

Ho Chi Minh City Development Joint Stock Bank

Interim separated financial statements

30 June 2017



Ho Chi Minh City Development Joint Stock Bank

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Ho Chi Minh City Development Joint Stock Bank

GENERAL INFORMATION

THE BANK

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

The Bank was established and operates in accordance with Decision No. 47/QD-UB issued by the People's Committee of Ho Chi Minh City on 11 February 1989 and Banking License No. 00019/NH-GP issued by the State Bank of Vietnam ("the SBV") on 6 June 1992.

The Bank's principal activities are to provide banking services including mobilizing and receiving short, medium and long-term deposits from organizations and individuals; making short, medium and long-term loans to organizations and individuals based on the nature and capability of the Bank's capital resources; conducting foreign currency transactions; providing international trade finance services, discounting of commercial notes, bonds and valuable papers; providing settlement services and other banking services as allowed by the SBV.

BOARD OF DIRECTORS

Members of the Board of Directors of the Bank during the period and as at the date of this report are as follows:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/ reappointment</i>
Ms. Le Thi Bang Tam	Chairwoman	Re-appointment on 21 April 2017
Ms. Nguyen Thi Phuong Thao	Standing Vice Chairwoman	Re-appointment on 21 April 2017
Mr. Luu Duc Khanh	Vice Chairman	Re-appointment on 21 April 2017
Mr. Nguyen Thanh Do	Vice Chairman	Appointment on 21 April 2017
Mr. Nguyen Huu Dang	Member	Re-appointment on 21 April 2017
Mr. Chu Viet Cuong	Member	Re-appointment on 21 April 2017
Ms. Nguyen Thi Tam	Member	Re-appointment on 21 April 2017
Mr. Lim Peng Khoon	Member	Re-appointment on 21 April 2017
Mr. Ly Vinh Quang	Independent Member	Appointment on 21 April 2017

THE BOARD OF SUPERVISION

The members of the Board of Supervision of the Bank during the period and as at the date of this report are as follows:

<i>Name</i>	<i>Position</i>	<i>Date of reappointment</i>
Mr. Dao Duy Tuong	Chief Supervisor	Re-appointment on 21 April 2017
Ms. Nguyen Thi Phung	Member	Re-appointment on 21 April 2017
Ms. Nguyen Thi Tich	Member	Re-appointment on 21 April 2017

THE BOARD OF MANAGEMENT, CHIEF FINANCIAL OFFICER AND CHIEF ACCOUNTANT

The members of the Board of Management, Chief Financial Officer and Chief Accountant of the Bank during the period and as at the date of this report are as follows:

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Mr. Nguyen Huu Dang	General Director	Appointment on 22 October 2010
Ms. Nguyen Doan Duy Ai	Deputy General Director	Appointment on 15 August 2007
Mr. Pham Quoc Thanh	Deputy General Director	Appointment on 11 March 2013
Mr. Nguyen Minh Duc	Deputy General Director	Appointment on 30 December 2013
Mr. Le Thanh Tung	Deputy General Director	Appointment on 16 September 2009
Mr. Pham Thien Long	Deputy General Director	Appointment on 5 April 2011
Mr. Le Thanh Trung	Deputy General Director	Appointment on 15 February 2012
Mr. Tran Hoai Nam	Deputy General Director	Appointment on 27 February 2012
Mr. Tran Thai Hoa	Deputy General Director	Appointment on 27 May 2015
Mr. Pham Van Dau	Chief Financial Officer	Appointment on 16 September 2009
Ms. Ho Dang Hoang Quyen	Chief Accountant	Appointment on 7 July 2011

Ho Chi Minh City Development Joint Stock Bank

GENERAL INFORMATION (continued)

LEGAL REPRESENTATIVE

The legal representative of the Bank for the six-month period ended 30 June 2017 and at the date of this report is Mr. Nguyen Huu Dang - General Director.

AUDITORS

The auditor of the Bank is Ernst & Young Vietnam Limited.

Ho Chi Minh City Development Joint Stock Bank

REPORT OF MANAGEMENT

The Board of Management of Ho Chi Minh Development Joint Stock Bank ("the Bank") is pleased to present this report and the interim separate financial statements of the Bank for the six-month period ended 30 June 2017.

THE BOARD OF MANAGEMENT'S RESPONSIBILITY FOR THE INTERIM SEPARATE FINANCIAL STATEMENTS.

The Board of Management is responsible for the interim separate financial statements of each financial period which give a true and fair view of the interim financial position of the Bank and of the interim results of its operations and its interim cash flows for the period. In preparing those interim separate financial statements, the Board of Management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent
- ▶ state whether applicable account standards have been followed subject to any material departures disclosed and explained in the interim separate financial statements; and
- ▶ prepare the interim separate financial statements on the going basis unless it is inappropriate to presume that the Bank will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim separate financial position of the Bank and to ensure that the accounting records comply with the applied accounting system. Management is also responsible for safeguarding assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirmed that it has complied with the above requirements in preparing the accompanying interim separate financial statements.

STATEMENT BY THE BOARD OF MANAGEMENT

The Board of Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Bank as at 30 June 2017 and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Accounting System for Credit Institutions, regulations stipulated by the State Bank of Vietnam and statutory requirements relevant to preparation and presentation of the interim separate financial statements.

On behalf of The Board of Management



Mr Nguyen Huu Dang
General Director

Ho Chi Minh City, Vietnam

4 October 2017

Reference: 60752693/19309533

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The Shareholders of Ho Chi Minh City Development Joint Stock Bank

We have reviewed the accompanying interim separate financial statements of Ho Chi Minh City Development Joint Stock Bank ("the bank"), as prepared on 4 October 2017 and set out on pages 6 to 83 which comprise the interim separate balance sheet as at 30 June 2017, the interim separate income statement and the interim separate cash flows statement for the six-month period then ended and the notes thereto.

The Board of Management's responsibility

The Board of Management of the Bank is responsible for the preparation and fair presentation of the interim separate financial statements in accordance with the Vietnamese Accounting Standards, Accounting System for Credit Institutions, regulations stipulated by the State Bank of Vietnam and the statutory requirements relevant to the preparation and presentation of the interim separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of interim separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Bank as at 30 June 2017, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Accounting System for Credit Institutions, regulations stipulated by the State Bank of Vietnam and the statutory requirements relevant to the preparation and presentation of the interim separate financial statements.

Other matter

The separate financial statements of the Bank for the year ended 31 December 2016 were audited by another firm which expressed an unmodified opinion on those financial statements on 31 March 2017. Moreover, the interim separate financial statements of the Bank for the six month period ended 30 June 2016 were also reviewed by this audit firm which expressed unmodified conclusion on those interim separate financial statements on 29 September 2016.

The Bank has subsidiaries as presented at *Note 14.1* to the interim separate financial statements and has prepared the interim consolidated financial statements in accordance with Vietnamese Accounting Standards, Accounting System for Credit Institutions, regulations stipulated by the State Bank of Vietnam and statutory requirements relevant to preparation and presentation of interim consolidated financial statements. These interim consolidated financial statements have been issued independently from the interim separate financial statements of the Bank dated 4 October 2017. The users of interim separate financial statements should read these interim separate financial statements together with the interim consolidated financial statements of the Bank and its subsidiaries in order to obtain adequate information on the interim consolidated financial position of the Bank and its subsidiaries, the interim consolidated results of their operations and their interim consolidated cash flows.

Ernst & Young Vietnam Limited



Đang Phương Hà
Deputy General Director
Audit Practicing Registration Certificate
No. 2400-2013-004-1

Ho Chi Minh City, Vietnam

4 October 2017

Ho Chi Minh City Development Joint Stock Bank

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2017

B02a/TCTD

	Notes	30 June 2017 VND million	31 December 2016 VND million
ASSETS			
Cash and gold	5	1,345,149	1,600,939
Balances with the State Bank of Vietnam	6	5,514,868	2,082,408
Placements with and loans to other credit institutions		22,853,612	19,002,925
Placements with other credit institutions	7.1	19,459,655	15,294,192
Loans to other credit institutions	7.2	3,393,957	3,708,733
Trading securities	8	397,000	396,937
Trading securities		400,000	400,000
Provision for trading securities		(3,000)	(3,063)
Derivatives and other financial assets	9	-	11,195
Loans and advances to customers		87,326,274	73,536,606
Loans and advances to customers	10	88,103,048	74,206,546
Provision for credit losses of loans to customers	12	(776,774)	(669,940)
Debt purchases	11	5,489	5,489
Debt purchases		8,127	8,690
Provision for credit losses of debt purchases	12	(2,638)	(3,201)
Investment securities		32,459,476	34,261,091
Available-for-sale securities	13.1	25,016,638	24,267,353
Held-to-maturity securities	13.2	8,508,655	11,020,813
Provision for investment securities	13.4	(1,065,817)	(1,027,075)
Long-term investments		962,115	974,094
Investments in subsidiaries	14.1	589,688	589,688
Other long term investments	14.2	485,658	495,945
Provision for long-term investments	14.3	(113,231)	(111,539)
Fixed assets		1,287,955	1,327,918
<i>Tangible fixed assets</i>	15.1	468,758	507,329
Cost		950,222	949,393
Accumulated depreciation		(481,464)	(442,064)
<i>Intangible fixed assets</i>	15.2	819,197	820,589
Cost		961,815	953,772
Accumulated amortization		(142,618)	(133,183)
Other assets		8,567,967	9,089,690
Receivables	16.1	4,769,118	5,157,656
Interest and fees receivable	16.2	2,885,984	2,989,988
Deferred corporate income tax assets	23.2	17,311	17,311
Other assets	16.3	930,581	960,193
Provision for other assets	16.4	(35,027)	(35,458)
TOTAL ASSETS		160,719,905	142,289,292

Ho Chi Minh City Development Joint Stock Bank

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2017

B02a/TCTD

	<i>Notes</i>	<i>30 June 2017 VND million</i>	<i>31 December 2016 VND million</i>
LIABILITIES			
Borrowings from the Government and the State Bank of Vietnam	17	153,157	177,635
Due to and borrowings from other credit institutions	18	24,259,493	18,833,298
Due to other credit institutions	18,1	18,705,927	13,886,528
Borrowings from other credit institutions	18,2	5,553,566	4,946,770
Due to customers	19	115,766,775	103,342,441
Derivatives and other financial liabilities	9	69,645	-
Other borrowed and entrusted funds	20	2,907,267	2,843,432
Valuable papers issued	21	5,084,000	5,400,014
Other liabilities		2,878,406	2,609,888
Interest and fees payable	22,1	2,606,876	2,300,404
Other payables	22,2	271,530	309,484
TOTAL LIABILITIES		151,118,743	133,206,708
OWNERS' EQUITY			
Capital		8,104,686	8,104,686
Charter capital		8,100,000	8,100,000
Fund for capital expenditure		89	89
Share premium		4,599	4,599
Treasury shares		(2)	(2)
Reserves		410,755	413,563
Foreign currency exchange differences		(4,010)	-
Retained earnings		1,089,731	564,335
TOTAL OWNERS' EQUITY	24.1	9,601,162	9,082,584
TOTAL LIABILITIES AND OWNERS' EQUITY		160,719,905	142,289,292

Ho Chi Minh City Development Joint Stock Bank

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2017

B02a/TCTD

OFF-BALANCE SHEET ITEMS

	<i>Notes</i>	<i>30 June 2017</i> VND million	<i>31 December 2016</i> VND million
Credit guarantees		8,762	9,862
Foreign exchange commitments		41,594,047	34,900,432
- <i>Spot foreign exchange commitments – buy</i>		2,990,506	2,942,536
- <i>Spot foreign exchange commitments – sell</i>		2,062,100	1,288,271
- <i>Cross currency swap contracts</i>		36,541,441	30,669,625
Letters of credit		1,066,095	1,046,968
Other guarantees		3,020,805	2,592,745
Total	37	45,689,799	38,550,007

Prepared by: 



Ms. Ho Dang Hoang Quyen
Chief Accountant

Reviewed by:



Mr. Pham Van Dau
Chief Finance Officer

Approved by:



Mr. Nguyen Huu Dang
General Director

Ho Chi Minh City, Vietnam

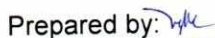
4 October 2017

Ho Chi Minh City Development Joint Stock Bank

INTERIM SEPERATE INCOME STATEMENT
for the six-month period ended 30 June 2017

B03a/TCTD

	Notes	For the six-month period ended 30 June 2017 VND million	For the six-month period ended 30 June 2016 VND million
Interest and similar income	25	4,980,657	3,920,873
Interest and similar expenses	26	(3,638,983)	(2,680,056)
Net interest and similar income		1,341,674	1,240,817
Fee and commission income		87,995	74,012
Fee and commission expenses		(23,268)	(20,149)
Net fee and commission income	27	64,727	53,863
Net gain from foreign currencies trading	28	110,961	105,829
Net gain from trading securities	29	4,469	-
Net gain/(loss) from investment securities	30	158,270	(88,079)
Other operating income		44,999	12,447
Other operating expenses		(7,085)	(7,753)
Net gain from other operating activities	31	37,914	4,694
Income from long term investments	32	43,594	128,475
TOTAL OPERATING INCOME		1,761,609	1,445,599
Personnel expenses		(421,949)	(356,197)
Depreciation and amortization charges		(50,178)	(56,294)
Other operating expenses		(493,020)	(436,245)
TOTAL OPERATING EXPENSES	33	(965,147)	(848,736)
Net profit before credit loss expenses		796,462	596,863
Provision expense for credit losses	12	(150,552)	(268,532)
PROFIT BEFORE TAX		645,910	328,331
Current corporate income tax expense	23.1	(120,514)	(40,520)
Corporate income tax expenses		(120,514)	(40,520)
NET PROFIT AFTER TAX		525,396	287,811

Prepared by: 



Ms. Ho Dang Hoang Quyen
Chief Accountant

Reviewed by: 

Mr. Pham Van Dau
Chief Finance Officer



Approved by
Mr. Nguyen Huu Dang
General Director

Ho Chi Minh City, Viet Nam

4 October 2017

Ho Chi Minh City Development Joint Stock Bank

INTERIM SEPERATE CASH FLOWS STATEMENT
for the six-month period ended 30 June 2017

B04a/TCTD


	Notes	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar receipts		5,186,788	3,082,897
Interest and similar payments		(3,335,478)	(2,539,365)
Net fee and commission receipts		56,727	52,897
Net receipts from trading of securities, gold and foreign currencies		274,358	144,119
Other income/ (expenses)		9,939	(3,908)
Recoveries from bad debts written-off previously	31	26,487	7,386
Payments to employees and other operating expenses		(913,277)	(786,484)
Corporate income tax paid during the period	23	(126,065)	(95,136)
Net cash flows from operating profit before changes in operating assets and liabilities		1,179,479	(137,594)
<i>Changes in operating assets</i>			
Decrease in due from and loans to other credit institutions		105,000	858,570
Decrease/(increase) in securities		1,641,102	(6,925,503)
Decrease/(increase) in derivatives and other financial assets		80,840	(64,919)
Increase in loans to customers		(13,895,939)	(13,256,004)
Utilization of provision to write-off loans to customers, securities and long-term investments		(3,280)	(103,170)
Decrease in other assets		464,177	1,061,872
<i>Changes in operating liabilities</i>			
Decrease in borrowings from the Government and the SBV		(24,478)	(2,266,558)
Increase in due to and borrowings from other credit institutions		5,426,195	4,543,039
Increase in customer deposits (including deposits from State Treasury)		12,424,334	18,638,780
Decrease in other borrowed and entrusted funds		(316,014)	-
Increase/(decrease) in valuable papers issued		63,835	(10,716)
(Decrease)/increase in other liabilities		(24,403)	125,158
Reverses utilized during the period		(2,808)	(534)
Net cash from operating activities		7,118,040	2,462,421
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	15	(10,326)	(16,730)
Proceeds from disposal of fixed assets		1,600	10,106
Payments for investments in other entities		-	(16,840)
Proceeds from investments in other entities		10,287	-
Dividends received from long-term investments		16,766	3,475
Net cash flows from/(used in) investing activities		18,327	(19,989)

Ho Chi Minh City Development Joint Stock Bank

INTERIM SEPERATE CASH FLOWS STATEMENT (continued)
for the six-month period ended 30 June 2017

B04a/TCTD

		<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
	<i>Notes</i>	<i>VND million</i>	<i>VND million</i>
CASH FLOWS FROM FINANCING ACTIVITY			
Dividends paid	24.3	-	(809,987)
Cash flows used in financing activities		-	(809,987)
Net increase in cash for the period		7,136,367	1,632,445
Cash and cash equivalents at the beginning of the period		21,586,272	14,011,023
Foreign exchange differences		(4,010)	4,528
Cash and cash equivalents at the end of the period	34	28,718,629	15,647,996

Prepared by: 



Ms. Ho Dang Hoang Quyen
Chief Accountant

Reviewed by:



Mr. Pham Van Dau
Chief Finance Officer



Mr. Nguyen Huu Dang
General Director

Ho Chi Minh, Viet Nam

4 October 2017

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
as at 30 June 2017 and for the six-month period ended

B05/TCTD

1. CORPORATE INFORMATION

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

Establishment and Operations

The Bank was established under Decision No. 47/QD-UB issued by the People's Committee of Ho Chi Minh City on 11 February 1989 and Banking License No. 00019/NH-GP issued by the State Bank of Vietnam ("the SBV") on 6 June 1992.

The Bank's principal activities are to provide banking services including mobilizing and receiving short, medium and long-term deposits from organizations and individuals; making short, medium and long-term loans to organizations and individuals based on the nature and capability of the Bank's capital resources; conducting foreign currency transactions; providing international trade finance services, discounting of commercial notes, bonds and valuable papers; settlement services and other banking services as allowed by the SBV.

Charter capital

The charter capital of the Bank as at 30 June 2017 is VND8,100 million (as at 31 December 2016: VND8,100 million).

Operation network

The bank's Head Office is located at HD Tower, 25 bis Nguyen Thi Minh Khai Street, District 1, and Ho Chi Minh City. As at 30 June 2017, the Bank had one (1) Head Office, one (1) representative office in the North, fifty two (52) branches, one hundred and seventy four (174) transaction offices located in cities and provinces throughout Vietnam.

Subsidiaries

As at 30 June 2017, the Bank had two (2) subsidiaries:

Subsidiary	Operating License No.	Nature of business	Ownership of the Bank
Ho Chi Minh City Development Commercial Joint Stock Bank Asset Management Company	3602376446 dated 13 September 2010 issued by the Department of Planning and Investment of Dong Nai Province, sixthly (6) amended on 13 January 2015	Assets management	100%
HD SAISON Finance Co., Ltd ("HD SAISON"), previously known as Ho Chi Minh City Development Commercial Joint Stock Bank Finance Co., Ltd	0304990133 issued by the Department of Planning and Investment on 13 July 2007, tenthly (10) amended on 10 April 2015	Finance/ Banking	50%

The SBV issued Official Letter No. 9647/NHNN-TTGSNH dated 25 December 2014 to approve the Bank's proposed divestment of its 50% equity interest in HD SAISON and change the legal form of HD SAISON from one member limited liability company to limited liability Company with two or more members. As at 30 June 2017 the Bank completed its divestment of 50% equity interest in HD Finance to investors.

The SBV issued Official Letter No. 2006 / NHNN-TTGSNH dated 31 March 2015 to prescribe directions related to the organization and operation of the HD SAISON. Accordingly, within three years from the effective date of the joint venture contract, the Bank has to take responsibility to manage HD SAISON Finance Co., Ltd as its subsidiary in accordance with current regulations.

Employees

The Bank's total number of employees as at 30 June 2017 was 5,031 persons (as at 31 December 2016: 4,430 persons).

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period ended

B05/TCTD

2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

2.1 Fiscal year

The Bank's fiscal year starts on 1 January and ends on 31 December.

The Bank's interim period starts on 1 January and ends on 30 June each year.

2.2 Purpose of preparing the interim separate financial statements

The bank prepared and presented the interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No.49/2014/TT-NHNN issued by SBV dated 31 December 2014, Decision 16/2007/QD-NHNN issued by SBV dated 18 April 2017 and Circular No.155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Bank is also in the process of preparation of the interim consolidated financial statements of the Bank and its subsidiaries for the six-month period ended 30 June 2017.

Users of the interim separate financial statements should read them together with the said interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Bank and its subsidiaries.

2.3 Currency unit used in accounting

The Bank maintains its accounting records in Vietnam Dong ("VND"). According to Circular 49/2014/TT-NHNN, for preparation purpose of the interim separated financial statement, the figures will round to million and present in million VND.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The Board of Management of the Bank confirms that the accompanying interim separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, Accounting System for Credit Institutions, regulations stipulated by the State Bank of Vietnam and other relevant statutory requirements relevant to preparation and presentation of the interim separate financial statements.

3.2 Accounting standards and system

The interim separate financial statements of the Bank have been prepared in accordance with the Accounting System applicable to Credit Institutions required under Decision No. 479/2004/QD-NHNN issued on 29 April 2004 and Circular No. 10/2014/TT-NHNN dated 20 March 2014 amending and supplementing Decision No. 479/2004/QD-NHNN, Decision No. 16/2007/QD-NHNN dated 18 April 2007, Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of financial reporting mechanism for credit institution required under Decision No. 16/2007/QD-NHNN by the Governor of State Bank of Vietnam, Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period ended

B05/TCTD

3. BASIS OF PREPARATION

3.2 *Accounting standards and system* (continued)

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

The accompanying interim separate financial statements have been prepared using accounting principles, procedures and reporting practices generally accepted in Vietnam. Accordingly, the accompanying interim separate balance sheet, the interim separate income statement, the interim separate cash flows statement and the notes to the interim separate financial statements and their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim separate financial position, results of interim separate operations and interim separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

Items or balances required by Decision No. 16/2007/QD-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV stipulating the financial statements reporting mechanism for credit institutions that are not shown in these interim separate financial statements indicate nil balance

3.3 *Assumptions and uses of estimates*

The preparation of the interim separate financial statements requires the Board of Management of the Bank make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income, expenses and the resultant provisions. Such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty and actual results may differ resulting in future changes in such provision.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 *Changes in accounting policies and disclosures*

The accounting policies adopted by the Bank in preparation of the interim separate financial statements are consistent with those followed in the preparation of the Bank's separate financial statements for the year ended 31 December 2016 and of the Bank's interim separate financial statements for the six-month period ended 30 June 2016, except for the following change in the accounting policies.

Circular No. 39/2016/TT-NHNN on lending activities to customers of credit institutions and foreign bank branches

On 30 December 2016, the SBV issued Circular No. 39/2016/TT-NHNN on lending activities to customers of credit institutions and foreign bank branches, which has taken effect from 15 March 2017.

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period ended

B05/TCTD

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 *Changes in accounting policies and disclosures* (continued)

Accounting Law No.88/2015/QH13

The National Assembly approved Law on Accounting No. 88/2015/QH13 ("New Accounting Law") on 20 November 2015. The New Accounting Law supplements regulations on electronic vouchers and stipulates regulations on measurement and recognition at fair value of certain types of assets and liabilities which their values are frequently changes in line with market values and can be determined reliably. The New Accounting Law comes into effect from 1 January 2017.

4.2 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, gold, balances with the State Bank of Vietnam, treasury notes and other short-term valuable papers which can be discounted with the State Bank of Vietnam, due from and loans to other credit institutions on demand or with an original maturity of less than three months from the transaction date and securities investments with maturity of less than three months from purchase dates which are readily convertible into cash at the reporting date.

4.3 *Purchased debts*

Purchased debts are promulgated and presented at the purchasing price on the contract. If the interest receipt thereafter includes the accrued interest before purchase date, the interest recognition is made as follows: (i) reduce the value of purchased debts by the interest incurred before the purchase date; (ii) record the interest income in the period by the amount incurred after the purchase date.

The Bank classify the debt purchased and make credit provision in accordance with regulations on setting up of provisions and using of credit loss provisions and utilization presented in *Note 4.5*.

4.4 *Loans and advances to customers*

Loans to customers are presented at the principal amounts outstanding at the end of the period.

4.5 *Provision for credit losses*

The classification of placements with and loans to other credit institutions, direct and entrusted investments in unlisted corporate bond, loans to customers and entrustments for credit granting (collectively called "debts") is made in compliance with the quantitative method as prescribed in Article 10 of Circular 02/2013/TT-NHNN ("Circular 02") and Circular 09/2014/TT-NHNN amended and supplemented some articles of Circular 02 ("Circular 09").

In accordance with the requirements of Circular 02 and Circular 09, specific provision for debts is made based on the principal balance & debt classification of individual customer as at the last working day of each quarter. For the last quarter, the specific provision is made at the last working day of November.

General provision

General provision at 30 June 2017 was made at 0.75% outstanding debts balance at 31 May 2017 excluding due from and loans to other credit institutions and debts which were classified into group 5.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Provision for credit losses (continued)

Specific provision

The specific provision for debts as at 30 June is made based on the principal balance less discounted value of collaterals multiplied by provision rates which are determined based on the debt classification results as at 31 March. The specific allowance is calculated using the following allowance rates applied to debt principals less the discounted value of collateral assets. The classification, specific and general provision rates for each group are presented as follows:

Loan group	Classification criteria	Specific provision rate	General provision rate
1 Current	(a) Current debts are assessed as fully and timely recoverable for both principals and interests; or (b) Debts are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.	0%	0.75%
2 Special mention	(a) Debts are overdue for a period of between 10 days and 90 days; or (b) Debts of which the repayment terms are restructured for the first time.	5%	0.75%
3 Sub Standard	(a) Debts are overdue for a period of between 91 days and 180 days; or (b) Debts of which the repayment terms are extended for the first time; or (c) Debts of which interests are exempted or reduced because customers do not have sufficient capability to pay all interests under credit contracts; or (d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: <ul style="list-style-type: none"> ▪ Debts made in compliance with Clauses 1, 3, 4, 5, 6, Article 126 of the Law on Credit Institutions ; or ▪ Debts made in compliance with Clauses 1, 2, 3, 4, Article 127 of the Law on Credit Institutions; or ▪ Debts made in compliance with Clauses 1, 2 and 5 of Article 128 of the Law on Credit Institutions. (e) Debts are required to be recovered according to regulatory inspection conclusions.	20%	0.75%
4 Doubtful	(a) Debts are overdue for a period of between 181 days and 360 days; or (b) Debts of which the repayment terms are restructured for the first time but still overdue for a period of less than 90 days under that restructured repayment term; or	50%	0.75%

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Provision for credit losses (continued)

Loan group		Classification criteria	Specific provision rate	General provision rate
4	<i>Doubtful</i>	<ul style="list-style-type: none"> (c) Debts of which the repayment terms are restructured for the second time; or (d) Debts are specified in point (d) of Loan group 3 and overdue for a period of between 30 days and 60 days after decisions of recovery have been issued; or (e) Debts are required to be recovered according to regulatory inspection conclusions but still outstanding with an overdue period up to 60 days since the recovery date as required by regulatory inspection conclusions. 		
5	<i>Loss</i>	<ul style="list-style-type: none"> (a) Debts are overdue for a period of more than 360 days; or (b) Debts of which the repayment terms are restructured for the first time but still overdue for a period of 90 days or more under that first restructured repayment term; or (c) Debts of which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Debts of which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or (e) Debts are specified in point (d) of Loan group 3 and overdue for a period of more than 60 days after decisions on recovery have been issued; or (f) Debts are required to be recovered under regulatory inspection conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or - Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches which capital and assets are blocked. 	100%	0%

If a customer has more than one debts with the Bank and any of outstanding debts is classified into a higher risk group, entire remaining debts should be also classified into the higher risk group.

When the Bank participates in a syndicated loan as a participant, it should classify loans (including syndicated loans) of the customer into a higher of the risk group assessed by the leading bank and by the Bank.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 *Loans sold to Vietnam Asset Management Company ("VAMC")*

The Bank sells loans to VAMC at carrying amount in accordance with Decree No. 53/2013/ND-CP effective from 9 July 2013 on "Establishment, structure and operations of Vietnam Asset Management Company", Circular No. 19/2013/TT-NHNN "Regulations on purchasing, selling and writing-off of bad debts of Vietnam Asset Management Company" and Official Letter No. 8499/NHNN-TCKT on "Accounting guidance on selling and purchasing of loan transactions between VAMC and credit institutions". Accordingly, selling price equals to the outstanding loan balance minus (-) unused balance of specific provision. The Bank then receives special bonds issued by VAMC.

Upon the sale of loans to VAMC, the Bank writes off loan balances and corresponding specific provisions and recognizes special bonds issued by VAMC at par value. When receiving loans previously sold to VAMC, the Bank uses annual specific provisions for special bonds to write off bad debts and recognizes the difference between provision for credit loss and the remaining outstanding loan balance/bond value in "Other income" of the separate income statement.

4.7 *Trading securities*

Securities held for trading include debt securities, equity securities and other securities acquired and held for resale within one year in order to gain profit on price variances.

Trading securities are initially recognized at the cost on transaction date and subsequently measured at the lower of the book value and the market value.

Interest and dividends derived from securities held for trading are recognized on a cash basis in the interim separate income statement.

Securities held for trading are subject to impairment review on a periodical basis. Provision for diminution in value of securities is made when the carrying value is higher than the market value in compliance with Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009. In case market prices of securities are not available or cannot be determined reliably, no provision is calculated. Provision is recognized in the "*Net gain/ (loss) from securities held for trading*" account of the interim separate income statement.

The market prices of listed securities are determined based on the quoted prices on the stock markets (which are closing prices on the Ho Chi Minh City Stock Exchange on the Hanoi Stock Exchange).

The market values of unlisted shares which have been registered on the unlisted public companies market (UPCoM) are the average prices of the trading market at the date of provision.

The market values of unlisted shares which have not been registered on the unlisted public companies market (UPCoM) are the average public price quotations obtained from at least three (3) reputable and large securities companies in the market. Other securities that have no quoted prices are carried at cost.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Investment securities

4.8.1 Held-to-maturity-securities

(i) Special bonds issued by VAMC

Special bonds issued by VAMC are fixed-term valuable papers used to purchase bad debts of the Bank. These special bonds are initially recognized at face value at the date of transaction and subsequently carried at the face value during the holding period. Face value of the bonds equals to the outstanding balance of the debts sold less their unused specific allowance.

During the holding period, the Bank annually calculates and makes allowance in accordance with Circular No. 14/2015/TT-NHNN dated 28 August 2015 amending and supplementing some articles of Circular No. 19/2013/TT-NHNN which stimulates the purchase, sale and write-off bad debts of VAMC.

As required by Circular No. 14/2015/TT-NHNN, each year within five consecutive working days prior to the maturity date of special bonds, the Bank is obliged to fully make specific provision for each special bond using the below formula:

$$X_{(m)} = \frac{Y}{n} \times m - (Z_m + X_{m-1})$$

In which:

- $X_{(m)}$ is minimum provision for special bonds in the m^{th} year;
- X_{m-1} is accumulated specific provision for special bonds in the $m-1^{\text{th}}$ year;
- Y is face value of special bonds;
- n is term of special bonds (years);
- m is number of years from the bond issuance date to the provision date;
- Z_m is accumulated bad debt recoveries at the provision date (m^{th} year).
- On settlement date of special bonds, gains from the debts shall be recognized into "Other operating income".
- Specific provision for each special bond is recognized in the interim separate income statement in "Provision expense for credit losses". General provision is not required for the special bonds.

If $(Z_m + X_{m-1}) \geq (Y/n \times m)$, the specific provision ($X(m)$) will be (0).

Specific provision for each special bond is recognized in the interim separate income statement in "Provision expense for credit losses". General provision is not required for the special bonds.

(ii) Other held-to-maturity securities

Other held-to-maturity investments are debt securities acquired by the Bank for the purpose of earning interest and which the Bank has the intention and ability to hold to maturity. Held-to-maturity investments have fixed or determinable payments and maturity date. In case these securities are sold before maturity, they will be transferred to trading securities or available-for-sale securities.

Held to maturity securities are recognized at par value at the purchase date. Accrued interest before purchase (for debt securities with interest payment in arrears) or deferred interest (for debt securities with interest payment in advance) is recognized in a separate account. Discount/premium which is the difference between the cost and the amount being the par value plus (+) accrued interest (if any) or minus (-) deferred interest (if any) is also recognized in a separate account.

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 *Investment securities* (continued)

4.8.1 *Held-to-maturity-securities* (continued)

(ii) *Other held-to-maturity securities* (continued)

In subsequent periods, these securities are continuously recorded at par value, and the discount/premium (if any) is amortized to the separate income statement on a straight-line basis over the remaining term of securities. Interest received in arrears is recorded as follows: Cumulative interest incurred before the purchasing date is recorded as a decrease in the accrued interest; cumulative interest incurred after the purchasing date is recognized as income based on the accumulated method. Interest received in advance is amortized into the securities investment interest income on a straight-line basis over the term of securities investment.

Periodically, held-to-maturity investments are subject to review for potential impairment of their value. Provision for diminution in value is made when carrying value is higher than market value according to Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. In case market prices of securities are not available or cannot be determined reliably, no provision is calculated. Provision for a diminution in value is recognized in "Net gain (loss) from dealing of investment securities" of the separate income statement.

In accordance with Circular 02 and Circular 09, provision is made for corporate bonds which are unlisted on the stock exchange or not registered for trading on the market of unlisted public companies as presented in Note 4.5.

4.8.2 *Available-for-sale securities*

Available-for-sale securities include debt and equity securities acquired by the Bank for the purpose of investment and available-for-sale, not regularly traded but can be sold when there is a benefit. For equity securities, the Bank is not either the founding shareholder or strategic partner, or does not have the ability to place certain influence in establishing and making the financial and operating policies of the investees through a written agreement on assignment of its officers to the Board of Directors/Management.

Available-for-sale equity securities are initially recognized at cost at the purchase date and continuously presented at cost in subsequent periods.

Provision for diminution in value is made when carrying value is higher than market value according to Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. In case market prices of securities are not available or cannot be determined reliably, no provision is calculated. Provision for diminution in value is recognized in "Net gain/(loss) from dealing of investment securities" of the separate income statement.

Debt securities are recognised and measured similarly as held to maturity as presented in Notes 4.8.1 (ii).

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period ended

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 *Repurchase and reverse repurchase agreements*

Securities sold under agreements to repurchase at a specific date in the future ("repos") are not derecognized from the separate financial statements. The corresponding cash received is recognized in the separate balance sheet as a liability item. The difference between the sale price and repurchase price is treated as interest expense and is amortized on a straight-line basis to the separate income statement over the term of the agreement.

Conversely, securities purchased under agreements to resell at a specific date in the future ("reverse repos") are not recognized in the separate financial statements. The corresponding cash paid is recognized in the separate balance sheet as an asset item. The difference between the purchase price and resale price is treated as interest income and is amortized on a straight-line basis to the separate income statement over the term of the agreement.

4.10 *Other long-term investments*

4.10.1 *Investments in subsidiaries*

Investment in subsidiaries is recognized for one of followings:

- ▶ Credit institution and/or its related parties own more than 50% charter capital or more than 50% voting rights of the investee.
- ▶ Credit institution controls over directly or indirectly the nomination of most of or all members of the Board of Directors, Member's Council or General Director (Director) of its subsidiaries.
- ▶ Credit institution controls over the amendment and supplement of the Charter of its subsidiaries.
- ▶ Credit institution and its related parties directly or indirectly control over decisions and Resolutions of shareholders at Annual General Meeting, Board of Directors, Member's Council of its subsidiaries.

Investments in subsidiaries are carried at cost in the separate financial statements of the Bank. Dividends received from profit after tax of subsidiaries is recognized as income of the separate income statement.

Provisions for impairment of investments in subsidiaries are made for each impaired investment and are subject to revision at the end of accounting period. Provision for investments in subsidiaries is made when the investments are impaired due to the losses incurred by subsidiaries. Increase or decrease of provision balance is recognized in "income/(expense) from long term investments".

4.10.2 *Other long-term investments*

Other long-term investments represent investments in other entities in which the Bank holds less than or equal to 11% of voting rights and investment in BCC (Business Cooperation Contract). These investments are initially recorded at cost at the investment date.

Other long-term investments are initially recognized at cost at the purchase date and continuously presented at cost less the provision for diminution in value (if any) in subsequent period.

Provision for diminution in value is made when the investee suffers loss, except that such loss had been forecasted in the investee's business plan before the investment was made. For an investment in listed shares or shares which fair value can be determined reliably, provision is made based on the shares' market value (similarly to provision for diminution in value of trading securities).

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Other long-term investments (continued)

4.10.2 Other long-term investments (continued)

For an investment in shares which fair value cannot be determined reliably, the provision is made when the investment company incurred loss (except for the planning loss), the provision is calculated as below formula:

$$\text{The provision} = \left(\begin{array}{c} \text{Total invested} \\ \text{amount of all} \\ \text{parties in the entity} \end{array} - \text{Owners' equity} \right) \times \frac{\text{Invested amount of} \\ \text{the Bank}}{\text{Total invested} \\ \text{amount of all parties} \\ \text{in the entity}}$$

Provision is reversed when the recoverable amount of the investment increases after the provision is made. Provision is reversed up to the gross value of the investment before the provision is made.

4.11 Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

The cost of a fixed asset comprises any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the separate income statement as incurred.

When fixed assets are sold or liquidated, their costs and accumulated depreciation are removed from the interim separate balance sheet and any gain or loss resulting from their disposal is included in the interim separate income statement.

4.12 Lease

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Payments for rental are not charged to the separate balance sheet. Rentals under operating leases are charged to the separate income statement on a straight-line basis over the term of the lease.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible fixed assets are calculated on a straight-line basis over the estimated useful life of the assets as follows:

Buildings and structures	5 - 50 years
Machinery and equipment	7 - 14 years
Vehicles	6 - 10 years
Office equipment	3 - 10 years
Other tangible fixed assets	4 - 10 years
Software	3 - 8 years
Land use right	6 - 49 years

Infinite land use rights granted by the Government are not amortized. Definite term land use rights are amortized over the term of use.

4.14 Other receivables

4.14.1 Receivables classified as credit risk assets

Doubtful receivables are classified and provided for allowance by the Bank in accordance with the regulations on recognition and use of provision against credit risk as presented in Note 4.5.

4.14.2 Other receivables

Receivables other than receivables from credit activities in the Bank's operations are recognized at cost.

Provision for receivables is determined based on the overdue status of debts or expected loss of current debts in case the debts are not due for payment yet but the corporate debtors have fallen into bankruptcy or are in the process of dissolution, or of individual debtors are missing, escaped, prosecuted, on trial or deceased. Provision expense incurred is recorded in "Other operating expenses" of the interim separate income statement during the period.

Provision for overdue debts is made in accordance with the guidance of Circular No. 228/2009/TT-BTC and Circular No.89/2013/TT-BTC 2009 as follows:

<u>Overdue period</u>	<u>Provision rate</u>
From over six months up to one year	30%
From one year up to under two years	50%
From two years up to under three years	70%
From three years and above	100%

4.15 Prepaid expenses and amortization expenses

Prepaid expenses and amortization expenses are amortized over the period for which the amounts are paid or the period in which economic benefit are generated in relation to these expenses.

4.16 Due to and borrowing from other credit institutions and customers

Due to and borrowings from other credit institutions, due to customers are disclosed at the principal amounts outstanding at the date ended of financial year.

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Payables and accruals

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Bank.

4.18 Equity

Charter capital

Contributed capital from issuance of shares is recorded into to charter capital account at par value.

Share premium

The Bank records the difference between the par value and issue price of shares if the issue price is higher than par value, and the difference between price of repurchasing of treasury stocks and the re-issue price of treasury stocks to share premium account.

Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss upon purchase, sale, issue or cancellation of the Bank's own equity instruments.

4.19 Recognition of income and expense

Interest income and interest expenses

Interest income and interest expenses are recognized in the separate income statement on an accrual basis. The recognition of accrued interest income is suspended when a loan is classified in Groups 2 to 5 in compliance with Circular 02 and Circular 09. Suspended interest income is reversed and monitored off-balance sheet and recognized in the separate income statement upon actual receipt.

Fees and commissions income

Fees and commissions are recognized when services are provided.

Revenue from securities investment

Revenue from securities investment is recognized on the difference between the selling price and the average cost of securities sold.

Cash dividends from equity investment are recognized in the separate income statement when the Bank's right to receive the payment is established. For stock dividends and bonus shares, the number of shares is just updated and no dividend income is recognized in the separate income statement.

Income and expense from sale of debts

Income and expenses from the sale of debts are recognized in accordance with Decision No. 09/2015/TT-NHNN issued by the SBV promulgating regulations on sale and purchase of debts by credit institutions.

According to Circular No. 09/2015/TT-NHNN, the difference between the prices of debts purchased or sold and their book value is recorded as follows:

- ▶ For debts recorded in the separate balance sheet:
 - If the sale price is higher than the book value of the debt, the difference shall be recorded in the separate income statement of the Bank;

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Recognition of income and expense (continued)

Income and expense from sale of debts (continued)

- If the purchase or sale price is lower than the book value of the debt, the difference shall be used to offset against the indemnity paid by an individual or guarantor (in case such individual or guarantor is determined to be responsible for the damage and obliged to make indemnity under prevailing regulations), or the compensation paid by the insurer, or use of outstanding provision recognized as expense previously. The remaining balance (if any) shall be recognized as an operating expense of the Bank in the period.
- ▶ For debts written off and monitored off balance sheet, the proceeds from sale of debts shall be recognized as other income of the Bank.

Book value of debts purchased and sold is the book value of the principal, interest and related financial obligations (if any) of debts recorded in the balance sheet or the off balance sheet at the date of debt purchase or sale; or the book value at the date of writing-off of debts; or the book value of debts written off previously at the date of debt purchase and sale.

Debt purchase and sale price is the sum of money to be paid by a debt purchaser to a debt seller under a debt purchase and sale contract.

4.20 Corporate income tax

Current corporate income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (or recovered from) the taxation authorities. The tax rates and tax laws are applied and enacted at the interim separate balance sheet date.

Current income tax is charged or credited to the interim separate income statement except when it relates to items recognized directly to equity the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Bank to offset current tax assets against current tax liabilities and when the Bank intends to settle its current tax assets and liabilities on a net basis.

The Bank's tax reports are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions that is susceptible to various interpretations, amounts reported in the interim separate financial statements could be changed at a later date upon final determination by the tax authorities.

Deferred tax

Deferred tax is provided on temporary differences at the interim separate balance sheet date between the tax base of assets and liabilities and their carrying amount for the interim financial reporting purposes.

Deferred tax payable is recognized for temporary taxable differences.

Deferred corporate income tax assets are recognized for deductible temporary differences, deductible amounts carried over to subsequent periods of taxable losses, and unused tax credits when it is probable that there will be sufficient future taxable profit to use deductible temporary differences, taxable losses and tax credits. Deferred tax assets and deferred tax payable are determined on the basis of expected tax rates applied for the period when the assets are recovered or liabilities are settled and on basis of effective and applicable tax rates and tax laws at the end of accounting period.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 *Fiduciary assets*

Entrusted operations that the Bank bears no risks

The Bank provides services of holding assets in trust or in a fiduciary capacity. Assets held in trust or in a fiduciary capacity are not reported in the separate financial statements since they are not assets of the Bank.

Entrusted operations that the Bank bears risks

The Bank provide service of entrusted funds to loans to customers. The Bank recognized outstanding loans from entrusted funds in loan to customers. Accounting policies for loan to customers are performed according to SBV's regulations and presented in *Notes 4.4 and 4.5*.

4.22 *Off-balance-sheet commitments*

According to circular 02 and Circular 09 issued by the State Bank of Vietnam, credit institutions are required to classify for guarantees, acceptances for payment and irrevocable loan commitments with specific effective date (generally called "off balance sheet commitments") into different groups as regulated in Article 10, Circular 02. Accordingly, off-balance-sheet commitments are classified into groups such as Current, Special Mention, Substandard, Doubtful and Loss based on the overdue status and other qualitative factors.

4.23 *Foreign currency transactions*

In accordance with the accounting system of the Bank, all transactions are recorded in original currencies. Monetary assets and liabilities denominated in foreign currencies at year-end are translated into VND using exchange rates ruling at the interim separate balance sheet date (*Note 47*). Income and expenses arising in foreign currencies during the year are converted into VND at real rates ruling at the transaction dates. Unrealized foreign exchange differences arising from the translation of monetary assets and liabilities are recognized and followed in the "*Foreign exchange differences*" under "*Equity*" section and will be transferred to the separate income statement at the end of the financial year.

4.24 *Derivatives*

The Bank involves in currency forward contracts and currency swap contracts to facilitate customers to transfer, modify or minimize foreign exchange risk or other market risks, and also for the business purpose of the Bank.

Foreign currency forward contract

The currency forward contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates, calculated on the notional amount. The currency forward contracts are recognized at nominal value at the transaction date and are revalued for the reporting purpose at the exchange rate at the reporting date. Gains or losses realized or unrealized are recognized and followed in the "*Foreign exchange differences*" under "*Equity*" section and will be transferred to the separate income statement at the end of the financial year.

Swap contract

The currency swap contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates, calculated on the notional principal amount. The currency swap contracts are revaluated periodically, the difference is charged into "*Foreign exchange differences*" under "*Equity*" and will be recorded to the separate income statement at the end of the financial year.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.25 *Offsetting*

Financial assets and financial liabilities are offset and reported at the net amount in the interim separate balance sheet if, and only if, the Bank have an enforceable legal right to offset financial assets against financial liabilities and the Bank have intention to settle on a net basis, or the realization of the assets and settlement of liabilities is made simultaneously.

4.26 *Employee benefits*

4.26.1 *Post employment benefits*

Post employment benefits are paid to retired employees of the Bank by the Social Insurance Agency, which belongs to the Ministry of Labour and Social Affairs. The Bank is required to contribute to these post employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 18% of an employee's basic salary on a monthly basis. Besides, the Bank has no further obligation.

4.26.2 *Voluntary resignation benefits*

The Bank has the obligation, under the Vietnam Labour Code to pay allowance arising from voluntarily resignation of employees, equal to one-half month's salary for each year of employment plus salary allowances (if any) until 31 December 2008. The salary used in this allowance calculation will be adjusted at the end of each reporting period by the average salary of the last six-month period up to the resignation date.

4.68.3 *Unemployment insurance*

According to current regulations on unemployment insurance, from 1 January 2009, the Bank is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance fund.

4.27 *Financial instruments*

Financial instruments – initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the interim separate financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Bank determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost plus directly attributable transaction costs.

The Bank's financial assets include cash and short-term deposits, trade and other receivables, loan receivables, quoted and unquoted financial instruments and derivative financial instruments.

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the interim separate financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Bank determines the classification of its financial liabilities at initial recognition.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.27 *Financial instruments* (continued)

All financial liabilities are recognised initially at cost net of directly attributable transaction costs.

The Bank's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Subsequent measurement

There is currently no guidance in Circular 210 in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the interim separate balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

5. CASH AND GOLD

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Cash on hand in VND	761,417	638,962
Cash on hand in foreign currencies	568,046	952,478
Monetary gold	15,686	9,499
	1,345,149	1,600,939

6. BALANCES WITH THE STATE BANK OF VIETNAM

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
In VND	5,513,763	2,054,656
In USD	1,105	27,752
	5,514,868	2,082,408

Balances with the State Bank of Vietnam include settlement and compulsory reserve. The average balances of the Bank with the State Bank of Vietnam is no less than the compulsory reserve in the month. The compulsory reserve are calculated by multiplying previous month average deposit balances and compulsory reserve rates.

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6. BALANCES WITH THE STATE BANK OF VIETNAM (continued)

The compulsory deposit rates are as follows:

	<u>30 June 2017</u> % p.a	<u>31 December 2016</u> % p.a
<i>Customers</i>		
Demand deposits and term deposits with maturity term less than 12 months in VND	3.00	3.00
Term deposits with maturity term from 12 months and above in VND	1.00	1.00
Demand deposits and term deposits with maturity term less than 12 months in foreign currencies	8.00	8.00
Term deposits with maturity term from 12 months and above in foreign currencies	6.00	6.00
<i>Foreign credit institution</i>		
Foreign deposit	1.00	1.00

7. DUE FROM AND LOANS TO OTHER CREDIT INSTITUTIONS

7.1 Due from other credit institutions

	<u>30 June 2017</u> VND million	<u>31 December 2016</u> VND million
Demand deposits	17,337,362	12,258,192
- In VND	9,597,241	4,550,447
- In foreign currencies	7,740,121	7,707,745
Term deposits		
In VND	2,122,293	3,036,000
- In foreign currencies	2,055,000	3,036,000
- Demand deposits	67,293	-
	19,459,655	15,294,192

Changes in provision for deposits other credit institutions during the period are as follows:

	<u>For the six-month period ended 30 June 2017</u> VND million	<u>For the six-month period ended 30 June 2016</u> VND million
Beginning balance	-	103,620
Reversal during the year (Note 33)	-	(450)
Provision charged during the period	-	(103,170)
Ending balance	-	-

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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7. DUE FROM AND LOANS TO OTHER CREDIT INSTITUTIONS (continued)

7.1 Due from other credit institutions (continued)

Interest rates per year of deposits at other credit institutions at the period-end are as follows:

	<u>30 June 2017</u> % p.a	<u>31 December 2016</u> % p.a
In VND	1.80 – 5.30	4.20 – 5.40
In foreign currencies	1.50	0.00

7.2 Loans to other credit institutions

	<u>30 June 2017</u> VND million	<u>31 December 2016</u> VND million
Current		
- In VND	3,304,233	3,409,586
<i>In which :</i>		
<i>discounted and rediscounted loan</i>	1,609,233	624,586
- In foreign currency	89,724	299,147
	<u>3,393,957</u>	<u>3,708,733</u>

Interest rates per year of deposits at other credit institutions at the period-end are as follows:

	<u>30 June 2017</u> % p.a	<u>31 December 2016</u> % p.a
In VND	3.40 – 10.00	4.20 – 11.00
In foreign currencies	1.90	1.50

8. TRADING SECURITIES

	<u>30 June 2017</u> VND million	<u>31 December 2016</u> VND million
Debt securities		
Unlisted debt securities issued by domestic economic entities	400,000	400,000
Provision for credit loss of trading securities		
General provision	(3,000)	(3,063)
	<u>397,000</u>	<u>396,937</u>

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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8. TRADING SECURITIES (continued)

Breakdown of trading securities at 30 June 2017 and 31 December 2016 as follows:

	30 June 2017		31 December 2016	
	Par value VND million	Carrying value VND million	Par value VND million	Carrying value VND million
Debt securities issued by domestic economic entities – Unlisted				
Viet Han trading, advertising, Construction and real estate Co., Ltd	400,000	400,000	400,000	400,000
		400,000		400,000

Debt securities issued by domestic economic entities above are classified as current loan group.

Changes in provision for deposits other credit institutions during the period are as follows:

	For the six-month period ended 30 June 2017 VND million	For the six-month period ended 30 June 2016 VND million
Beginning balance	3,063	6,922
Provision reversed for the period (Note 29)	(63)	-
Ending balance	3,000	6,922

9. DERIVATIVES AND OTHER FINANCIAL ASSETS

	Total contract value (using exchange rate at the contract date) VND million	Total carrying value (using exchange rate at reporting date)	
		Assets VND million	Liabilities VND million
Currency derivatives as at 30 June 2017			
Forward contracts	3,049,537	5,632	-
Swap contracts	17,221,814	-	75,277
Total	20,271,351	5,632	75,277
Net amount			69,645
Currency derivatives as at 31 December 2016			
Forward contracts	3,245,203	-	2,747
Swap contracts	15,276,849	13,942	-
Total	18,522,052	13,942	2,747
Net amount		11,195	

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period ended

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10. LOANS AND ADVANCES TO CUSTOMERS

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Loans to local economic entities and individuals	85,027,850	70,832,912
Loans for discounted commercial notes and valuable papers	1,953,064	3,059,047
Overdraft and loans to credit card holders	1,087,469	294,007
Loans to foreign economic entities and individuals	34,665	20,580
	88,103,048	74,206,546

10.1 Analysis of loans by quality

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Current	86,287,917	72,679,424
Special mention	783,822	745,481
Substandard	322,246	212,853
Doubtful	212,558	215,021
Loss	496,505	353,767
	88,103,048	74,206,546

10.2 Analysis of loans by original terms

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Short - term	45,867,841	30,289,546
Medium -Term	22,012,729	25,233,007
Long - Term	20,222,478	18,683,993
	88,103,048	74,206,546

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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10. LOANS AND ADVANCES TO CUSTOMERS (continued)

10.3 Analysis of loans by type of customers and ownership

	30 June 2017		31 December 2016	
	VND million	%	VND million	%
Corporate loans	48,993,907	55.61	45,532,005	61.36
Joint-stock companies	26,477,310	30.05	26,970,387	36.34
Limited liability companies	17,321,877	19.66	13,109,955	17.67
100% State limited liability companies	1,957,720	2.22	1,979,449	2.67
Family household business	1,339,419	1.52	1,276,613	1.72
State Joint – stock companies	676,261	0.77	408,783	0.55
Other State-owned enterprises	533,634	0.61	513,032	0.69
Private companies	524,029	0.59	883,170	1.19
Foreign joint venture enterprises	105,994	0.12	332,240	0.45
Co-operatives	18,965	0.02	23,708	0.03
Others	38,698	0.05	34,668	0.05
Individual loans	39,109,141	44.39	28,674,541	38.64
	88,103,048	100.00	74,206,546	100.00

10.4 Analysis of loans by currency

	30 June 2017		31 December 2016	
	VND million	%	VND million	%
In VND	81,257,165	92.23	69,647,686	93.86
In foreign currency and gold	6,845,883	7.77	4,558,860	6.14
	88,103,048	100.00	74,206,546	100.00

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10. LOANS AND ADVANCES TO CUSTOMERS (continued)

10.5 Analysis of loans by industry

	30 June 2017		31 December 2016	
	VND million	%	VND million	%
Household work, production and consumer services	31,061,597	35.27	28,008,693	37.74
Constructions	7,994,825	9.07	9,059,197	12.21
Real estate business	6,006,845	6.82	4,679,177	6.31
Agricultural, forestry and aquaculture	5,314,067	6.03	4,387,144	5.91
Processing industry	4,912,579	5.58	4,571,492	6.16
Hotel and restaurant	4,577,366	5.20	4,534,253	6.11
Wholesale and retail trade, repair of motor vehicles, motorcycles	3,068,939	3.48	2,084,496	2.81
Electricity, gas and water supply/distribution	2,504,625	2.84	2,608,913	3.52
Transportation and warehousing	1,791,479	2.03	2,256,132	3.04
Financial, banking and insurance services	1,643,237	1.87	1,467,132	1.98
Mining industry	840,967	0.95	85,655	0.12
Science and technology activities	444,591	0.50	362,498	0.49
Media and communications	211,443	0.24	406,587	0.55
Education and training	150,963	0.17	155,806	0.21
Art and entertainment services	107,075	0.12	82,933	0.11
Administrations and supporting services	72,531	0.08	468,166	0.63
Health care and social relief activities	70,202	0.08	68,974	0.09
Water supplies and waste treatment	56,004	0.06	103,309	0.14
Other services	17,273,713	19.61	8,815,989	11.87
	88,103,048	100.00	74,206,546	100.00

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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10. LOANS AND ADVANCES TO CUSTOMERS (continued)

Annual interest rates of loans and advances to customer at the period-end are as follows:

	<u>30 June 2017</u> % p.a	<u>31 December 2016</u> % p.a
Commercial loans		
- In VND	0.00 - 37.5	0.00 - 37.5
- In foreign currencies	0.77 - 7.45	1.20 - 7.45

11. DEBTS PURCHASED

	<u>30 June 2017</u> VND million	<u>31 December 2016</u> VND million
Debts purchased in VND	8,127	8,690
Provision for purchased debts	(2,638)	(3,201)
	<u>5,489</u>	<u>5,489</u>

Balances and interest of the purchased debts are as follows:

	<u>30 June 2017</u> VND million	<u>31 December 2016</u> VND million
Loan balances purchased	10,820	11,383
Interest of purchased debts	-	-
	<u>10,820</u>	<u>11,383</u>

Results of the loan classification as at 31 March 2017 and provision for purchased debts as required by Circular 02/2013/TT-NHNN, Circular 09/2014/TT-NHNN and the Bank's policy on loan classification and provision is as follows:

<u>Loan classification</u>	<u>Debt balance VND million</u>	<u>Specific provision VND million</u>	<u>General provision VND million</u>	<u>Total VND million</u>
Loss	<u>8,127</u>	<u>(2,638)</u>	<u>-</u>	<u>(2,638)</u>

Changes in provision for purchased debts in current period are as follows:

	<u>Specific provision VND million</u>	<u>General provision VND million</u>	<u>Total VND million</u>
31 December 2016	3,201	-	3,201
Reversal (Note 12)	(563)	-	(563)
30 June 2017	<u>2,638</u>	<u>-</u>	<u>2,638</u>

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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11. DEBTS PURCHASED (continued)

Changes in provision for purchased debts in previous period are as follows:

	<i>Specific provision VND million</i>	<i>General provision VND million</i>	<i>Total VND million</i>
31 December 2015	3,201	-	3,201
Provision/(Reversal)	-	-	-
30 June 2016	3,201	-	3,201

12. PROVISION FOR CREDIT LOSSES

Breakdown of provision for credit losses at the period-end is as follows:

	<i>30 June 2017 VND million</i>	<i>31 December 2016 VND million</i>
Provision for loans and advances to customers	776,774	669,940
Provision for purchased debts	2,638	3,201
Provision for special bonds issued by VAMC (Note 13.2)	702,142	661,141
	1,481,554	1,334,282

Provision expenses during the period comprised of:

	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Provision expense for loans and advances to customers	106,834	201,715
Reversed provision for debts purchased (Note 11)	(563)	-
Provision expense for special bonds issued by VAMC (Note 13.4)	44,281	66,817
Total provision expense charged for credit losses during the period	150,552	268,532

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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12. PROVISION FOR CREDIT LOSSES (continued)

Result of the loan classification as at 31 March 2017 and provision for credit losses of loans and advances to customers as required by Circular 02/2013/TT-NHNN, Circular 09/2014/TT-NHNN, Restructuring Plan and the Bank and its subsidiaries' policy on loan classification and provision is as follows:

<i>Classification</i>	<i>Balance VND million</i>	<i>Specific provision VND million</i>	<i>General provision VND million</i>	<i>Total VND million</i>
Current	77,487,527	-	581,157	581,157
Special mention	1,045,380	11,807	7,840	19,647
Sub standard	232,288	11,521	1,742	13,263
Doubtful	292,941	29,224	2,197	31,421
Loss	517,309	117,508	-	117,508
	79,575,445	170,060	592,936	762,996

Changes in provision for credit losses during the current period are as follows:

	<i>Specific provision VND million</i>	<i>General provision VND million</i>	<i>Total</i>
31 December 2016	137,467	532,473	669,940
Arising during Quarter I	32,593	60,463	93,056
Balance as at 31 March 2017	170,060	592,936	762,996
Arising during Quarter II	-	13,778	13,778
Balance as at 30 June 2017	170,060	606,714	776,774

Changes in provision for credit losses during the previous period are as follows:

	<i>Specific provision VND million</i>	<i>General provision VND million</i>	<i>Total</i>
31 December 2015	189,585	368,970	558,555
Arising during Quarter I	93,394	88,795	182,189
Balance as at 31 March 2016	282,979	457,765	740,744
Arising during Quarter II	-	19,526	19,526
Balance as at 30 June 2016	282,979	477,291	760,270

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13. INVESTMENT SECURITIES

13.1 Available-for-sale securities

	<u>30 June 2017</u> VND million	<u>31 December 2016</u> VND million
Debt securities (Note 13.1.1)		
Issued by the Government	17,829,486	18,153,613
Issued by other domestic credit institutions	300,000	-
Issued by domestic economic entities	6,101,019	5,259,048
	24,230,505	23,412,661
Equity securities (Note 13.1.2)		
Issued by domestic economic entities	786,133	854,692
	786,133	854,692
	25,016,638	24,267,353
Provision for available-for-sale securities		
- Provision for diminution in value	(86,144)	(91,220)
- General provision	(39,790)	(35,474)
- Specific provision	(237,741)	(237,741)
	(363,675)	(364,435)
Net amount	24,652,963	23,902,918

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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13. INVESTMENT SECURITIES (continued)

13.1 Available-for-sale securities (continued)

13.1.1 Debt securities

	30 June 2017 VND million	31 December 2016 VND million
Government bonds - Listed	17,829,486	18,153,613
Government bonds	16,203,503	13,447,752
Vietnam Development Bank bonds	1,617,858	4,195,932
Local Authorities bonds - Ho Chi Minh City	8,125	509,929
Bonds issued by other credit institutions - Unlisted	300,000	-
FE CREDIT	300,000	-
Bonds issued by other economic entities - Unlisted	6,101,019	5,259,048
Hanoi Housing Development And Investment Corporation	1,000,000	1,000,286
Hoang Anh Gia Lai Joint Stock Company	930,000	930,000
Development Investment Construction Joint Stock Company	800,000	800,000
Song Nhue Joint Stock Company	600,000	600,000
Dong Long ICO., Joint Stock Company	600,000	600,000
Others	2,171,019	1,328,762
	24,230,505	23,412,661

- Government bonds in VND have term from three (3) to fifteen (15) years and bear interest at rates from 5.00% to 9.50%, interest is paid annually. In which, the Bank used some bonds amounting to VND 5,330,000 million as collaterals for borrowing at other credit institutions and for credit limit with State Bank of Vietnam.
- Other credit institution bonds have term one (1) year and bear interest at rates from 10.50% p.a, interest is paid annually.
- Bonds issued by other business entities have terms from two (2) to 10 (ten) years, interest is paid quarterly, semi-annually or annually. The current interest rate ranges 8.50% to 12.50% p.a and is subject to change on a quarterly, semi-annually or annually basis depending on each type of bonds. Certain corporate bonds are secured by land use rights, real estate project and shares.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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13. INVESTMENT SECURITIES (continued)

13.1 Available for sale securities (continued)

13.1.2 Equity securities

	30 June 2017		31 December 2016	
	Carrying amount VND million	% owned	Carrying amount VND million	% owned
Investments in business entities				
<i>Listed shares</i>				
- VietJet Aviation Joint Stock Company	654,731	4.47	654,731	4.47
- Ocean Hospitality & Service Joint Stock Company - OCH	91,687	1.98	91,687	1.98
- PetroVietnam Drilling & Well Services Corporation - PVD	26,559	0.13	30,243	0.15
- Trading Joint Stock Company	13,156	1.56	19,942	3.35
- FPT Corporation	-	0.00	23,514	0.13
- Refrigeration Electrical Engineering Corporation – REE	-	0.00	20,377	0.26
- Thu Duc Ho Chi Minh City Development Corporation - TDH	-	0.00	14,198	0.76
	786,133		854,692	

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13. INVESTMENT SECURITIES (continued)

13.2 Held-to-maturity securities

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Government bonds (a)	1,832,778	5,772,021
Special bonds VAMC (b)	2,067,558	2,229,084
Vietnam Development Bank bonds (c)	207,568	519,708
Bonds issued by other local credit institutions - Unlisted (d)	4,400,751	2,500,000
	8,508,655	11,020,813
Provision for held-to-maturity securities		
- General provision	-	(1,499)
- Special bonds provision (Note 12)	(702,142)	(661,141)
Net amount	7,806,513	10,358,173

(a) These are Government bonds that have term of three (3) to fifteen (15) years and bear interest at 5.00% to 7.40%, interest is paid annually.

(b) These are special bonds issued by Vietnam Asset Management Company (VAMC) to purchase bad debts of the Bank. These bonds have term of five (5) years and bear interest at rate of 0.00%. Par value of these special bonds is the difference between the outstanding loan balance and the corresponding unused specific provision at the purchasing date.

/ (decrease) movement of VAMC bonds during the period are as follows:

	<i>For the six-month</i> <i>period ended</i> <i>30 June 2017</i> <i>VND million</i>	<i>For the six-month</i> <i>period ended</i> <i>30 June 2016</i> <i>VND million</i>
Beginning balance	2,229,084	3,012,652
Write-off during the year	(161,526)	(256,704)
Ending balance	2,067,558	2,755,948

(c) These bonds issued by Development Bank of Vietnam have terms in range from three (3) to five (5) and bear interest rate from 6.3% to 9.20% p.a, in which, interest is paid annually.

(d) Bonds issued by local credit institutions have term of one (1) to ten (10) years and bear interest at the rate in range from 7.40% to 10.50% p.a, in which, interest is paid semi-annually or annually.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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13. INVESTMENT SECURITIES (continued)

13.3 Analysis of securities classified as credit risk assets by quality

	30 June 2017	31 December 2016
	VND million	VND million
Other economic entities bonds		
- Standard	5,801,019	4,959,048
- Loss	300,000	300,000
	6,101,019	5,259,048

13.4 Provision for investment securities

Changes in provision for investment securities during the period are as follows:

	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
	VND million	VND million
Beginning balance		
Available-for-sale securities	364,435	132,126
Held-to-maturity securities (excluded special bonds issued by VAMC)	1,499	3,740
Special bond issued by VAMC	661,141	383,388
	1,027,075	519,254
Provision used to credit loss sold to VAMC	(3,280)	-
Provision/(reversal) in the period		
Available for sale securities (Note 30)	(760)	128,610
Held to maturity securities (excluded special bonds issued by VAMC) (Note 30)	(1,499)	(2,241)
Special bonds issued by VAMC (Note 12)	44,281	66,817
	38,742	193,186
Ending balance		
Available for sale securities	363,675	260,736
Held to maturity securities (excluded special bonds issued by VAMC)	-	1,499
Special bonds issued by VAMC (Note 13)	702,142	450,205
	1,065,817	712,440

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14. CAPITAL CONTRIBUTION, LONG-TERM INVESTMENTS

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Subsidiaries investments	589,688	589,688
Other long-term investments	485,658	495,945
Provision for impairment value on long-term investment	(113,231)	(111,539)
	962,115	974,094

14.1 Subsidiaries investments

Breakdown of subsidiaries investments as follow:

<i>Nature of business</i>	<i>30 June 2017</i>		<i>31 December 2016</i>	
	<i>Cost VND million</i>	<i>Ownership of the Bank (%)</i>	<i>Cost VND million</i>	<i>Ownership of the Bank (%)</i>
HD SAISON Finance Co., Ltd ("HD SAISON"), previously known as Ho Chi Minh City Development Commercial Joint Stock Bank Finance Co., Ltd	439,688	50.00	439,688	50.00
Ho Chi Minh City Development Commercial Joint Stock Bank Asset Management Company	150,000	100.00	150,000	100.00
	589,688		589,688	

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14. CAPITAL CONTRIBUTION, LONG-TERM INVESTMENTS (continued)

14.2 Other long-term investment

Other long-term investments at the period-end are broken as follows:

	30 June 2017			31 December 2016		
	Par value VND million	Carrying amount VND million	% owner	Par value VND million	Carrying amount VND million	% owner
Investments in credit institutions						
Vietcapital Commercial Joint Stock Bank	19,000	18,697	0.63	19,000	18,697	0.63
Saigon Bank for Industry and Trade	930	930	0.03	930	930	0.03
Investments in business entities						
Nhon Trach Investment Joint Stock Company - NIC	65,000	300,000	9.85	65,000	300,000	9.85
Ho Chi Minh City Housing Development Real Estate Joint Stock Company (HDREAL)	33,000	66,000	8.25	33,000	66,000	8.25
Mekong Aviation Joint Stock Company	24,000	9,000	8.40	24,000	9,000	8.40
Petechim Petroleum Trading Joint Stock Company	22,000	22,000	11.00	22,000	22,000	11.00
Dai Viet Securities Joint Stock Company	18,000	45,000	7.20	18,000	45,000	7.20
Vietnam management Fund Joint stock Company	4,480	4,480	2.66	4,480	4,480	1.08
Hoa Binh University	3,960	11,880	11.00	3,960	11,880	11.00
Ut Xi Aquatic Products Processing Corporation	3,600	3,000	1.02	3,600	3,000	1.02
Vietnam National Financial Switching Joint Stock Company (previously known as Banking Card and Credit Joint Stock Company)	2,600	2,000	0.83	2,600	2,000	1.36
Loc Troi Group Joint Stock Company (previously known as An Giang Plant Protection Joint Stock Company)	600	1,800	0.09	600	1,800	0.09
HCMC Credit Guarantee Fund for small and medium enterprise	500	500	0.22	500	500	0.22
Banking Training Limited.,	638	371	4.78	638	371	4.78
Duc Khai 25 Corporation	-	-	-	6,820	10,287	11.00
	198,308	485,658		205,128	495,945	

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14. CAPITAL CONTRIBUTION, LONG-TERM INVESTMENTS (continued)

14.3 Provision for impairment of long-term investments

	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Beginning balance	111,539	111,074
Arising during the period (Note 33)	1,692	839
Ending balance	113,231	111,913

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15. FIXED ASSETS

15.1 Tangible fixed assets

	Buildings and structures VND million	Machinery and equipment VND million	Vehicles VND million	Office equipment VND million	Other fixed assets VND million	Total VND million
Cost						
31 December 2016	418,854	152,165	171,130	198,124	9,120	949,393
Purchases	1,610	400	-	273	-	2,283
Disposal	(221)	(265)	(168)	(693)	(107)	(1,454)
30 June 2017	420,243	152,300	170,962	197,704	9,013	950,222
Accumulated depreciation						
31 December 2016	59,904	112,996	103,690	158,529	6,945	442,064
Charged for the period	8,064	8,551	9,461	14,251	416	40,743
Disposal	(206)	(259)	(135)	(639)	(104)	(1,343)
30 June 2017	67,762	121,288	113,016	172,141	7,257	481,464
Net book value						
31 December 2016	358,950	39,169	67,440	39,595	2,175	507,329
30 June 2017	352,481	31,012	57,946	25,563	1,756	468,758

Cost of fully depreciated tangible fixed assets that are still in use as at 30 June 2017 VND184,049 million (31 December 2016: VND 139,234 million).

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15. FIXED ASSETS (continued)

15.2 Intangible fixed assets

	Definite-term land use rights VND million	Indefinite-term land use rights VND million	Computer software VND million	Other assets VND million	Total VND million
Cost					
31 December 2016	45,386	759,438	148,597	351	953,772
Purchases	-	-	8,043	-	8,043
30 June 2017	45,386	759,438	156,640	351	961,815
Accumulated depreciation					
31 December 2016	2,067	-	130,823	293	133,183
Charged for the period	564	-	8,813	58	9,435
30 June 2017	2,631	-	139,636	351	142,618
Net book value					
31 December 2016	43,319	759,438	17,774	58	820,589
30 June 2017	42,755	759,438	17,004	-	819,197

Cost of fully depreciated intangible fixed assets that are still in use as at 30 June 2017 VND 69,645 million (31 December 2016: VND 57,730 million).

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATED FINANCIAL STATEMENTS (continued)
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16. OTHER ASSETS

16.1 Receivables

	<i>Notes</i>	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Receivables from sale of securities on credit	(i)	2,745,406	3,236,182
Advances for acquisitions of fixed assets	(ii)	867,387	826,422
Receivables from disposals of fixed assets	(iii)	280,000	315,000
Deposits for rental/purchase office	(iv)	166,000	160,000
Advances for operating activities		163,544	124,074
Constructions in progress	(v)	149,065	139,386
Deposit for rental office, fixed assets and tools		72,498	71,882
Dividends from VietJet (<i>Note 32</i>)		26,828	-
Advances for debt collateral resolution		26,477	24,338
Receivable from Vietnam Shipbuilding Industry Corporation (Vinashin)	(vi)	22,912	22,912
Receivables from lease of Abacus Building		18,750	18,750
Prepaid savings interest		16,241	23,594
Advances for investments		11,619	11,619
Receivables from entrusted deposits		8,478	8,909
Receivable from investment disposal		3,080	3,080
Others		190,833	171,508
		4,769,118	5,157,656

(i) These represent receivables from disposal securities of individuals and organisations on credits amounted to originally VND 2,659,635 million and accrual interest of VND 85,771 million. According to contracts and subcontracts, the principal and interest will be collected at end of period with interest adjustment annually. These receivables will be collected in year 2017, 2018 and 2019.

(ii) Advances for acquisitions of fixed assets comprise:

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Purchase of houses and offices	847,866	818,922
Transportation vehicles	12,754	-
Purchase of other assets	6,767	7,500
	867,387	826,422

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATED FINANCIAL STATEMENTS (continued)
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16. OTHER ASSETS (continued)

16.1 Receivables (continued)

- (iii) This pertains to a receivable from a local economic for disposal of two buildings located at 69 Pham Ngoc Thach and 174 Phan Dang Luu, Ho Chi Minh City. These amounts are paid annually in 9 years. The first payment will be on 15 November 2017.
- (iv) This is advance to economic related to consulting, seeking and transferring land use right and assets to the Bank.
- (v) These are advances for maintainance, renovation and decoration of branches and transaction offices of the Bank.
- (vi) This represents a receivable from Shipbuilding Industry Corporation (Vinashin) (include principle and interest), which are being amortized to expense within five (5) years up to 2018.

16.2 Interest and fees receivables

	30 June 2017 VND million	31 December 2016 VND million
Deposits interest	9,718	10,938
Loans interest	1,745,541	1,686,795
Interest on securities investment	1,123,955	1,277,929
Other interest and fee	6,770	14,326
	2,885,984	2,989,988

16.3 Other assets

	30 June 2017 VND million	31 December 2016 VND million
Prepaid and deferred expenses (i)	507,390	550,185
Foreclosed assets awaiting resolution (ii)	383,543	385,610
Tools and supplies	36,198	20,948
Other asset	3,450	3,450
	930,581	960,193

- (i) Prepaid and deferred expenses include costs of tools and supplies, repairing cost of fixed assets, office renovation and leasing offices and leased lines, in which the prepaid expense for lease of 11 floors at No.25 Bis Nguyen Thi Minh Khai Tower and 7 floors at No.22-24-26 Pasteur as the Bank's Head Office and Branch amounting to VND236,151 million and VND131,501 million, respectively.
- (ii) Foreclosed assets represent collaterals obtained by the Bank to write off bad loans and other receivables. The transfer of ownership to the Bank was completed as the date of the financial statements.

Ho Chi Minh City Development Joint Stock Bank

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16. OTHER ASSETS (continued)

16.4 Provision for other assets

Provision for other assets is comprised of:

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Other provisions	35,027	35,458
	35,027	35,458

Changes in provision for credit risk during the period are as follow:

	<i>For the six-month</i> <i>period ended</i> <i>30 June 2017</i> <i>VND million</i>	<i>For the six-month</i> <i>period ended</i> <i>30 June 2016</i> <i>VND million</i>
Beginning balance	35,458	38,989
Reversal/ (provision) in period (Note 33)	(431)	2,503
Ending balance	35,027	41,492

17. BORROWINGS FROM THE GOVERNMENT AND THE STATE BANK OF VIETNAM

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Japan Bank of International Cooperation (i)	131,579	155,844
Asian Development Bank (ii)	19,295	21,791
Development Fund for small and medium enterprise (iii)	2,283	-
	153,157	177,635

- (i) These borrowings were made under the Credit Financing for Small and Medium Enterprises Project - Phase II and Phase III funded by Japan Bank of 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. Principals will be paid under contracts' schedule, interest paid quarterly.
- (ii) These borrowings were made under the Credit Financing Project funded by Asia 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 at rate equivalent to the average interest rate of all types of term deposits in the banking industry at end of each quarter
- (iii) These borrowing were from Development Fund for small and medium enterprise (SMEDF) bear bears interest of 7.00% per annum, from 17 March 2017 to 16 March 2022 with total amount of VND2,283,079,311. Principals and interest will be paid on maturity date.

Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE INTERIM SEPARATED FINANCIAL STATEMENTS (continued)
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18. DUE TO AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Due to other credit institutions	18,705,927	13,886,528
Borrowings from other credit institutions	5,553,566	4,946,770
	24,259,493	18,833,298

18.1 Due to other credit institutions

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Demand deposits		
In VND	10,189,356	4,788,792
In foreign currencies	516,268	361
Term deposits		
In VND	6,392,000	5,773,525
In foreign currencies	1,608,303	3,323,850
	18,705,927	13,886,528

Annual interest rates applicable to due to other credit institutions at the period-end are as follows

	<i>30 June 2017</i> <i>% p.a</i>	<i>31 December 2016</i> <i>% p.a</i>
Term deposits in VND	1.40 – 5.50	3.50 – 5.50
Term deposits in foreign currencies	1.35 – 2.00	1.00 – 1.65

18.2 Borrowings from other credit institutions

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Borrowings from local credit institutions in VND	4,891,851	3,889,786
Borrowings from credit institutions in foreign currencies	661,715	1,056,984
	5,553,566	4,946,770

At 30 June 2017, borrowings from other credit institutions have terms from 7days to 60 days with interest rate in range from 1.90% p.a to 4.20% p.a.

There are loans from credit institutions in foreign currencies that have one year term bear interest ranges from 2.30% to 2.40% p.a. In which, there are deposits and borrowings with total amount of VND 4,518,942 million (31 December 2016: VND 6,855,901 million) secured by available-for-sale securities amounted of VND5,330,000 million (31 December 2016: VND 7,154,000 million).

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19. DUE TO CUSTOMERS

19.1 Analysis by products

	30 June 2017 VND million	31 December 2016 VND million
Demand deposits	10,300,658	9,813,339
Demand deposits in VND	9,754,582	9,258,515
Demand deposits in foreign currencies	546,076	554,824
Term deposits	26,870,041	22,917,367
Term deposits in VND	26,610,371	22,139,695
Term deposits in foreign currencies	259,670	777,672
Saving deposit	77,874,299	69,853,278
Savings deposits in VND	76,825,421	68,698,004
Savings deposits in foreign currencies	1,048,878	1,155,274
Deposits for specific purposes	342,262	229,095
In VND	333,022	223,164
In foreign currencies	9,240	5,931
Margin deposits	121,161	191,470
In VND	105,808	164,232
In foreign currencies	15,353	27,238
Other amounts owing to customers	258,354	337,892
Other savings deposits	258,354	337,892
	115,766,775	103,342,441

Annual interest rates applicable to customer deposits at the period-end are as follows:

	30 June 2017 % p.a	31 December 2016 % p.a
Demand deposits in VND	0.00	0.00
Demand savings deposits in VND	0.07-1.00	0.07-1.00
Demand deposits in foreign currencies	0.00-0.01	0.00-0.01
Demand savings deposits in foreign currencies	0.00	0.00
Term deposits in VND	0.80-7.80	0.80-9.00
Term savings deposits in VND	0.00-9.50	0.20-9.50
Term deposits in foreign currencies	0.00	0.00
Term savings deposits in foreign currencies	0.00-1.60	0.00-1.60

In case term savings deposits are withdrawn before the maturity date, the demand interest rate shall be applied.

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19. DUE TO CUSTOMERS (continued)

19.2 Analysis of loans by type of customers and ownership

	30 June 2017 VND million	31 December 2016 VND million
Deposits from economic entities	36,021,204	31,576,207
Other joint stock companies	13,982,227	11,601,598
100% State limited liability companies	6,615,693	4,502,869
Other State-owned enterprises	3,998,630	3,980,657
Other limited liability companies	3,539,185	3,585,710
Co-operatives	3,050,472	3,047,798
Joint-foreign-invested enterprises	963,221	1,109,087
State and administrative unit of government	657,346	600,998
State joint stock companies	606,753	749,713
Joint-foreign-invested enterprises	561,236	540,521
Over 50% State limited liability companies	462,008	413,022
Private companies	75,766	57,222
Joint Venture enterprises	12,176	4,902
Family household business	4,791	2,790
Others	1,491,700	1,379,320
Deposits from individuals	79,745,571	71,766,234
	115,766,775	103,342,441

20. OTHER BORROWED AND ENTRUSTED FUNDS

	30 June 2017 VND million	31 December 2016 VND million
Other borrowed and entrusted funds in VND	3,671	5,821
Entrusted funds from Rural Development Fund	3,671	5,821
Other borrowed and entrusted funds in foreign currencies	2,903,596	2,837,611
Entrusted funds from Rural Development Fund	1,275	1,259
Entrusted funds of Nhon Trach water supplies construction program for reforming power sector - Phase II	31,153	-
Entrusted funds of support and development program for reforming power sector - Phase III (i)	2,871,168	2,836,352
	2,907,267	2,843,432

(i) The borrowing amounting to USD128 million from the Ministry of Finance is 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.

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21. VALUABLE PAPERS ISSUED

	<u>30 June 2017</u> VND million	<u>31 December 2016</u> VND million
Certificates of deposits		
Less than 12 months	554,000	70,014
Straight bonds		
From 12 months to 5 years	1,530,000	2,330,000
Over 5 years	3,000,000	3,000,000
	<u>5,084,000</u>	<u>5,400,014</u>

In the year of 2013 and 2014, the Bank issued bonds to mobilize funds. Interests from bonds are paid annually with a fixed interest rate from 7.20% to 8.00% in the first year and at the floating interest rate set annually by the sum of the average of 12-month saving term deposits paid in arrears of four largest banks in Vietnam and a spread in range between 1.20% and 2.00% from the second year onward.

In the year of 2015, the Bank issued bonds with terms of 10 years and interests of bonds are paid annually with fixed interest rate from 7.70% to 8.50% p.a in first five years. In case the bonds have not been redeemed by the Bank after 5 years, the applicable rate would be added by 0.50% p.a.

Annual interest rates applicable to straight bonds at the year-end are as follows::

	<u>30 June 2017</u> % p.a	<u>31 December 2016</u> % p.a
Straight bonds	7.5-8.5	7.5-8.5

22. OTHER LIABILITIES

22.1 Interest and fees payable

	<u>30 June 2017</u> VND million	<u>31 December 2016</u> VND million
Interest on saving deposits in VND	1,932,195	1,748,016
Interest on deposits in VND	349,184	308,018
Interest on valuable papers in VND	273,881	194,869
Interest on entrusted funds from international entities	19,715	17,415
Foreign currency swap contracts	15,711	11,798
Interest on borrowings in foreign currencies	11,206	4,455
Interest on borrowings in VND	3,745	10,118
Interest on deposits in foreign currencies	536	4,267
Foreign currency forward contracts	356	1,302
Interest on saving deposits in foreign currencies	347	146
	<u>2,606,876</u>	<u>2,300,404</u>

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22. OTHER LIABILITIES (continued)

22.2 Other payables

	30 June 2017 VND million	31 December 2016 VND million
Internal payables	8,180	9,037
Bonus and welfare Fund	8,141	8,994
Payables to employees	39	43
External payables	125,422	101,956
Cash held in trust and awaiting payment	52,598	17,135
Current income tax payables (Note 23)	64,212	69,763
Abacus management fee	5,552	5,552
Other tax payables	2,473	3,294
VAT payables (Note 23)	587	6,212
Other payables	137,928	198,491
Unearned revenue	58,182	65,455
Payables to construction in progress	3,865	2,764
Other payables	75,881	130,272
	271,530	309,484

23. STATUTORY OBLIGATIONS

	31 December 2016 VND million	Movement during the period		30 June 2017 VND million
		Payable VND million	Paid VND million	
Value added tax	6,212	10,971	(16,596)	587
Corporate income tax	69,763	120,514	(126,065)	64,212
Other taxes	3,294	21,650	(22,471)	2,473
Personal income tax	3,135	20,619	(21,373)	2,381
Withholding tax	159	672	(739)	92
License tax	-	229	(229)	-
Others	-	130	(130)	-
	79,269	153,135	(165,132)	67,272

23.1 Current corporate income tax

The Bank has the obligations to pay corporate income tax ("CIT") at the rate of 20% of taxable profits (previous year: 20%).

Tax declarations of the Bank is subjected to examination by the tax authorities. Due to the ambiguity associated with the applicability of tax laws and regulations in Vietnam, amounts reported in the separate financial statements could be changed at a later date upon final determination by the tax authorities.

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23. STATUTORY OBLIGATIONS (continued)

23.1 Current corporate income tax (continued)

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the separate statement of income because it excludes items of income or expenses that are taxable or deductible in other years due to the difference between accounting and tax regulations and it further excludes items that are never taxable or deductible. The Bank and its subsidiaries' liability for current tax is calculated by using tax rates that have been enacted by the separate balance sheet date.

Current CIT during the period is calculated as follows:

	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Profit before tax	645,910	328,331
The Bank's CIT expense at rate 20%	129,182	65,666
<i>Deduct:</i>		
- Income from untaxable dividends	(8,718)	(25,695)
<i>Add:</i>		
- Non-deductible expenses	50	549
Total CIT expenses during the period	120,514	40,520

23.2 Deferred CIT

	<i>Separated balance sheet</i>		<i>Effect on the separated income statement</i>	
	<i>30 June 2017 VND million</i>	<i>31 December 2016 VND million</i>	<i>For the six- month period ended 30 June 2017 VND million</i>	<i>For the six- month period ended 30 June 2016 VND million</i>
Deferred tax assets				
Gain on exchanges differences	(2,489)	(2,489)	-	-
Provision for investments securities	19,800	19,800	-	-
	17,311	17,311		
Net deferred CIT income			-	-

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24. OWNERS' EQUITY

24.1 Statement of changes in owners' equity

Items	Charter capital VND million	Share premium VND million	Treasury shares VND million	Development and investment reserve VND million	Reserves of credit institutions VND million	Foreign currency translation reserve VND million	Retained earnings VND million	Total VND million
31 December 2016	8,100,000	4,599	(2)	89	413,563	-	564,335	9,082,584
Net profit after-tax for the period	-	-	-	-	-	-	525,396	525,396
Reserves used during the period	-	-	-	-	(2,808)	-	-	(2,808)
Foreign exchange differences	-	-	-	-	-	(4,010)	-	(4,010)
Balance as at 30 June 2017	8,100,000	4,599	(2)	89	410,755	(4,010)	1,089,731	9,601,162

Changes in the Bank's reserves during the period are presented below:

Items	Development reserve VND million	Financial reserve VND million	Supplementary capital reserve VND million	Other reserve VND million	Total VND million
31 December 2016	70	238,118	147,064	28,311	413,563
Reserves used during the period	-	-	-	(2,808)	(2,808)
30 June 2017	70	238,118	147,064	25,503	410,755

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24. OWNER'S EQUITY (continued)

24.2 Statutory reserves of the Bank and its subsidiaries

The Bank makes the statutory reserves in compliance with Law on Credit Institutions No. 47/2010/QH12, Decree No. 57/2012/ND-CP and the Charter of the Bank and its subsidiaries. Statutory reserves are made based on the Bank and its subsidiaries' performance of the year as follows:

	<i>Basis for calculation</i>	<i>Maximum balance</i>	<i>Purpose</i>
Supplementary capital reserve	5% of profit after tax	100% of charter capital	Supplement capital, invest in construction, purchase of fixed assets for business operations
Financial reserve	10% of profit after tax	25% of charter capital	Cover remaining losses of assets incurred in business operations
Other reserves	Subject to resolution of the Annual general meeting of shareholders	Not defined	Subject to resolution of the Annual general meeting of shareholders

The statutory reserves were made in accordance with the Resolution of the BOD in July 2017.

24.3 Dividend

	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Dividend payables at beginning of the period	755	742
Dividend payables during the period	-	810,000
Dividend paid during the period	-	(809,987)
Dividend payables at the period-end	755	755

25. INTEREST AND SIMILAR INCOME

	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Interest income from loans and advances to credit institutions and customers	3,675,787	2,939,350
Interest income from trading and investing debt securities	1,067,258	706,623
<i>Interest income from investing securities</i>	<i>1,028,625</i>	<i>696,548</i>
<i>Interest income from trading securities</i>	<i>38,633</i>	<i>10,075</i>
Interest income from deposits	121,713	94,742
Interest income from guarantee services	25,537	26,599
Interest income from other credit activities	90,362	153,559
	4,980,657	3,920,873

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26. INTEREST AND SIMILAR EXPENSES

	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Interest expense on deposits	3,295,224	2,379,465
Interest expense on borrowings	122,048	94,601
Interest expense on valuable papers	221,711	205,990
	3,638,983	2,680,056

27. NET FEES AND COMMISSION INCOME

	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Fees and commission income		
- Settlement services	54,347	54,896
- Treasury services	5,807	5,832
- Asset preservation services	38	243
- Trust and agent services	16	9
- Others	27,787	13,032
	87,995	74,012
Fees and commission expenses		
- Settlement services	(15,985)	(15,574)
- Treasury services	(2,668)	(2,054)
- Postal and telecommunication	(1,571)	(1,461)
- Trust and agent services	(83)	(100)
- Commissions	(52)	(10)
- Advisory services	-	(26)
- Others	(2,909)	(924)
	(23,268)	(20,149)
Net fees and commission income	64,727	53,863

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28. NET GAIN FROM FOREIGN CURRENCIES TRADING

	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Income from foreign exchange		
Income from gold trading	647	508
Income from spot foreign exchange	129,717	85,206
Income from currency derivatives	104,299	92,760
	234,663	178,474
Expense from foreign exchange		
Expense from gold trading	(46)	(114)
Expense from spot foreign exchange	(108,684)	(54,653)
Expense from currency derivatives	(14,972)	(17,878)
	(123,702)	(72,645)
Net gain from foreign exchange	110,961	105,829

29. NET GAIN FROM DEALING OF TRADING SECURITIES

	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Income from trading securities	4,406	-
Reversed general provision for trading securities (Note 8)	63	-
Net gain from dealing of trading securities	4,469	-

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30. NET GAIN/(LOSS) FROM DEALING OF INVESTMENT SECURITIES

	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Income from dealing of available-for-sales securities (*)	166,784	51,723
Expenses from dealing of available-for-sales securities	(10,773)	(13,433)
Arising/(reversed) provision for available-for-sale securities (Note 13.4)	760	(128,610)
Net gain/(Loss) from dealing of available-for-sale securities	156,771	(90,320)
Reversed general provision for held-to-maturity securities (Note 13.4)	1,499	2,241
Net gain from dealing of held-to-maturity securities	1,499	2,241
Net gain/(Loss) from dealing of investment securities	158,270	(88,079)

(*) The expenses from mobilization capital for purchasing Government bonds is deducted premium/discount and accrual interests (if any) from Government bonds is amounted to VND66,882 million.

31. NET GAIN FROM OTHER OPERATING ACTIVITIES

	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Other operating income		
Income from recovery of written-off debts	26,487	7,386
Income from offering office rental services	13,672	2,051
Income from disposals of fixed assets and investment properties	1,488	2,296
Other income	3,352	714
	44,999	12,447
Other operating expenses		
Sponsoring expense	(1,414)	(1,598)
Expenses from disposal of fixed assets and investment properties	-	(115)
ier expenses	(5,671)	(6,040)
	(7,085)	(7,753)
Net other operating income	37,914	4,694

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32. INCOME FROM CAPITAL CONTRIBUTION, SHARE PURCHASES

	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Dividends received from Equity securities (i)	42,894	1,705
Dividends received from capital contributions and long-term investments	700	126,770
	43,594	128,475

- (i) This is dividends that received from investing in listed available-for-sales securities. In which, the first dividends payment in 2017 from Vietjet Joint Stock Company is amounted at VND 26,827,500,000 that received in 18 August 2017.

33. OPERATING EXPENSES

	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Tax payment and other fees	1,474	1,381
Employees remuneration	421,949	356,197
Salary and allowance	389,413	329,692
Salary related allowance	24,504	21,334
Allowances	8,032	5,171
Depreciation and amortization expense	50,178	56,294
Depreciation expenses on fixed assets	50,178	56,294
Expense for public affairs administration	13,023	11,608
Expense relating to business trips	13,023	11,603
Union activities	-	5
Insurance expenses, insurance for customers' deposits.	52,823	37,638
Provision expense/ (reversal) (excluding provision for credit loss, investment).	1,261	2,892
Reversed provision for credit institution deposits (Note 7.1)	-	(450)
(Reversal)/Expense provision for other assets (Note 16.4)	(431)	2,503
Provision expense for financial investment (Note 14.3)	1,692	839
Other operating expenses	424,439	382,726
Advertising, marketing, promotion and entertainment	138,162	106,568
General management	103,402	82,018
Office rental	96,510	93,990
Repair and maintenance	43,889	56,005
Others	42,476	44,145
	965,147	848,736

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34. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the separate cash flows statement comprises the following balances in the interim separate balance sheet:

	<i>30 June 2017</i> <i>VND million</i>	<i>31 December 2016</i> <i>VND million</i>
Cash in VND	761,417	638,962
Cash in foreign currencies	568,046	952,478
Monetary gold	15,686	9,499
Balances with the SBV	5,514,868	2,082,408
Demand deposits in other credit institutions	17,337,362	12,258,192
Deposits in other credit institutions with term of less than 90 days	2,122,293	3,036,000
Loans to other credit institutions with term of less than 90 days	2,398,957	2,608,733
	<u>28,718,629</u>	<u>21,586,272</u>

35. EMPLOYEES' INCOME

	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
I. Total number of employees (persons)	4,783	4,185
II. Employees' income (VND million)		
1. Total salary	372,963	314,392
2. Other income	16,450	15,300
3. Total income (1+2)	<u>389,413</u>	<u>329,692</u>
4. Average monthly salary (VND million/person)	<u>13,00</u>	<u>12,52</u>
5. Average monthly income (VND million/person)	<u>13,57</u>	<u>13,13</u>

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36. ASSETS, VALUABLE PAPERS, COLLATERALS AND DISCOUNTED AND RE-DISCOUNTED

36.1 *Assets and valuable papers of customers pledged, discounted and re-discounted*

a) Types and book value of collaterals of customers at the period-end are as follows:

	<u>30 June 2017</u> VND million	<u>31 December 2016</u> VND million
Real estate properties	100,384,693	100,908,041
Valuable papers	48,493,393	48,059,753
Movable assets	23,343,058	25,982,408
Other assets	39,004,864	33,670,035
	<u>211,226,008</u>	<u>208,620,237</u>

b) *Assets and valuable papers of other credit institutions mortgaged, pledged and discounted*

	<u>30 June 2017</u> VND million	<u>31 December 2016</u> VND million
Valuable papers	<u>450,000</u>	<u>450,000</u>

36.2 *Financial assets of the Bank mortgaged, pledged and discounted*

Breakdown of the Bank's financial assets mortgaged, pledged and discounted for borrowings or securities transferred under purchase and repurchases agreements with SBV and other credit institutions as at 30 June 2017 and 31 December 2016 is as follows:

	<u>30 June 2017</u> VND million	<u>31 December 2016</u> VND million
Valuable papers	<u>5,330,000</u>	<u>7,154,000</u>

37. CONTINGENT LIABILITIES AND COMMITMENTS

In the normal course of business, the Bank is parties to financial instruments which are recorded as off-balance sheet items. These financial instruments mainly comprise guarantee commitments and commercial letters of credit. These instruments involve elements of credit risk out of the items recognized in the interim separate balance sheet.

Credit risk for off-balance sheet financial instruments is defined as the possibility of sustaining a loss because any other party to a financial instrument fails to perform in accordance with the terms of the contract.

Financial guarantees are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party including guarantee for borrowings, settlement, and performing contracts and bidding. The credit risk involved in issuing guarantees is essentially the same as that involved in extending loans to other customers.

Commercial at sight letters of credit represents a financing transaction by the Bank to its customer who is usually the buyer/importer of goods and the beneficiary is typically the seller/exporter. Credit risk from this type of letters of credit is limited as the merchandise shipped serves as collateral for the transaction.

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37. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Deferred payment letters of credits represent the amounts at risk should the contract be fully effected but the client defaults in repayment to the beneficiary. Deferred payment letters of credit that defaulted by clients are recognized by the Bank as granting of a compulsory loan with a corresponding liability representing the financial obligation of the Bank to pay the beneficiaries and to fulfil the guarantor obligation.

Guarantee commitment is the commitment issued by the Bank to guarantee the performance of the customers to a third party including guarantee for borrowings, settlement, performing contracts and bidding... Credit risk of the borrowing guarantee, settlement guarantee in general is essentially the same as that involved in extending loans to other customers, while other guarantees, the risk is lower.

Risk of the letter of credit is usually lower, in condition that the Bank can control goods. Deferred letter of credit may have contingent risk higher than at sight letter of credit. Deferred payment letters of credit that were defaulted by clients are recognized by the Bank as granting of a compulsory loan with a corresponding liability representing the financial obligation of the Bank to pay the beneficiaries and to fulfill the guarantor obligation.

The Bank requires margin deposits to support credit-related financial instruments when it is deemed necessary. The margin deposit required varies from nil to 100% of the value of a commitment granted, depending on the creditworthiness of clients as assessed by the Bank and its subsidiaries.

The currency trading commitments are commitments to purchase, sell at spot and currency swap commitments. Commitments to purchase, sell at spot are commitments to purchase, sell currency according to exchange rate dealt and payment within 2 (two) days since transaction date. Currency swap commitments are commitments to purchase and sell with the same notional principal amount (only two currencies used for transaction) to one client, including one transaction for term payment at spot and one transaction for term payment in the future with the exchange rate of both transactions determined at spot transaction date.

Details of outstanding commitments and contingent liabilities at the period-end are as follows

	30 June 2017	31 December 2016
	VND million	VND million
Credit guarantees	8,762	9,862
Foreign exchange commitments	41,594,047	34,900,432
<i>Spot foreign exchange commitments - buy</i>	2,990,506	2,942,536
<i>Spot foreign exchange commitments - sell</i>	2,062,100	1,288,271
<i>Cross currency swap contracts</i>	36,541,441	30,669,625
Letters of credit	1,085,646	1,092,889
<i>At sight letters of credit</i>	630,550	556,085
<i>Deferred letters of credit</i>	455,096	536,804
Other guarantees	3,110,290	2,730,003
<i>Settlement guarantee</i>	697,635	561,255
<i>Contract performance guarantee</i>	735,964	529,226
<i>Bid guarantee</i>	112,619	83,945
<i>Other guarantees</i>	1,564,072	1,555,577
	45,798,745	38,733,186
Less: Margin deposits	(109,036)	(183,179)
Contingent liabilities and commitments	45,689,709	38,550,007

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38. RELATED PARTY TRANSACTIONS

Related party transactions include all transactions undertaken with other entities to which the Bank is related. Parties are considered as related parties if one party is able to control over or significantly influence to the other party in making decision of financial and operational policies. A party is deemed to be related to the Bank if:

- (a) Directly, or indirectly through one or more intermediaries, the party:
 - ▶ controls, is controlled by, or is under common control with the Bank (including parents and subsidiaries);
 - ▶ has an interest (owing 5% or more of the charter capital or voting share capital) in the Bank that gives it significant influence over the Bank and its subsidiaries;
 - ▶ has joint control over the Bank and its subsidiaries;
- (b) The party is a joint venture in which the Bank are ventures (owning over 11% of the charter capital or voting share capital but is not a subsidiary of the Bank and its subsidiaries);
- (c) The party is a member of the key management personnel of the Bank or its parent Company;
- (d) The party is a close member of the family of any person referred to in (a) or (c); or
- (e) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any person referred to in (c) or (d).

Significant transactions with related parties in the current period are as follows:

<i>Related party</i>	<i>Transactions</i>	<i>For the six-month period ended 30 June 2017 VND million</i>	<i>For the six-month period ended 30 June 2016 VND million</i>
Major shareholders and related parties of major shareholders	Deposits disbursed	2,946,946	3,791,135
	Deposits taken	2,527,401	3,814,255
Companies in which the Bank has long-term investments	Deposits disbursed	32,356,723	16,488,714
	Deposits taken	32,178,675	16,957,918
Subsidiaries	Deposits disbursed	17,289,795	14,613,580
	Deposits taken	16,427,736	14,797,491
Member of Board of Directors and Board of Managements and other related parties to these individuals	Deposits disbursed	19,631,795	829,312
	Deposits taken	17,862,151	730,104
	Salary and bonus	24,908	13,728
	Loans, guarantee and mortgage	7,488,525	39,958
	Debt collected	805,026	32,100
	Interest debts collected	13,377	592

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38. RELATED PARTY TRANSACTIONS (continued)

Receivables and payables with related parties at end of period as follow:

<i>Related party</i>	<i>Transactions</i>	<i>Receivables/(Payables)</i>	
		<i>30 June 2017 VND million</i>	<i>31 December 2016 VND million</i>
Major shareholders and related parties of major shareholders	Term deposits	(420,630)	(186,952)
	Payment deposits	(1,030)	(20,974)
	Treasury deposits	-	(46)
	Available-for-sale securities	350,000	350,000
	Accrual interest from debt available-for-sale securities	7,940	23,819
Company in which the Bank has long-term investment	Term deposits	(982,000)	(837,775)
	Payment deposits	(103,243)	(151,002)
	Guaranteed deposit for treasury	(128)	(23)
	Loans	851,250	342,812
	Accrual interest	233	5,474
	Receivables from transferring properties	-	315,000
	Rental deposit	-	20,000
	Advances for capital contrition to HDREAL	6,669	6,669
Subsidiaries	Term deposits	(53,600)	(42,600)
	Payment deposits	(1,115,191)	(265,182)
	Loans	1,025,000	1,137,055
	Accrual interest	57,967	38,086
	Interest expense	(233)	(197)
	Prepaid rent	-	30,363
Member of Board of Directors and Board of Managements and other related parties to these individuals	Demand deposits and demand savings	(138,125)	(244,074)
	Term savings	(1,987,055)	(97,918)
	Loans, guarantee and mortgage	3,625,043	1,203,234
	Accrual interest	2,307	4,326

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39. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY GEOGRAPHICAL REGIONS

	<i>Domestic VND million</i>	<i>Overseas VND million</i>	<i>Total VND million</i>
Assets at 30 June 2017 (*)			
Due from and loans to other credit institutions	22,659,813	193,799	22,853,612
Loans and advances to customers	88,103,048	-	88,103,048
Derivative and financial instruments (Nominal amount)	33,925,293	-	33,925,293
Trading securities and Investment securities	1,075,346	-	1,075,346
Liabilities at 30 June 2017			
Due to and borrowings from other credit institutions	24,259,493	-	24,259,493
Customer deposits	115,766,775	-	115,766,775
Financial derivatives (Total transaction value amount to contract)	20,271,351	-	20,271,351
Grants, entrusted funds and loans exposed to risks	2,907,267	-	2,907,267
Valuable papers issued	5,084,000	-	5,084,000
Off-balance-sheet commitments at 30 June 2017	45,798,745	-	45,798,745

(*) Not including provision for credit risk

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40. INFORMATION BY GEOGRAPHICAL REGIONS

Information on income, expenses and assets and liabilities of each segment by geographical area of the Bank as at 30 June 2017 and for the six-month financial period ended as follows:

	Northern VND million	Central VND million	South VND million	Total submitted VND million	Eliminated VND million	Total VND million
Interest and similar income	2,178,326	800,724	9,886,049	12,865,099	(7,884,442)	4,980,657
Interest and similar expenses	(1,703,271)	(618,898)	(9,201,256)	(11,523,425)	7,884,442	(3,638,983)
Net interest and similar income	475,055	181,826	684,793	1,341,674	-	1,341,674
Non-interest income	15,494	4,152	400,289	419,935	-	419,935
TOTAL OPERATING INCOME	490,549	185,978	1,085,082	1,761,609	-	1,761,609
TOTAL OPERATING EXPENSES	(158,267)	(84,890)	(721,990)	(965,147)	-	(965,147)
Net operating profit before provision for credit losses	332,282	101,088	363,092	796,462	-	796,462
Provision for credit losses	(54,667)	(12,392)	(83,493)	(150,552)	-	(150,552)
PROFIT/(LOSS) BEFORE TAX	277,615	88,696	279,599	645,910	-	645,910
ASSETS						
Cash	343,405	167,424	834,320	1,345,149	-	1,345,149
Due to State Bank of Vietnam and other credit institutions	55,839	66,074	28,246,567	28,368,480	-	28,368,480
Loans to customers	18,872,536	8,726,183	60,504,329	88,103,048	-	88,103,048
Debt purchasing	-	-	8,127	8,127	-	8,127
Investment	3,730,234	619,386	30,651,019	35,000,639	-	35,000,639
Other assets	8,873,142	859,842	8,554,849	18,287,833	(8,396,884)	9,890,949
Total asset	31,875,156	10,438,909	128,799,211	171,113,276	(8,396,884)	162,716,392
LIABILITIES						
Borrowing from State Bank of Vietnam	112	-	153,045	153,157	-	153,157
Due to and borrowings from other credit institutions	14	-	24,259,479	24,259,493	-	24,259,493
Due to customer	29,886,156	10,000,741	75,879,878	115,766,775	-	115,766,775
Other liabilities	1,358,038	270,446	17,707,718	19,336,202	(8,396,884)	10,939,318
Total liabilities	31,244,320	10,271,187	118,000,120	159,515,627	(8,396,884)	151,118,743

41. FINANCIAL RISK MANAGEMENT

Risk is inherent in the Bank'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 Bank's continuing profitability and each individual within the Bank is accountable for the risk prevention within his or her responsibilities. The Bank are exposed to credit risk, liquidity risk and market risk (then being subdivided into trading and non-trading risks). The Bank is 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 Bank's policy is to monitor those business risks through the Bank's strategic planning process.

(i) *Risk management structure*

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

(ii) *Board of Directors*

The Board of Directors is responsible for monitoring the overall risk management process within the Bank and its subsidiary.

(iii) *Risk Management Committee*

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

Risk Management Committee analyses and provides warnings on the potential risks that may affect the Bank's operation 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 Bank to make recommendations to the Board of Directors on the improvement of procedures, policies and operational strategies.

(iv) *Board of Supervision*

The Board of Supervision has the responsibility to control the overall risk management process within the Bank and its subsidiary.

(v) *Internal Audit*

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

(vi) *Risk measurement and reporting systems*

The Bank'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 of risks is primarily performed based on limits established by the Bank in compliance with the State Bank of Vietnam's regulations. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept.

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41. FINANCIAL RISK MANAGEMENT (continued)

(vi) Risk measurement and reporting systems (continued)

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 Management, Board of Directors, and the department heads. The report includes aggregate credit exposure, credit metric forecasts, limit exceptions, liquidity ratios and risk profile changes. The Board of Directors assesses the appropriateness of the allowance for credit losses on a quarterly basis. The Board of Directors receives a comprehensive risk report quarterly which is designed to provide all the necessary information to assess and conclude on the risks of the Bank.

For all levels throughout the Bank and its subsidiary, 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*.

(vii) Risk reduction

The Bank has actively used collateral to mitigate credit risk.

(viii) Excessive risk concentration

Concentrations arise when a number of counterparties of the Bank is engaged in similar business activities, or activities in the same geographic region, 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 relative sensitivity of the Bank's performance to the developments of a particular industry or geographic allocation.

In order to avoid excessive concentrations of risk, the Bank'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 Bank in respect of the industries and other related factors

42. CREDIT RISK

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Bank has established a credit quality review process to provide early identification of possible changes in the financial position and creditworthiness of counterparties based on qualitative and quantitative indicators. Counterparty's limits are established by the use of a credit rating system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision.

The effective interest rates on deposits with the SBV, placements with and loans to other banks, loans and advances to customers in currencies are presented in Notes 6, 7, 10 and 19.

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NOTES TO THE INTERIM SEPARATED FINANCIAL STATEMENTS (continued)
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42. CREDIT RISK (continued)

42.1 Maximum exposure to credit risk before collateral held or other credit enhancements

The maximum exposures to credit risk relating to each group of financial assets, which are equivalent to their book values on the separate balance sheet, are listed below:

	30 June 2017 VND million	31 December 2016 VND million
Credit risk exposures of balance sheet items		
Due from and loans to other credit institutions	22,853,612	19,002,925
Loans to customers	400,000	400,000
<i>Individuals</i>		
<i>Corporates</i>	39,109,141	28,674,541
Derivatives and other financial assets	48,993,907	45,532,005
Investment securities	8,127	8,690
<i>Debt securities - available-for-sale</i>		
<i>Debt securities - held-to-maturity</i>	6,401,019	5,259,048
Other financial assets	4,400,751	2,500,000
Credit risk exposures of off-balance sheet items		
Financial guarantees	3,119,052	2,739,865
Letters of credit	1,085,646	1,092,889

This table presents the worst scenario which the Bank will incur the maximum credit exposures as at 30 June 2017 and 31 December 2016, without taking into account of any collateral held or their credit enhancements.

42.2 Financial assets neither past due nor impaired

The Bank and its subsidiary's financial assets which are neither past due nor impaired comprise loans to customers classified as Group 1 (Current) loans in accordance with Circular No. 02/2013/TT-NHNN and Circular No. 09/2014/TT-NHNN; securities, receivables and other financial assets which are not past due and no provision is required in accordance with Circular No. 228/2009/TT-BTC and Circular No. 89/2013/TT-BTC issued at 28 June 2013.

The Bank see that they have absolutely capacity to fully and timely recover these financial assets in the futures.

42.3 Financial assets past due but not impaired

The age of financial assets past due but not impaired as at 30 June 2017 is presented below:

	<i>Past due</i>				Total VND million
	<i>Less than 90 days</i>	<i>From 91 to 180 days</i>	<i>From 181 to 360 days</i>	<i>More than 360 days</i>	
	VND million	VND million	VND million	VND million	
Loans to customers	511,649	101,815	39,010	122,551	775,025

Loans that are overdue but not discounted are overdue loans but not required to make provisions as the Bank holds all collaterals in the form of counterparty deposits, real estate, movable assets, valuable papers and other types of collateral.

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NOTES TO THE INTERIM SEPARATED FINANCIAL STATEMENTS (continued)
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43. MARKET RISK

43.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair values of financial instruments. The Bank are exposed to interest rate risk as a result of mismatches of maturity dates or dates of interest rate re-pricing in respect of assets, liabilities and off-balance sheet instruments over a certain period. The Bank manage this risk by matching the dates of interest rate re-pricing of assets and liabilities through risk management strategies.

Analysis of assets and liabilities based on interest rate re-pricing date

Re-pricing term of the effective interest rate is the remaining period from the date of the separate financial statements to the nearest re-pricing date of interest rate applicable to assets and equity.

The following assumptions and conditions are used in analysis of the re-pricing period of interest rates of the Bank's assets and liabilities:

- ▶ Cash and gold; investment in equity securities; long-term investment and other assets (including fixed assets, investment properties and other assets) are classified as non-interest bearing items;
- ▶ The re-pricing term of balances with the State Bank of Vietnam is considered as up to 1-month;
- ▶ The re-pricing term of investment securities and held-for-trading securities is calculated based on the time to maturity from the interim balance sheet date for each type of securities;
- ▶ The re-pricing term of placements with other banks and loans to other banks; loans to customers; borrowings from the Government and State Bank of Vietnam; placements from other credit institutions and borrowings from other credit institutions; due to customers are determined as follows:
 - Items which bear fixed interest rate during the contractual term: The re-pricing term is determined based on the time to maturity from the interim balance sheet date.
 - Items which bear floating interest rate: The re-pricing term is determined based on the time to the nearest interest rate re-pricing date from the interim balance sheet date.
- ▶ The re-pricing term of valuable papers is determined based on the time to the nearest interest rate re-pricing date from the interim balance sheet date.

The following table presents the interest re-pricing period of the Bank's assets and liabilities as at 30 June 2017:

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43. MARKET RISKS (continued)

43.1 Interest rate risk (continued)

	Interest re-pricing period							Total VND million
	Overdue VND million	Non-interest bearing VND million	Up to 1 month VND million	1 -3 months VND million	3 -6 months VND million	6 -12 months VND million	1 - 5 years VND million	
Assets								
Cash	-	1,345,149	-	-	-	-	-	1,345,149
Balances with the State Bank of Vietnam	-	-	5,514,868	-	-	-	-	5,514,868
Due from and loans to other credit institutions - gross	-	-	20,145,953	1,712,659	815,000	180,000	-	22,853,612
Trading securities - gross	-	400,000	-	-	-	-	-	400,000
Loans to customers - gross	1,815,131	-	4,885,705	81,402,212	-	-	-	88,103,048
Debt purchasing - gross	8,127	-	-	-	-	-	-	8,127
Investment securities - gross	300,000	2,853,692	2,467,914	106,981	1,977,248	2,405,640	6,118,291	33,525,293
Long-term investments - gross	-	1,075,346	-	-	-	-	-	1,075,346
Fixed assets	-	1,287,955	-	-	-	-	-	1,287,955
Other assets - gross	58,125	5,656,138	530,259	651,241	522,609	572,927	548,347	8,602,994
Total assets	2,181,383	12,618,280	33,544,699	83,873,093	3,314,857	3,158,567	17,843,874	162,716,392
Liabilities								
Borrowings from the Government and the SBV	-	-	-	153,157	-	-	-	153,157
Due to and borrowings from other credit institutions	-	-	23,519,269	78,509	661,715	-	-	24,259,493
Due to customers	-	121,295	37,977,328	20,227,551	21,564,203	28,178,891	7,696,075	115,766,775
Grants, entrusted funds and loans exposed to risks	-	-	4,946	2,871,168	-	-	-	2,907,267
Valuable papers issued	-	-	154,000	600,000	-	400,000	1,430,000	5,084,000
Derivatives and other financial liabilities	-	69,645	-	-	-	-	-	69,645
Other liabilities - gross	-	271,530	378,917	581,029	768,348	664,715	194,001	2,878,406
Total liabilities	-	462,470	62,034,460	24,511,414	22,994,266	29,243,606	9,320,076	151,118,743
In-balance sheet interest sensitivity gap	2,181,383	12,155,810	(28,489,761)	59,361,679	(19,679,409)	(26,085,039)	8,523,798	11,597,649

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43. MARKET RISKS (continued)

43.1 *Interest rate risk* (continued)

At the reporting date, the Bank performed sensitivity analyzes for interest rates for the six-month financial period ended 30 June 2017. Accordingly, if the interest rate increased by 1%, the after-tax profit of The bank will increase VND128,418 million. If the interest rate is reduced by 1%, then the profit after tax of the Bank will decrease by VND128,418 million.

43.2 *Currency risk*

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Bank is incorporated and operating in Vietnam with reporting currency as VND. The major currency of its transaction is also VND, some transactions are denominated in gold, USD, EUR and other foreign currencies. The Bank have set limits to control the positions of the currencies. Positions are monitored on a daily basis and hedging strategies are used to ensure positions of the currencies are maintained within the established limits.

The exchange rates of key foreign currencies to VND at the reporting date are presented at *Note 47*.

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NOTES TO THE INTERIM SEPARATED FINANCIAL STATEMENTS (continued)
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43. MARKET RISKS (continued)

43.2 Currency risk (continued)

The following table presents assets and liabilities in foreign currencies translated into VND as at 30 June 2017:

	EUR equivalent VND million	USD equivalent VND million	Gold equivalent VND million	Other currencies equivalent VND million	Total VND million
Assets					
Cash	105,190	405,652	15,686	57,204	583,732
Balances with the State Bank of Vietnam	-	1,105	-	-	1,105
Due from and loans to other credit institutions - gross	7,241,983	641,126	-	14,029	7,897,138
Loans to customers - gross	-	6,814,730	-	31,153	6,845,883
Derivatives and other financial assets	-	-	-	13,928	13,928
Other assets - gross	733	43,780	-	68	44,581
Total assets	7,347,906	7,906,393	15,686	116,382	15,386,367
Liabilities and equity					
Due to and borrowings from other credit institutions	-	2,786,286	-	-	2,786,286
Due to customers	40,749	1,764,929	-	73,539	1,879,217
Grants, entrusted funds and loans exposed to risks	-	2,872,443	-	31,153	2,903,596
Derivatives and other financial liabilities	7,290,216	233,694	-	6,273	7,530,183
Other liabilities	9,791	41,783	232	405	52,211
Total liabilities and equity	7,340,756	7,699,135	232	111,370	15,151,493
Foreign exchange position on-balance sheet	7,150	207,258	15,454	5,012	234,874
Foreign exchange position off-balance sheet	-	78,667	-	(11,510)	67,157
Foreign exchange position on and off-balance sheet	7,150	285,925	15,454	(6,498)	302,031

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43. MARKET RISK (continued)

43.2 Currency risk (continued)

At the reporting date, the Bank performed sensitivity analyzes for the exchange rate for the six-month financial period ended 30 June 2017. If the exchange rate increased by 10%, the Bank's after tax profit would increased by VND9,395 million. If the exchange rate falls by 10%, the bank's after tax profit will drop by VND9,395 million.

43.3 Liquidity risk

Liquidity risk is the risk which the Bank has difficulties in meeting the obligations of financial liabilities. Liquidity risk occurs when the Bank cannot afford to settle debt obligations at the due dates in the normal or stress conditions. To manage the liquidity risk exposure, the Bank has diversified the mobilization of deposits from various sources in addition to its basic capital resources. In addition, the Bank has established policy for control of liquidity assets flexibly; monitor the future cash flows and daily liquidity. The Bank has also evaluated the estimated cash flows and the availability of current collateral assets in case of obtaining more deposits.

The maturity term of assets and liabilities is the remaining period of assets and liabilities as calculated from the interim balance sheet date to the settlement date in accordance with contractual terms and conditions.

The following assumptions and conditions are applied in the analysis of maturity of the Bank's assets and liabilities:

- ▶ Balances with the central banks are classified as demand deposits which include compulsory deposits;
- ▶ The maturity term of investment securities is calculated based on the maturity date of each kind of securities; except for the maturity term of investments in Government bonds and bonds issued by the Vietnam Development Bank is considered within one month because of their high liquidity;
- ▶ The maturity term of due from and loans to other credit institutions, loans to customers is determined based on the maturity date as stipulated in contracts. The actual maturity term may be altered because loan contracts may be extended;
- ▶ The maturity term of long-term investments is considered as more than one year because these investments do not have specific maturity date;
- ▶ The maturity term of due to and borrowings from other credit institutions, due to customers are determined based on features of these items or the maturity date as stipulated in contracts. Vostro account and demand deposits are transacted as required by customers, and therefore, classified as current accounts. The maturity term of borrowings and term deposits is determined based on the maturity date in contracts. In practice, these amounts may be rolled over, and therefore, they may last beyond the original maturity date;
- ▶ The maturity term of a fixed asset is considered to be over five years as the majority of the Bank and its subsidiary's fixed assets are used for business purposes and are not intended to be transferred so it is possible to convert it into a low amount.

The following table presents assets and liabilities maturity from the Bank at 30 June 2017.

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43. MARKET RISK (continued)

43.3 Liquidity risk (continued)

	Overdue						Current				Total VND million
	Above 3 months VND million	Up to 3 months VND million	Up to 1 month VND million	1 – 3 months VND million	3 – 12 months VND million	1 – 5 years VND million	Above 5 years VND million				
Assets											
Cash	-	-	1,345,149	-	-	-	-	-	-	-	1,345,149
Balances with the State Bank of Vietnam	-	-	5,514,868	-	-	-	-	-	-	-	5,514,868
Due from and loans to other credit institutions - gross	-	-	20,145,953	1,712,659	995,000	-	-	-	-	-	22,853,612
Trading securities - gross	-	-	-	-	-	400,000	-	-	-	-	400,000
Loans to customers - gross	1,031,309	783,822	4,885,705	9,871,891	34,317,138	18,857,388	18,355,795	-	-	-	88,103,048
Debt purchasing - gross	8,127	-	1,786,145	-	-	-	-	-	-	-	8,127
Investment securities - gross	300,000	-	-	-	1,806,391	-	20,084,465	9,548,292	1,075,346	-	33,525,293
Long-term investments – gross	-	-	-	-	-	-	41,197	-	-	-	41,197
Fixed assets	-	-	779,765	-	-	-	-	466,993	-	-	1,287,955
Other assets - gross	58,125	-	636,935	1,783,573	2,071,629	3,577,506	475,226	-	-	-	8,602,994
Total assets	1,397,561	783,822	35,094,520	13,368,123	39,190,158	42,960,556	29,921,652	162,716,392			
Liabilities											
Borrowings from the Government and the SBV	-	-	338	369	7,340	129,894	15,216	-	-	-	153,157
Due to and borrowings from other credit institutions	-	-	23,519,269	78,509	661,715	-	-	-	-	-	24,259,493
Due to customers	-	-	38,098,623	20,227,551	49,743,094	7,696,075	1,432	-	-	-	115,766,775
Grants, entrusted funds and loans exposed to risks	-	-	-	-	1,980	1,691	2,903,596	-	-	-	2,907,267
Valuable papers issued	-	-	154,000	600,000	400,000	1,430,000	2,500,000	-	-	-	5,084,000
Derivatives and other financial liabilities	-	-	89,033	(5,435)	(13,953)	-	-	-	-	-	69,645
Other liabilities	-	-	650,459	580,908	1,342,782	138,874	165,383	-	-	-	2,878,406
Total liabilities	-	-	62,511,722	21,481,902	52,142,958	9,396,534	5,585,627	151,118,743			
Net liquidity gap	1,397,561	783,822	(27,417,202)	(8,113,779)	(12,952,800)	33,564,022	24,336,025	11,597,649			

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43. MARKET RISK (continued)

43.4 Market price risk

Except for the assets and liabilities presented above, the Bank has no other market price risks which have risk level accounting for 5% or more of net profit or the value of assets, liabilities accounting for 5% or more of total assets.

44. OPERATING LEASE COMMITMENTS

	<i>30 June 2017</i>	<i>31 December 2016</i>
	<i>VND million</i>	<i>VND million</i>
Operating lease commitments	1,040,480	1,156,906
<i>In which:</i>		
- <i>Due within one year</i>	167,370	170,077
- <i>Due from one to five years</i>	366,627	400,702
- <i>Due after five years</i>	506,483	586,127

45. SUPPLEMENTAL NOTES TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") which is effective for financial years beginning on or after 1 January 2011.

The Circular 210 only provides for the presentation and disclosures of financial instruments; therefore, the concepts of financial assets, financial liabilities and related concepts are applied solely for the supplemental presentation. Assets, liabilities and equity of the Bank have been recognized and measured in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to preparation and presentation of the interim separate financial statements.

45. SUPPLEMENTAL NOTES TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial assets

Financial assets of the Bank within the scope of Circular 210 comprise cash and gold, balances with the State Bank of Vietnam, due from and loans to other credit institutions, loans to customers, held-for-trading and investment securities, receivables and other assets under currency derivative contracts.

According to Circular 210, financial assets are classified appropriately, for the purpose of disclosure in the interim separate financial statements, into one of the following categories:

► *A financial asset at fair value through the interim separate statement of income*

Is a financial asset that meets either of the following conditions:

- a) It is classified as held-for-trading. A financial asset is classified as held for trading. A financial asset is classified as held-for-trading if:
 - ✓ It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - ✓ There is evidence of recent actual pattern of short-term profit-taking; or
 - ✓ It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).
- b) Upon initial recognition, it is designated by the Bank

► *Held-to-maturity investments:*

Non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank intends and is able to hold to maturity, except:

- a) Financial assets that, at the time of initial recognition, have been classified as a recognized group at their fair value through the separate statement of income;
- b) Financial assets are classified as available-for-sale;
- c) Financial assets are satisfied the definitions of loans and receivables

► *Loans and receivables:*

Are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, not includes:

- a) Those that the Bank intend to sell immediately or in the near term, which shall be classified as held for trading, and those that the Bank upon initial recognition designate as at fair value through profit or loss;
- b) Those that the Bank upon initial recognition designate as available for sale; or
- c) Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

► *Available for sale assets:*

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

- a) Loans and receivables;
- b) Held-to-maturity investments;
- c) Financial assets at fair value through interim separate profit or loss.

45. SUPPLEMENTAL NOTES TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial liabilities

Financial liabilities of the Bank under the Circular 210 consist of borrowings from the Government and the State Bank of Vietnam, deposits and borrowings from other banks, due to customers, grants, entrusted funds and loans exposed to risks, valuable papers issued by the Bank and its subsidiaries, payables and other liabilities under monetary derivative contracts.

According to Circular 210/2009/TT-BTC, financial liabilities are classified appropriately, for the purpose of disclosure in the separate financial statements, into one of the following categories:

► *Financial liabilities at fair value through profit or loss*

is a financial liability that meets either of the following conditions:

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

► *Financial liabilities at amortized cost.*

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

Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset and reported at the net amount in the separate balance sheet if, and only if, the Bank has an enforceable legal right to offset financial assets against financial liabilities and the Bank has intention to settle on a net basis, or the realisation of the assets and settlement of liabilities is made simultaneously.

Determine the fair value of financial instruments

The fair value of cash and short term deposits approximate their carrying value due to short term maturity of these items.

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45. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The carrying amount and fair value of the Bank's financial assets and liabilities are presented as at 30 June 2017 as follows:

	Book Value					Fair Value VND million
	Trading VND million	Keep up to maturity VND million	Lend and receivable VND million	Available for sale VND million	Other assets and financial liabilities are accounted according to the distribution value VND million	
Financial assets						
Cash, gold and precious stones	-	-	-	-	1,345,149	1,345,149
Balances with the SBV	-	-	-	-	5,514,868	5,514,868
Due from and loans to other credit institutions	-	-	3,393,957	-	19,459,655	22,853,612 (*)
Trading securities	397,000	-	-	-	-	397,000 (*)
Derivatives and other financial assets	-	-	87,326,274	-	-	87,326,274 (*)
Loans and advances to customers	-	-	5,489	-	-	5,489 (*)
Purchased debts	-	7,806,513	-	24,652,963	-	32,459,476 (*)
Investment securities	-	-	-	372,427	-	372,427 (*)
Long-term investments	-	-	5,869,888	-	-	5,869,888 (*)
Total	397,000	7,806,513	96,595,608	25,025,390	26,319,672	156,144,183
Financial liabilities						
Borrowings from the Government and the SBV	-	-	-	-	153,157	153,157 (*)
Due to and borrowings from other credit institutions	-	-	-	-	24,259,493	24,259,493 (*)
Due to customers	-	-	-	-	115,766,775	115,766,775 (*)
Derivatives	-	-	-	-	69,645	69,645 (*)
Grants, entrusted funds and loans exposed to risks	-	-	-	-	2,907,267	2,907,267 (*)
Valuable papers issued	-	5,084,000	-	-	-	5,084,000 (*)
Other liabilities	-	-	-	-	2,606,876	2,606,876 (*)
Total	-	5,084,000	-	-	145,763,213	150,847,213

(*) As Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and related regulations of the State Bank of Vietnam have

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46. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the interim balance sheet date that requires adjustment or disclosure in the interim separate financial statements of the Bank.

47. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VIETNAM DONG AT THE END OF THE PERIOD

	30 June 2017 VND	31 December 2016 VND
USD	22,431	22,159
EUR	25,861	23,876
GBP	29,410	27,803
CAD	17,415	16,807
SGD	16,409	15,678
AUD	17,410	16,372
CNY	3,253	3,138
JPY	201,96	194,90
Gold SJC (ounce)	36,240,000	35,800,000

Prepared by: 



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Mr. Nguyen Huu Dang
General Officer

Ho Chi Minh City, Vietnam

4 October 2017