000	7,987,086	4,447,804	-	96,644,256
Net liquidity gap	957,110	872,824	(16,988,715)	(5,409,402)	(13,241,528)	33,225,909	11,914,136	11,330,334	



(d) **Fair value versus carrying amount**

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

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the consolidated balance sheet at the reporting date, were as follows:

	30/6/2016		31/12/2015	
	Carrying amount VND million	Fair value VND million	Carrying amount VND million	Fair value VND million
<i>Categorised as financial assets at fair value through profit or loss:</i>				
- Derivatives and other financial assets	103,963	(*)	39,044	(*)
- Trading securities	916,034	(*)	916,034	(*)
<i>Categorised as held-to-maturity investments:</i>				
- Government bonds without quoted prices	12	(*)	12	(*)
- Other held-to-maturity securities	4,004,046	(*)	4,624,464	(*)
<i>Categorised as loans and receivables:</i>				
- Balances with the SBV	1,532,113	1,532,113	2,742,385	2,742,385
- Deposits with and loans to other credit institutions	14,718,584	(*)	11,994,220	(*)
- Loans and advances to customers	70,815,074	(*)	55,853,240	(*)
- Purchases of debts	5,489	(*)	5,489	(*)
- Receivables	3,896,474	(*)	4,964,200	(*)
- Interest and fees receivable	2,653,004	(*)	1,916,536	(*)
<i>Categorised as available-for-sale financial assets:</i>				
- Government bonds with quoted prices	14,815,681	14,880,458	-	-
- Government bonds without quoted prices	3,326,972	(*)	10,109,405	(*)
- Shares with quoted prices	109,477	111,624	118,469	120,738
- Other available-for-sale securities	5,673,844	(*)	6,345,365	(*)
- Capital contribution, long-term investments	435,119	(*)	419,118	(*)

	30/6/2016		31/12/2015	
	Carrying amount VND million	Fair value VND million	Carrying amount VND million	Fair value VND million
<i>Categorised as financial liabilities carried at amortised cost:</i>				
- Borrowings from the Government and the State Bank of Vietnam	221,763	(*)	2,488,321	(*)
- Deposits and borrowings from other credit institutions	11,741,011	(*)	6,594,931	(*)
- Deposits from customers	93,167,357	(*)	74,542,719	(*)
- Grants, entrusted funds, loans exposed to risks	2,811,847	(*)	2,822,563	(*)
- Valuable papers issued	8,995,000	(*)	7,847,000	(*)
- Interest and fees payable	1,918,512	(*)	1,744,418	(*)
- Other liabilities	244,609	(*)	228,249	(*)

(*) The Group has not determined fair values of these financial instruments for disclosure in these financial statements because there is no quoted price in the market for these financial instruments, and currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the SBV and relevant statutory requirements applicable to financial reporting. The fair values of these financial instruments may differ from their carrying amounts.

45. Lease commitments

At the reporting date, the future minimum lease payments under non-cancellable operating leases were as follows:

	30/6/2016 VND million	31/12/2015 VND million
Within one year	160,552	150,063
Over one year to five years	394,451	389,096
More than five years	603,667	611,821
	1,158,670	1,150,980

46. Seasonality or cyclical factors

The Group's consolidated interim financial statements are not affected by seasonality or cyclical factors except for the followings:

(a) Allowance for special bonds issued by VAMC

As described in Note 3(j)(iii), the Group makes specific allowance with the minimum amount of positive difference between 20% par value of each special bond less the recovered amount of related bad debts during the year. Annually within 5 consecutive working days prior the due date of special bonds, the Group makes specific allowance once as mentioned above for these special bonds.

(b) Taxation

In accordance with the current tax regulations, corporate income tax is computed and finalised at the year-end. The corporate income tax for the six-month period is calculated by applying the tax rate of 20% to an interim taxable profit.

(c) Foreign exchange differences

As described in Note 3(b) and 3(e), unrealised foreign exchange differences are recognised in the foreign exchange revaluation reserve on the balance sheet at each month-end and are transferred to the consolidated statement of income at the end of annual accounting period.

(d) Statutory reserves

The Group is required to make allocations to reserves to supplement charter capital and financial reserve annually. The Group only makes allocations to the statutory reserves at end of annual accounting period.

47. Changes in accounting estimates


There was no significant change in accounting estimates in these consolidated interim financial statements compared to those made in the most recent annual consolidated financial statements.

48. Unusual items

Except for seasonality or cyclical factors as described in Note 46, there was no significant unusual item incurred during the interim period.

49. Changes in the Group's structure

From 1 January 2016 to the date of issuance of these consolidated interim financial statements, there was no significant change in the Group's structure.

Prepared by: 



Ho Dang Hoang Quyen
Chief Accountant

29 September 2016

Reviewed by: 



Pham Van Dau
Finance Director



Nguyen Huu Dang
General Director

