



**HO CHI MINH CITY DEVELOPMENT JOINT STOCK BANK  
CONSOLIDATION FINANCIAL STATEMENTS FIRST QUARTER 2018**

For period from 1 January 2018 to 31 March 2018



# Ho Chi Minh City Development Joint Stock Bank

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# Ho Chi Minh City Development Joint Stock Bank

CONSOLIDATED BALANCE SHEET  
as at 31 March 2018

Form B02/TCTD  
(issued under Circular No  
49/2014/TT- NHNN dated 31 December 2014)

		31 March 2018	31 December 2017
	<i>Notes</i>	<i>VND million</i>	<i>VND million</i>
<b>ASSETS</b>			
<b>Cash and gold</b>		<b>1,649,501</b>	<b>1,511,629</b>
<b>Balances with the State Bank of Vietnam</b>		<b>2,269,185</b>	<b>1,922,256</b>
<b>Due from banks</b>		<b>19,681,403</b>	<b>21,861,168</b>
Placements with other banks		18,813,647	19,650,607
Loans to other Banks		867,756	2,210,561
Provision for loan to other Banks (*)		-	-
<b>Securities held for trading</b>	V.01	<b>2,850,111</b>	<b>4,690,398</b>
Trading securities		2,853,111	4,693,398
Provision for trading securities (*)		(3,000)	(3,000)
<b>Derivatives and other financial assets</b>	V.02	<b>28,122</b>	-
<b>Loans and advances to customers</b>		<b>114,673,489</b>	<b>103,336,329</b>
Loans and advances to customers	V.03	115,886,169	104,497,028
Provision for credit losses of loans and advances to customers (*)	V.04	(1,212,680)	(1,160,699)
<b>Purchased debts</b>	V.05	<b>3,875</b>	<b>3,875</b>
Purchased debts		7,749	7,749
Provision for credit losses of purchased debts (*)		(3,874)	(3,874)
<b>Investment securities</b>	V.06	<b>39,386,619</b>	<b>45,802,141</b>
Available-for-sale securities		31,737,506	37,417,732
Held-to-maturity securities		8,851,858	9,614,647
Provision for investment securities (*)		(1,202,745)	(1,230,238)
<b>Long-term investments</b>	V.07	<b>375,507</b>	<b>378,237</b>
Investments in subsidiaries		-	-
Joint venture		-	-
Investment in associates		-	-
Other long term investments		487,357	490,087
Provision for long-term investments (*)		(111,850)	(111,850)
<b>Fixed assets</b>		<b>1,522,636</b>	<b>1,526,617</b>
<i>Tangible fixed assets</i>		525,242	526,448
Cost		1,093,463	1,078,472
Accumulated depreciation (*)		(568,221)	(552,024)
<i>Finance leases</i>		-	-
Cost		-	-
Accumulated depreciation (*)		-	-
<i>Intangible fixed assets</i>		997,394	1,000,169
Cost		1,182,025	1,181,235
Accumulated amortization (*)		(184,631)	(181,066)

# Ho Chi Minh City Development Joint Stock Bank

CONSOLIDATED BALANCE SHEET  
as at 31 March 2018

Form B02/TCTD  
(issued under Circular No  
49/2014/TT- NHNN dated 31 December 2014)

	<i>31 March 2018</i>	<i>31 December 2017</i>
<i>Notes</i>	<i>VND million</i>	<i>VND million</i>
<b>Investment properties</b>	<b>52,048</b>	<b>45,769</b>
Cost	52,347	46,037
Accumulated amortization (*)	(299)	(268)
<b>Other assets</b>	<b>7,881,811</b>	<b>8,255,852</b>
Receivables	2,725,615	3,423,647
Interest and fees receivable	3,719,304	3,416,359
Deferred corporate income tax assets	V.12.2 21,238	21,238
Other assets	1,476,628	1,455,489
<i>In which: Good will</i>	32,174	33,614
Provision for other assets (*)	(60,974)	(60,881)
<b>TOTAL ASSETS</b>	<b>190,374,307</b>	<b>189,334,271</b>



# Ho Chi Minh City Development Joint Stock Bank

CONSOLIDATED BALANCE SHEET  
as at 31 March 2018

Form B02/TCTD  
(issued under Circular No  
49/2014/TT- NHNN dated 31 December 2014)

	<i>Notes</i>	<i>31 March 2018</i> <i>VND million</i>	<i>31 December 2017</i> <i>VND million</i>
<b>LIABILITIES</b>			
<b>Due from the Government and the State Bank of Vietnam</b>	V.07	127,488	156,253
<b>Due to other banks</b>	V.08	41,010,855	37,217,378
Deposit to other banks		21,815,737	12,244,362
Borrowings from other banks		19,195,118	24,973,016
<b>Due to customers</b>	V.09	117,302,099	120,537,469
<b>Derivatives and other financial liabilities</b>	V.02		70,098
<b>Other borrowed and entrusted funds</b>		2,947,308	2,927,741
<b>Valuable paper issued</b>	V.10	9,446,000	9,793,000
<b>Other liabilities</b>	V.11	3,761,300	3,873,226
Interest and fees payable		2,631,864	2,695,865
Deferred corporate income tax liabilities		-	-
Other payables		1,129,436	1,177,361
Other provision for liabilities (for contingent liabilities and in balance sheet securities)		-	-
<b>TOTAL LIABILITIES</b>		<b>174,595,050</b>	<b>174,575,165</b>
<b>OWNERS' EQUITY</b>			
<b>Capital</b>		11,852,342	11,852,342
Charter capital		9,810,000	9,810,000
Fund for capital expenditure		89	89
Share premium		2,042,255	2,042,255
Treasury shares (*)		(2)	(2)
Preference shares		-	-
Other owners' capital		-	-
<b>Reserves</b>		452,344	453,708
<b>Foreign exchange differences</b>		37,605	-
<b>Asset revaluation differences</b>		-	-
<b>Retained earnings</b>		2,526,763	1,769,506
<b>Non- controlling interest</b>		910,203	683,550
<b>TOTAL OWNERS' EQUITY</b>	V.13.1	<b>15,779,257</b>	<b>14,759,106</b>
<b>TOTAL LIABILITES AND OWNERS' EQUITY AND NON CONTROL INTEREST</b>		<b>190,374,307</b>	<b>189,334,271</b>

# Ho Chi Minh City Development Joint Stock Bank

CONSOLIDATED BALANCE SHEET  
as at 31 March 2018

Form B02/TCTD  
(issued under Circular No  
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## CONSOLIDATED OFF-BALANCE SHEET ITEMS

Notes	31 March 2018	31 December 2017
	VND million	VND million
Credit guarantees	10,814	9,052
Foreign exchange commitments	54,741,047	41,764,910
- <i>Spot foreign exchange commitments – buy</i>	5,269,326	3,880,370
- <i>Spot foreign exchange commitments – sell</i>	3,181,817	3,166,761
- <i>Cross currency swap contracts</i>	46,289,904	34,717,779
- <i>Future contract</i>	-	-
Irrevocable letters of credit	-	-
Letters of credit	1,323,397	1,073,114
Other guarantees	3,108,292	3,392,157
<b>Total</b>	<b>59,183,550</b>	<b>46,239,233</b>

Prepared by:



Ms. Le Thi Thao  
Accountant

Reviewed by: 



Ms. Ho Dang Hoang Quyên  
Chief Accountant

Approved by:



Mr. Pham Van Dau  
Chief Financial Officer

Ho Chi Minh City, Vietnam  
24 April 2018

# Ho Chi Minh City Development Joint Stock Bank

CONSOLIDATED INCOME STATEMENT  
For the period from 1 January 2018 to 31 March 2018

Form B03/TCTD  
(issued under Circular No  
49/2014/TT- NHNN dated 31 December 2014)

	Notes	Current period VND million	Previous period VND million
Interest and similar income	VI.14	3,934,542	3,418,804
Interest and similar expenses	VI.15	(2,103,102)	(2,062,707)
<b>Net interest and similar income</b>		<b>1,831,440</b>	<b>1,356,097</b>
Fee and commission income		130,078	56,903
Fee and commission expenses		(19,199)	(24,638)
<b>Net fee and commission income</b>		<b>110,879</b>	<b>32,265</b>
<b>Net income from foreign currencies</b>		<b>22,698</b>	<b>34,006</b>
<b>Net income from securities held for trading</b>	VI.16	<b>83,317</b>	<b>(1,452)</b>
<b>Net income from investment securities</b>	VI.17	<b>160,114</b>	<b>43,105</b>
Other operating income		87,853	27,145
Other operating expenses		(15,715)	(5,078)
<b>Net income from other operating activities</b>		<b>72,138</b>	<b>22,067</b>
<b>Income from long term investments</b>	VI.18	<b>22,431</b>	<b>495</b>
<b>Total operating expenses</b>	VI.19	<b>(1,009,080)</b>	<b>(893,980)</b>
<b>Net operating profit before provision for credit losses</b>		<b>1,293,937</b>	<b>592,603</b>
Provision credit losses expense		(247,179)	(205,256)
<b>PROFIT BEFORE TAX</b>		<b>1,046,758</b>	<b>387,347</b>
Current corporate income tax expense		(212,844)	(77,751)
Deferred corporate income tax		-	-
<b>Corporate income tax expenses</b>		<b>(212,844)</b>	<b>(77,751)</b>
<b>PROFIT AFTER TAX</b>		<b>833,914</b>	<b>309,596</b>
<i>Attribute:</i>			
Common shareholders of the Bank		757,260	267,158
Non-controlling interest		76,654	42,438
<b>Earnings per share (VND/share)</b>		<b>772</b>	<b>330</b>

Prepared by:



Ms. Le Thi Thao  
Accountant

Reviewed by:



Ms. Ho Dang Hoang Quyen  
Chief Accountant

Approved by:



Mr. Pham Van Dau  
Chief Financial Officer



# Ho Chi Minh City Development Joint Stock Bank

CONSOLIDATED CASH FLOWS STATEMENT  
For the period from 1 January 2018 to 31 March 2018

Form B04/TCTD  
(issued under Circular No  
49/2014/TT- NHNN dated 31 December 2014)

<i>Notes</i>	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest and similar receipts	3,736,808	3,454,647
Interest and similar payments	(2,167,071)	(1,734,445)
Net fee and commission receipts	107,193	26,480
Net receipts from trading of securities, gold and foreign currencies	197,693	109,568
Other income	23,971	40,269
Recoveries from bad debts written-off previously	16,479	3,834
Payments to employees and other operating expenses	(985,291)	(940,561)
Corporate income tax paid during the period	(114,630)	(91,326)
<b>Net cash flows from operating profit before changes in operating assets and liabilities</b>	<b>815,152</b>	<b>868,466</b>
<b><i>Changes in operating assets</i></b>		
Decrease in due from other banks	106,000	-
Decrease/(increase) in securities held for trading	8,184,228	(3,204,092)
Increase in derivatives and other financial assets	(98,220)	(60,830)
Increase in loans to customers	(11,389,141)	(5,877,840)
Increase/(decrease) debts purchased	-	-
Utilization of provision to write-off loans to customers, securities and long-term investments	(151,771)	(127,721)
Decrease in other assets	664,602	34,649
<b><i>Changes in operating liabilities</i></b>		
(Decrease)/increase in due to Government and the State Bank of Vietnam	(28,765)	1,873,141
Increase in due to other banks	3,793,478	382,629
(Decrease)/increase in due to customers	(3,235,370)	9,576,752
(Decrease)/increase in debt issued	(347,000)	726,987
Decrease in other borrowed and entrusted funds	19,567	24,594
Increase/(decrease) in derivatives and other financial liabilities	-	-
Increase/(decrease) in other liabilities	5,315	(34,282)
Utilization of funds	(1,364)	(2,658)
<b>Net cash flows (used in)/from operating activities</b>	<b>(1,663,289)</b>	<b>4,179,795</b>

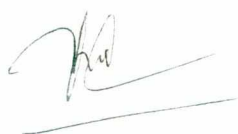
# Ho Chi Minh City Development Joint Stock Bank

CONSOLIDATED CASH FLOWS STATEMENT  
For the period from 1 January 2018 to 31 March 2018


Form B04/TCTD  
(issued under Circular No  
49/2014/TT- NHNN dated 31 December 2014)

<i>Notes</i>	<i>Current period VND million</i>	<i>Previous period VND million</i>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(20,317)	(13,023)
Proceeds from disposal of fixed assets	31,875	15,531
Payment from disposal of fixed assets	-	(2,364)
Purchase of investment properties	-	-
Proceeds from disposal of investment properties	-	-
Payment from disposal of investment properties	-	-
Payments for investments in other entities	-	(22,474)
Proceeds from investments in other entities	2,730	82,026
Dividends received from long-term investments	22,431	1,052
<b>Net cash flows from investing activities</b>	<b>36,719</b>	<b>60,748</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Capital contribution and issuance of shares	-	-
Proceed from issuing long term valuable papers including in capital and other loan term borrowings	-	-
Proceed from disposal long term valuable papers including in capital and other loan term borrowings	-	-
Dividends paid	-	-
Purchase treasury shares	-	-
Proceed from disposal treasury shares	-	-
<b>Cash flows used in financing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash for the period</b>	<b>(1,626,570)</b>	<b>4,240,543</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>25,189,053</b>	<b>22,605,358</b>
<b>Foreign exchange difference</b>	<b>37,605</b>	<b>(2,131)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>23,600,089</b>	<b>26,843,770</b>

Prepared by:



Ms. Le Thi Thao  
Accountant

Reviewed by: 

Ms. Ho Dang Hoang Quyen  
Chief Accountant

Approved by: 



Mr. Pham Van Dau  
Chief Financial Officer

Ho Chi Minh City, Vietnam  
24 April 2018

# Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
As at 31 March 2018 and for the period then ended

Form B05/TCTD  
(issued under Circular No  
49/2014/TT- NHNN dated 31 December 2014)

## I. GENERAL INFORMATION

### 1. Establishment and Operations License, operating duration

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

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.

### 2. Charter capital

The charter capital of the Bank as at 31 March 2018 is VND 9,810,000 million (as at 31 December 2017: VND 9,810,000 million).

### 3. The Board of Directors

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

<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



# Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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## 4. 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:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/reappointment/resignation</i>
Mr. Nguyen Huu Dang	General Director	Re-appointment on 22 October 2015
Ms. Nguyen Doan Duy Ai	Deputy General Director	Appointment on 15 August 2007
Mr. Pham Quoc Thanh	Deputy General Director	Re-appointment on 11 March 2016
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. Nguyen Thanh Phuong	Deputy General Director	Appointment on 22 January 2018
Mr. Le Thanh Trung	Deputy General Director	Re-appointment on 15 February 2016
Mr. Tran Hoai Nam	Deputy General Director	Re-appointment on 27 February 2016
Mr. Tran Thai Hoa	Deputy General Director	Appointment on 27 May 2015
Mr. Pham Thien Long	Deputy General Director	Resignation on 10 January 2018
Mr. Pham Van Dau	Chief Financial Officer	Appointment on 16 September 2009
Ms. Ho Dang Hoang Quyen	Chief Accountant	Appointment on 7 July 2011

## 5. 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 31 March 2018, the Bank had one (1) Head Office, one (1) representative office in the North, fifty seven (57) branches, one hundred and eighty one (181) transaction offices located in cities and provinces throughout Vietnam.

## 6. Subsidiaries

As at 31 March 2018, the Bank had two (2) subsidiaries:

<i>Subsidiary</i>	<i>Operating License No.</i>	<i>Nature of business</i>	<i>Ownership of the Bank</i>
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, thirteenth (13) amended on 5 February 2018	Finance/ Banking	50%

## 7. Employees

The Bank and its subsidiaries' total number of employees as at 31 March 2018 was 13,673 persons (as at 31 December 2017: 13,728 persons).



# Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
As at 31 March 2018 and for the period then ended

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## II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

### 1 Accounting period

The first quarter accounting period of the Bank and its subsidiaries start from 1 January to 31 March.

### 2 Accounting currency

The consolidated financial statements are prepared in VND. For the presentation of the consolidated financial statements as at 31 March 2018, the data is rounded to millions and expressed in millions of Vietnam dong ("VND million"). This presentation does not affect the view of users of the consolidated financial statements on the Bank's financial position, results of its operations and its cash flow.

## III. APPLIED ACCOUNTING STANDARDS AND SYSTEM

### 1 Statement of compliance

The Board of Management of the Bank confirms that the accompanying consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of the consolidated financial statements for the period from 1 January 2018 to 31 March 2018.

### 2 Basis of preparation of consolidated financial statements

The consolidated financial statements of the Bank and its subsidiaries 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 the State Bank of Vietnam, and the Accounting Systems of Credit Institutions issued in conjunction with the Decision No. 479/2004 / QD-NHNN issued by the Governor of the State Bank of Vietnam and the Vietnamese Accounting Standards issued by the Ministry of Finance include:

- ▶ 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)

# Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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The accompanying consolidated financial statements were prepared on Vietnam's accounting principles, procedures and practices. Accordingly, the accompanying consolidated financial statements, including their utilizations 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 consolidated financial position, results of consolidated operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

Items which are not presented in the consolidated financial statements in accordance with Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the State Bank of Vietnam indicate have nil balance.

### **3 Assumptions and uses of estimates**

The preparation of the consolidated 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 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the financial period from 1 January 2018 to 31 March 2018. The financial statements of the subsidiaries are prepared for the same reporting period as the parent bank, using consistent accounting policies.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continued to be consolidated until the date that such control ceases.

All intra-company balances, income and expenses and unrealized gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Bank and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

## **IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **1 Foreign currency transactions**

In accordance with the accounting system of the Bank and its subsidiaries, all transactions are recorded in original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using exchange rates ruling at the balance sheet. Income and expenses arising in foreign currencies during the period are converted into VND at rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities are recognized and followed in the "*Foreign exchange differences*" under "*Owners' Equity*" section and will be transferred to the consolidated income statement at the end of the financial period



# Ho Chi Minh City Development Joint Stock Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
As at 31 March 2018 and for the period then ended

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## 2. Consolidation principles

The consolidated financial statements are prepared in VND in accordance with cost and matching principal of Vietnamese Accounting Standards and prevailing regulations applicable to Credit Institutions operating in Vietnam.

Subsidiaries are companies comprised followings:

- The Bank or the Bank and its related parties owing over 50% charter capital or over 50% voting share capital.
- The Bank has right to appoint majority or all member of Board of Directors, member of council or General Director (Director) of the subsidiaries directly or indirectly.
- The Bank has right to amend, supplement charter of the subsidiaries.
- The Bank and its related parties directly or indirectly approve Resolutions, Decision of Annual General Meeting, Board of Directors, and Board of Council of subsidiaries.

Subsidiaries are controlled by the Bank. Financial statements of subsidiaries comprised of consolidated financial statements from the date of acquisition, being the date on which the Bank obtains control, and continued to be consolidated until the date that such control ceases.

When there is a difference between the accounting policies of subsidiaries and the Bank, adjustments are necessary to ensure consistency in accounting policies for the purposes of the consolidated financial statements.

All intra-company balances, income and expenses and unrealized gains or losses resulting from intra-company transactions are eliminated in full.

## 3. Derivatives and hedging accounting

The Bank and its subsidiaries 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 trading purpose of the Bank and its subsidiaries.

### *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 in the “*Foreign exchange differences*” under “*Owners’ Equity*” section and will be transferred to the consolidated income statement at the end of the financial period.

### *Swap contract*

The 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 difference between spot rate and forward rate are recorded at contract date as assets or liabilities on consolidated balance sheet and are amortized to

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the consolidated income statement straight-line basis over the contract period.

## 4. Recognition and de-recognition of accrued income and expenses

Interest income and interest expenses are recognized in the consolidated 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 accordance with Circular 02 and Circular 09. Suspended interest income is reversed and monitored off-balance sheet and recognized in the consolidated income statement upon actual receipt.

Banks carry out selling securities late payment contracts. Accordingly, the buyer is obliged to pay interest for the delayed period as agreed in the contracts and appendices. The Bank recognized interest on cash basis.

## 5. Fees and commissions income

### *Fees and commissions income*

Fees and commissions are recognized on accrued basis.

### *Income from investment*

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

Cash dividends from equity investment are recognized in the consolidated 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 consolidated income statement.

## 6. Loans and advances to customers, purchased debts

### 6.1 *Loans and advances to customers*

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

Short term loans are loans have maturities under one year from the loan disbursement date. Medium term loans are loans have maturities from one to five years from the loan disbursement date. Long term loans are loans have maturities over five years from the loan disbursement date.

The loan classification and provision were made under Circular 02/2013/TT-NHNN issued by SBV dated 21 January 2013 providing on classification of assets, levels and method of setting up of risk provisions, and use of provisions against credit risks in the banking activity of credit institutions, foreign banks' branches ("Circular 02") and Circular 09/2014/TT-NHNN issued by SBV dated 18 March 2014 amending and supplementing several article of Circular 02 ("Circular 09").

The general and specific provision rates for each group are presented as follows:



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<i>Loan group</i>		<i>Classification criteria</i>	<i>Specific provision rate</i>	<i>General provision rate</i>
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"> <li>▪ Debts made in compliance with Clauses 1, 3, 4, 5, 6, Article 126 of the Law on Credit Institutions ; or</li> <li>▪ Debts made in compliance with Clauses 1, 2, 3, 4, Article 127 of the Law on Credit Institutions; or</li> <li>▪ Debts made in compliance with Clauses 1, 2 and 5 of Article 128 of the Law on Credit Institutions.</li> </ul>	20%	0.75%
		(e) Debts are required to be recovered according to regulatory inspection conclusions.		

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<i>Loan group</i>		<i>Classification criteria</i>	<i>Specific provision rate</i>	<i>General provision rate</i>
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 (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.	50%	0.75%

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5	Loss	<ul style="list-style-type: none"> <li>(a) Debts are overdue for a period of more than 360 days; or</li> <li>(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</li> <li>(c) Debts of which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or</li> <li>(d) Debts of which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or</li> <li>(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</li> <li>(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</li> <li>(g) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches which capital and assets are blocked.</li> </ul>	100%	0%
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If a customer has more than one debts with the Bank and its subsidiaries any of outstanding debts are classified into higher risk groups, the entire remaining debts should also be classified into the higher risk groups.

If a customer is classified into debt group with lower risk than debt group in CIC list, the Bank must adjust the debt classification results according to CIC list.

The basis for determination of value and discounted value of collaterals is regulated in Circular 02.

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

The Bank and its subsidiaries sell loans to VAMC at the 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, Circular No. 14/2015/TT-NHNN and Circular No 08/2016/TT-NHNN amend and supplement Circular 19/2013/TT-NHNN and Official Letter No. 8499/NHNN-TCKT on "Accounting guidance on selling and purchasing of bad debts between VAMC and credit institutions". Accordingly, selling price equals to the



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outstanding loan balance minus (-) unused balance of specific provision. The bank then receives the special bonds issued by VAMC.

Upon the sale of loans to VAMC, the Bank and its subsidiaries write 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 and its subsidiaries uses annual specific provisions for special bonds to write off bad debts and recognize the difference between provision for credit losses and the remaining outstanding loan balance/bond value in "Other income" of the consolidated income statement".

### 6.2 *Purchased debts*

Purchased debts are recorded at the purchasing price on the contract and classified to the group with risk level is not lower than its original group classified before purchase. 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 year 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.

## 7. **Held for trading and investment securities**

### 7.1 *Securities held for trading*

#### *Classification and recognition*

Trading securities include debt securities purchased for trading purposes. Trading securities are initially recognized at cost on transaction date.

#### *Measurement*

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. Gain or loss from disposal held for trading securities was recorded in consolidated income statement.

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

Provision for credit losses on corporate bonds which are not listed on the stock market or not registered on the unlisted public companies market is made in accordance with Circular 02 and Circular 09.

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## 7.2 *Available-for-sale investment securities*

### *Classification and recognition*

Available-for-sale securities include debt and equity securities that are acquired by the Bank and its subsidiaries for the investment and available-for-sale purposes, not regularly traded but can be sold when there is a benefit. For equity securities, the Bank and its subsidiaries are also neither the founding shareholder nor the strategic partner and do not have the ability to make certain influence in establishing and making the financial and operating policies of the investees through a written agreement on assignment of its personnel 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.

Available-for-sale debt securities are recognized at par value at the purchase date. Accrued interest (for debt securities with interest payment in arrears) and 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.

In subsequent periods, these securities are continuously recorded at par value, and the discount/premium (if any) is amortized to the consolidated 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.

### *Measurement*

Periodically, available-for-sale securities will be considered for impairment.

Provision for impairment of equity securities is made when book value of the securities is higher than its market value which is determined according to Circular 228/2009/TT-BTC. In case market value of the securities is not possible to determined, provision for these securities will not be made

Provision for impairment is recorded to "Net gain/loss from investment securities" in the consolidated income statement.

Listed debt securities are recognized at the cost less provision for impairment of securities which are determined bases on the rates of return that are listed on Hanoi Securities Trading Center at the balance sheet date.

For corporate bonds that have not yet been listed on the securities market or have not been registered for trading on unlisted public companies, the Bank shall made provisions for those bonds in accordance with Circular 02 and Circular 09.



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## 7.3 *Held-to-maturity investment securities*

### *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 19/2013/TT-NHNN which stimulates the purchase, sale and write-off bad debts of VAMC, Circular No. 14/2015/TT-NHNN dated 28 August 2015 and Circular 8/2016/TT-NHNN dated 16 June 2016 issued by SBV amending and supplementing some articles of Circular No. 19/2013/TT-NHNN.

As required by Circular No. 14/2015/TT-NHNN and Circular 08/2016/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  $m^{\text{th}}$  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 ( $m^{\text{th}}$  year).

On settlement date of special bonds, interest occurred from debts collection shall be recognized into "*Interest and similar income*".

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 consolidated income statement in "*Provision expense for credit losses*" for period from 1 January 2018 to 31 March 2018. General provision is not required for the special bonds.

### *Other held-to-maturity securities*

Held-to-maturity securities are debt securities purchased by the Bank and its subsidiaries for the investment purpose of earning dividend and the Bank and its subsidiaries has the capability and intention to hold these investments until maturity. Held-to-maturity securities have the determined value and maturity date. In case the securities are sold before the maturity date, these securities will be reclassified to securities held for trading or available-for-sale securities.

Debt securities are recognized and measured similarly as available-for-sale securities.

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## 8. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, gold, balances with the State Bank of Vietnam, demand deposits, 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.

## 9. Provision, contingent liabilities and assets

Off-balance sheet commitments include guarantees, letter of credit and other non-cancellable operating commitments with specific implementing time.

Classification of off-balance-sheet commitments is made solely for the purposes of managing and monitoring the quality of credit granting activities in accordance with the classification policy applicable to loans.

According to Circular 02, the Bank does not need to made provision for off-balance-sheet commitments.

## 10. 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 recovered from (or paid to) the taxation authorities. The tax rates and tax laws used to compute the amount are those that are effective as at the consolidated balance sheet date.

Current income tax is charged or credited to the consolidated income statement except when it relates to items recognized directly to equity, in which case, 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 and its subsidiaries intends to settle its current tax assets and liabilities on a net basis.

Tax declarations of the Bank and its subsidiaries 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 consolidated financial statements for period from 1 January 2018 to 31 March 2018 could be changed at a later date upon final determination by the tax authorities.

### *Deferred tax*

Deferred tax is provided for temporary differences at the consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount recorded in the consolidated financial statements reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- ▶ Deferred tax liabilities arise from the initial recognition of an asset or liability in a transaction that does not have an effect on the accounting profit or the taxable profit (or loss) at the time of transaction.
- ▶ Taxable temporary differences associated with investments in subsidiaries, associates and joint-ventures, where the Bank has the ability to control the timing



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of the reversal of the temporary difference and the temporary difference will not be reversed in the foreseeable future.

Deferred income tax assets should be recognized for all deductible temporary differences, the carrying amount of the tax deferred until further years of tax losses and unused tax losses. It is probable that future taxable profits will be available against which these deductible temporary differences, tax losses and unused tax losses can be utilized, except for:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability in a transaction a neither effect on the accounting profit nor taxable profit (or tax loss).
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of the deferred tax asset has to be reviewed at the end of the financial period and the carrying amount should be reduced to the extent there will be enough taxable profit to utilise deferred tax assets. Deferred tax assets not yet recognized previously are recognized at the balance sheet date and are recognized when it is probable that future taxable profits will be available to utilize these unrecognized deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the fiscal year when the asset is recovered or the liability is settled, based on the effective tax rates and tax laws at the balance sheet date.

Deferred income tax is recognized in the consolidated income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also recorded directly in equity.

## **11. Borrowings, debt securities issued, equity instruments**

The discounted, re-discount valuable paper at SBV are recognized at cost at balance sheet date. Borrowings interest is recognized in income statement based on accrual basic under Circular No. 12/2006/TT-NHNN dated 21 February 2006.

Valuable papers issued are recognized at cost. Cost of valuable papers issued include proceed from issuing minus direct expense related to issuing valuable papers.

## **12. Capital**

### *Ordinary Share*

Ordinary shares are recognized as charter capital.

### *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. The expense related to issue shares will be recorded as the share premium deductible.

### *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognized at cost and

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deducted from equity. No gain or loss is recognized in profit and loss upon purchase, sale, issue or cancellation of the Bank's own equity instruments.

## *Funds and reserves*

The Bank has set up the following reserves in accordance with the Law on Credit Institutions No. 47/2010/QH12 and Decree No. 93/2017/ND-CP and the Bank's Charter as follows:

	<i>Percentage of profit after tax</i>	<i>Maximum amount</i>
Capital supplementary reserve	5.00% of profit after tax	100.00% share capital
Financial reserve	10.00% of profit after tax	Not specified

Other equity funds will be allocated from profit after tax. The allocation from profit after tax and utilization of funds must be approved by the Board of Shareholders Meetings. These funds are not regulated by statutory and allowed to be fully allocated.

## 13. *Restatement corresponding figures: None*

## V. SUPPLEMENT ITEMS PRESENTED ON BALANCE SHEET

### 1. Securities held for trading

	<i>31 March 2018</i> <i>VND million</i>	<i>31 December 2017</i> <i>VND million</i>
<b>Debt securities</b>		
Government bonds	2,053,111	3,893,398
Debt securities issued by domestic credit institutions	400,000	400,000
Debt securities issued by domestic economic entities	400,000	400,000
Debt securities issued by foreign entities	-	-
<b>Equity securities</b>		
Debt securities issued by domestic credit institutions	-	-
Debt securities issued by domestic economic entities	-	-
Debt securities issued by foreign entities	-	-
<b>Other trading securities</b>	-	-
Provision for credit loss of trading securities	(3,000)	(3,000)
<b>Total</b>	<b>2,850,111</b>	<b>4,690,398</b>



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## 2. Derivatives and other financial assets

	<i>Total contract value (using exchange rate at the contract date)</i> VND million	<i>Total carrying value (using exchange rate at reporting date)</i>	
		<i>Assets</i>	<i>Liabilities</i>
		VND million	VND million
<b>Currency derivatives as at 31 March 2018</b>			
Forward contracts	3,813,349	-	10,113
Swap contracts	23,237,418	54,642	16,407
<b>Total</b>	<b>27,050,767</b>	<b>54,642</b>	<b>26,520</b>
<b>Net amount</b>		<b>28,122</b>	
<b>Currency derivatives as at 31 December 2017</b>			
Forward contracts	3,000,000		12,048
Swap contracts	17,369,172		58,050
<b>Total</b>	<b>20,369,172</b>		<b>70,098</b>
<b>Net amount</b>			<b>70,098</b>

## 3. Loans and advances to customers

	<i>31 March 2018</i> VND million	<i>31 December 2017</i> VND million
Loans to local economic entities and individuals	113,004,913	100,686,906
Loans for discounted commercial notes and valuable papers	1,475,394	1,491,581
Overdraft and loans to credit card holders	1,393,367	2,298,173
Loans to foreign economic entities and individuals	12,945	20,368
<b>Total</b>	<b>115,886,169</b>	<b>104,497,028</b>
<i>Analysis of loans by quality</i>		
	<i>31 March 2018</i> VND million	<i>31 December 2017</i> VND million
Current	111,786,138	101,103,362
Special mention	2,215,399	1,810,425
Substandard	637,785	513,992
Doubtful	612,004	548,566
Loss	634,843	520,683
<b>Total</b>	<b>115,886,169</b>	<b>104,497,028</b>



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## *Analysis of loans by original terms*

	<i>31 March 2018</i> <i>VND million</i>	<i>31 December 2017</i> <i>VND million</i>
Short - term	65,447,067	56,070,884
Medium –Term	24,029,892	24,238,532
Long – Term	26,409,210	24,187,612
<b>Total</b>	<b>115,886,169</b>	<b>104,497,028</b>

## 4. Provision for credit losses

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>
01 January 2018	401,804	758,895	1,160,699
Provision for credit loss during period/(Reversal provision during period)	181,747	20,894	202,641
Utilization during period	(150,660)	-	(150,660)
31 March 2018	<b>432,891</b>	<b>779,789</b>	<b>1,212,680</b>

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>
01 January 2017	327,570	592,827	920,397
Provision for credit loss during period/(Reversal provision during period)	628,494	166,068	794,562
Utilization during period	(554,260)	-	(554,260)
31 December 2017	<b>401,804</b>	<b>758,895</b>	<b>1,160,699</b>

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## 5. Investment securities

	<i>31 March 2018</i>	<i>31 December 2017</i>
	<i>VND million</i>	<i>VND million</i>
<i>Available-for-sale securities</i>	<b>31,454,266</b>	<b>37,063,571</b>
Debt securities	30,696,974	36,285,513
Equity securities	1,040,532	1,132,219
Provision for available-for-sale securities	(283,240)	(354,161)
<i>Held-to-maturity securities</i>	<b>7,932,353</b>	<b>8,738,570</b>
Securities value	8,851,858	9,614,647
Provision for held-to-maturity securities	(919,505)	(876,077)
<b>Total</b>	<b>39,386,619</b>	<b>45,802,141</b>

## 6. Long term investments

### *Analysis of securities classified by type*

	<i>31 March 2018</i>	<i>31 December 2017</i>
	<i>VND million</i>	<i>VND million</i>
Subsidiaries investments	-	-
Joint ventures	-	-
Associates investments	-	-
Other long term investments	487,357	490,087
Provision for long term investments	(111,850)	(111,850)
<b>Total</b>	<b>375,507</b>	<b>378,237</b>

## 7. Due from the government and the state bank of Vietnam

	<i>31 March 2018</i>	<i>31 December 2017</i>
	<i>VND million</i>	<i>VND million</i>
Borrowings from SBV	-	-
Due to State Treasury	-	-
Others	127,488	156,253
<b>Total</b>	<b>127,488</b>	<b>156,253</b>

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## 8. Due to other banks

### 8.1 Due to other banks

	<i>31 March 2018</i>	<i>31 December 2017</i>
	<i>VND million</i>	<i>VND million</i>
<b>Demand deposits</b>	<b>10,069,357</b>	<b>5,070,339</b>
In VND	10,069,357	5,070,339
<b>Term deposits</b>	<b>11,746,380</b>	<b>7,174,023</b>
In VND	9,276,000	6,508,000
In foreign currencies	2,470,380	666,023
<b>Total</b>	<b>21,815,737</b>	<b>12,244,362</b>

### 8.2 Borrowings from other banks

	<i>31 March 2018</i>	<i>31 December 2017</i>
	<i>VND million</i>	<i>VND million</i>
<b>By VND</b>	<b>15,532,442</b>	<b>22,087,916</b>
- Discount, re-discount valuable papers	13,677,642	20,290,116
- Mortgaged and pledged borrowings	1,854,800	1,797,800
<b>By foreign currencies</b>	<b>3,662,676</b>	<b>2,885,100</b>
- Discount, re-discount valuable papers	-	-
- Mortgaged and pledged borrowings	3,662,676	2,885,100
<b>Total</b>	<b>19,195,118</b>	<b>24,973,016</b>

## 9. Due to customers

### *Analysis by products:*

	<i>31 March 2018</i>	<i>31 December 2017</i>
	<i>VND million</i>	<i>VND million</i>
<b>Demand deposits</b>	<b>11,680,508</b>	<b>14,570,147</b>
Demand deposits in VND	10,874,720	13,207,286
Demand deposits in foreign currencies	805,788	1,362,861
<b>Term deposits</b>	<b>105,198,694</b>	<b>105,181,448</b>
Term deposits in VND	103,816,296	102,969,487
Term deposits in foreign currencies	1,382,398	2,211,961
<b>Deposits for specific purposes</b>	<b>263,404</b>	<b>537,286</b>
<b>Margin deposits</b>	<b>159,493</b>	<b>248,588</b>
<b>Total</b>	<b>117,302,099</b>	<b>120,537,469</b>



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## 10. Debt issued (excluding complex financial instruments)

	31 March 2018 VND million	31 December 2017 VND million
<b>Certificates of deposits</b>	<b>4,986,000</b>	<b>5,333,000</b>
Less than 12 months	790,000	1,035,000
From 12 months to under 5 years	4,196,000	4,298,000
<b>Straight bonds</b>	<b>4,460,000</b>	<b>4,460,000</b>
From 12 months to 5 years	1,460,000	1,460,000
Over 5 years	3,000,000	3,000,000
<b>Total</b>	<b>9,446,000</b>	<b>9,793,000</b>

## 11. Other liabilities

	31 March 2018 VND million	31 December 2017 VND million
Internal payables	136,721	78,373
External payables	3,613,500	3,783,774
Provisions	-	-
- Provision for commitments given	-	-
- Provision for payment services	-	-
- Other provisions ( <i>provision for operating risk excluding provision for other assets</i> )	-	-
Bonus and welfare Fund	11,079	11,079
<b>Total</b>	<b>3,761,300</b>	<b>3,873,226</b>

## 12. Statutory obligations and deferred income tax

### 12.1 Statutory obligations

	1 January 2018 VND million	<i>Movement during the period</i>		31 March 2018 VND million
		<i>Payable</i> VND million	<i>Paid</i> VND million	
Value added tax	30,500	10,870	(36,236)	5,134
Corporate income tax	65,072	213,047	(114,630)	163,489
Other taxes	10,583	18,402	(22,199)	6,786
- License tax		247	(247)	-
- Personal income tax	10,174	15,762	(19,384)	6,552
- Withholding tax	409	1,188	(1,363)	234
Other taxes		1,205	(1,205)	-
<b>Total</b>	<b>106,155</b>	<b>242,319</b>	<b>(173,065)</b>	<b>175,409</b>

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## 12.2. Deferred income tax

### a. Deferred income tax assets

	<i>31 March 2018</i> <i>VND million</i>	<i>31 December 2017</i> <i>VND million</i>
- Deferred income tax related to deductible temporary differences	21,238	21,238
- Deferred income tax related to unused tax losses	-	-
- Deferred income tax related to unused incentive	-	-
- Deferred income tax related to recorded in previous period	-	-
<b>Deferred income tax assets</b>	<b>21,238</b>	<b>21,238</b>

### b. Deferred income tax liabilities

	<i>31 March 2018</i> <i>VND million</i>	<i>31 December 2017</i> <i>VND million</i>
- Deferred income tax liabilities incurred from temporary differences	-	-
- Deferred income tax liabilities incurred recorded in previous period	-	-
<b>Deferred income tax liabilities</b>	<b>-</b>	<b>-</b>

## 13. Owners' equity

### 13.1. Statement of changes in owners' equity

	<i>Beginning balance</i>	<i>Increase in period</i>	<i>Decrease in period</i>	<i>Ending balance</i>
Contributed capital/ charter capital	9,810,000	-	-	9,810,000
Shares premium	2,042,255	-	-	2,042,255
Construction reserve	89	-	-	89
Treasury shares	(2)	-	-	(2)
Difference from assets revaluation	-	-	-	-
Difference from foreign exchange	-	37,605	-	37,605
Development and investment reserve	70	-	-	70
Financial reverse	361,111	-	-	361,111
Capital Supplementary reserve	47,816	-	-	47,816
Other reserve	44,711	-	(1,364)	43,347
Retained earnings	1,769,506	757,257	-	2,526,763
Non – controlling interest	683,550	226,653	-	910,203
Other reserves				
<b>Total</b>	<b>14,759,106</b>	<b>1,021,515</b>	<b>(1,364)</b>	<b>15,779,257</b>

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### 13.2. Notes on complex financial instruments:

#### Convertible bonds

	<i>31 March 2018</i>	<i>31 December 2017</i>
	<i>VND million</i>	<i>VND million</i>
- Total value	-	-
- Debt component	-	-
- Capital component	-	-
Preference shares	-	-
	<i>31 March 2018</i>	<i>31 December 2017</i>
	<i>VND million</i>	<i>VND million</i>
- Total value	-	-
- Debt component	-	-
- Capital component	-	-

### 13.3 Shares

	<i>31 March 2018</i>	<i>31 December 2017</i>
	<i>VND million</i>	<i>VND million</i>
- Number of registered shares	980,999,979	980,999,979
- Number of issued shares		
+ Ordinary shares	980,999,979	980,999,979
+ Preference shares	-	-
- Number of treasury shares		
+ Ordinary shares	208	208
+ Preference shares	-	-
- Number of outstanding shares		
+ Ordinary shares	980,999,771	980,999,771
+ Preference shares	-	-
* Par value of outstanding share (VND/share)	10,000	10,000



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## VI. SUPPLEMENT ITEMS PRESENTED ON INCOME

### 14. Interest and similar income

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
Placements with other banks	56,460	62,899
Loans and advances to banks and customers	3,143,059	2,708,801
Trading and investing debt securities	591,728	528,024
- <i>Trading securities</i>	-	-
- <i>Investing securities</i>	591,728	528,024
Guarantee services	15,297	16,023
Other credit activities	127,998	103,057
<b>Total</b>	<b>3,934,542</b>	<b>3,418,804</b>

### 15. Interest and similar expense

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
Due from customers	1,669,797	1,574,637
Borrowings	161,803	75,468
Debts issued	220,348	281,855
Other interest expenses	51,154	130,747
<b>Total</b>	<b>2,103,102</b>	<b>2,062,707</b>

### 16. Net income/(loss) from securities held for trading

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
Income from dealing trading securities	83,569	508
Expense from dealing trading securities	(252)	(2,023)
Reversal provision trading securities	-	63
<b>Net income from dealing trading securities</b>	<b>83,317</b>	<b>(1,452)</b>

### 17. Net income/(loss) from investment securities

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
Income from dealing investment securities	162,050	52,427
Expense from dealing investment securities	(72,857)	(7,291)
(Expense)/Reversal provision investment securities	70,921	(2,031)
<b>Net income from investment securities</b>	<b>160,114</b>	<b>43,105</b>



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## 18. Income from long term investments

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
Dividend from equity securities	22,431	495
Dividend from long term investment	-	-
<b>Total</b>	<b>22,431</b>	<b>495</b>

## 19. Operating expenses

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
<b>Tax payment and other fees</b>	<b>697</b>	<b>661</b>
<b>Personnel expenses</b>	<b>514,834</b>	<b>420,752</b>
Employees remuneration	466,089	390,600
Salary related allowance	41,539	27,448
Allowance	3,513	1,810
Other expense	3,693	894
<b>Depreciation and amortization expense</b>	<b>133,959</b>	<b>136,679</b>
Depreciation expenses on fixed assets	24,333	30,907
<b>Expense for public affairs administration</b>	<b>318,863</b>	<b>309,968</b>
Expense relating to business trips	8,409	7,433
Union activities	330	313
<b>Insurance expenses, insurance for customers' deposits</b>	<b>29,178</b>	<b>25,920</b>
<b>Provision expense (excluding provision for credit losses expense, provision for investment securities)</b>	<b>11,549</b>	<b>-</b>
<b>Other expenses</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,009,080</b>	<b>893,980</b>

## VII. OTHER INFORMATION

### 20. Other off balance sheet activities credit institution bored significant risk

### 21. Related parties

Related party transactions include all transactions undertaken with other entities to which the Bank and its subsidiaries are 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 and its subsidiaries if:

(a) Directly, or indirectly through one or more intermediaries, the party:

- ▶ controls the Bank and its subsidiaries (including parents and subsidiaries);
- ▶ has an interest (owing 5% or more of the charter capital or voting share capital) in the Bank and its subsidiaries that gives it significant influence over the Bank and its subsidiaries;
- ▶ has joint control over the Bank and its subsidiaries;

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- (b) The party is a joint venture in which the Bank and its subsidiaries 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 (including Chief Financial Officer and Chief Accountant) of the Bank and its subsidiaries 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>Current year</i> <i>VND million</i>
Major shareholders and related parties of major shareholders	Deposits	4,319,655
	Withdraw	4,809,725
Companies in which the Bank has long-term investments	Deposits	26,664,372
	Withdraw	27,691,485

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

<i>Related party</i>	<i>Transactions</i>	<i>31 March 2018</i> <i>VND million</i>	
		<i>Receivables</i>	<i>Payables</i>
Major shareholders and related parties of major shareholders	Term deposits	-	(101,505)
	Demand deposits	-	(18,963)
	Treasury deposits	-	(46)
	Loans	474,300	
Companies in which the Bank has long-term investments	Term deposits	-	(2,209,370)
	Demand deposits	-	(172,380)
	Treasury deposits	-	(3)
	Loans	1,330,233	

## 22. Concentration of assets, liabilities and off-balance sheet items by geographical regions

	<i>Loans</i>	<i>Deposits</i>	<i>Credit</i>		<i>Trading and investment securities</i>
			<i>commitment</i>	<i>Derivatives</i>	
Domestic	115,886,169	21,727,346	4,583,751	27,050,767	43,442,475
Foreign	-	223,242	-	-	-



## VIII. FINANCIAL RISK MANAGEMENT

### 23. Risk management related to derivatives

Risk is inherent in the Bank and its subsidiaries' 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 and its subsidiaries' continuing profitability and each individual within the Bank and its subsidiaries is accountable for the risk prevention within his or her responsibilities. The Bank and its subsidiaries 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 and its subsidiaries' 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 subsidiaries.

(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 and its subsidiaries' activities.

Risk Management Committee analyses and provides warnings on the potential risks that may affect the Bank and its subsidiaries' 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 and its subsidiaries 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 subsidiaries.

(v) *Internal Audit*

According to the annual internal audit plan, business processes throughout the Bank and its subsidiaries 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.



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## *(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 is 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 and its subsidiaries in compliance with the State Bank of Vietnam's regulations. These limits reflect the business strategy and market environment of the Bank and its subsidiaries as well as the level of risk that the Bank and its subsidiaries are willing to accept.

Information compiled from all business activities is examined and processed in order to analyses, 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 and its subsidiaries.

For all levels throughout the Bank and its subsidiaries, 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 and its subsidiaries have actively used collateral to mitigate credit risk.

## *(viii) Excessive risk concentration*

Concentrations arise when a number of counterparties of the Bank and its subsidiaries are 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 and its subsidiaries' performance to the developments of a particular industry or geographic allocation.

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

## 24. Credit risk

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

The Bank and its subsidiaries 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 and its subsidiaries 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.

## 25. Market risk

### 25.1 Interest risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair values of financial instruments. The Bank and its subsidiaries 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 and its subsidiaries 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 and its subsidiaries' 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 one-month;
- ▶ The re-pricing term of investment securities and held-for-trading securities is calculated based on the time to maturity from the 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 the State Bank of Vietnam; placements from other credit institutions and borrowings from other credit institutions; due to customers are determined as follows:



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- Items which bear fixed interest rate during the contractual term: The re-pricing term is determined based on the time to maturity from the 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 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 balance sheet date.

The following table presents the interest re-pricing period of the Bank and its subsidiaries' assets and liabilities as at 31 March 2018.



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	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	Over 5 years VND million	Total VND million
<b>Assets</b>									
Cash and gold	-	1,649,501	-	-	-	-	-	-	1,649,501
Balances with the State Bank of Vietnam	-	-	2,269,185	-	-	-	-	-	2,269,185
Due from and loans to other credit institutions – gross (*)	-	-	18,270,672	1,410,731	-	-	-	-	19,681,403
Trading securities – gross (*)	-	2,853,111	-	-	-	-	-	-	2,853,111
Derivatives and other financial assets	-	28,122	-	-	-	-	-	-	28,122
Loans to customers – gross (*)	4,100,032	-	9,608,591	94,325,335	1,794,025	3,397,877	2,660,309	-	115,886,169
Debt purchasing – gross (*)	7,749	-	-	-	-	-	-	-	7,749
Investment securities – gross (*)	300,000	2,826,870	743,031	3,327,322	1,830,251	7,353,707	19,070,521	5,137,662	40,589,364
Long-term investments – gross (*)	-	487,357	-	-	-	-	-	-	487,357
Fixed assets	-	1,574,684	-	-	-	-	-	-	1,574,684
Other assets – gross (*)	70,358	7,861,320	9,162	1,945	-	-	-	-	7,942,785
<b>Total assets</b>	<b>4,478,139</b>	<b>17,280,965</b>	<b>30,900,641</b>	<b>99,065,333</b>	<b>3,624,276</b>	<b>10,751,584</b>	<b>21,730,830</b>	<b>5,137,662</b>	<b>192,969,430</b>
<b>Liabilities</b>									
Borrowings from the Government and the SBV and other banks	-	-	35,227,211	2,553,165	409,664	1,245,380	1,702,923	-	41,138,343
Due to customers	-	159,627	47,424,802	18,936,027	23,451,804	21,897,599	5,430,187	2,053	117,302,099
Grants, entrusted funds and loans exposed to risks	-	-	2,884	-	2,874,624	-	-	69,800	2,947,308
Valuable papers issued	-	-	325,000	516,000	1,622,000	2,943,000	1,423,000	2,617,000	9,446,000
Other liabilities – gross (*)	-	3,730,152	8,216	3,933	4,127	-	14,871	1	3,761,300
<b>Total liabilities</b>	-	<b>3,889,779</b>	<b>82,988,113</b>	<b>22,009,125</b>	<b>28,362,219</b>	<b>26,085,979</b>	<b>8,570,981</b>	<b>2,688,854</b>	<b>174,595,050</b>
<b>In-balance sheet interest sensitivity gap</b>	<b>4,478,139</b>	<b>13,391,186</b>	<b>(52,087,472)</b>	<b>77,056,208</b>	<b>(24,737,943)</b>	<b>(15,334,395)</b>	<b>13,159,849</b>	<b>2,448,808</b>	<b>18,374,380</b>
<b>Off-balance sheet interest sensitivity gap</b>	-	<b>(4,583,751)</b>	-	-	-	-	-	-	<b>(4,583,751)</b>
<b>Interest sensitivity</b>	<b>4,478,139</b>	<b>8,807,435</b>	<b>(52,087,472)</b>	<b>77,056,208</b>	<b>(24,737,943)</b>	<b>(15,334,395)</b>	<b>13,159,849</b>	<b>2,448,808</b>	<b>13,790,629</b>

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## **25.2** *Currency risk*

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

The Bank and its subsidiaries are 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 and its subsidiaries 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.

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The following table presents assets and liabilities in foreign currencies translated into VND as at 31 March 2018:

	EUR		USD equivalent		Gold equivalent		Other currencies equivalent		Total	
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
<b>Assets</b>										
Cash and gold	92,096	488,052	47,851	75,626					703,625	
Balances with the State Bank of Vietnam	-	12,217	-	-					12,217	
Due from and loans to other credit institutions - gross (*)	5,690,242	532,701	-	37,492					6,260,435	
Derivatives and other financial assets	-	1,573,364	-	-					1,573,364	
Loans to customers – gross (*)	-	8,196,827	-	69,800					8,266,627	
Other assets (*)	2	85,030	-	8					85,040	
<b>Total assets</b>	<b>5,782,340</b>	<b>10,888,191</b>	<b>47,851</b>	<b>182,926</b>					<b>16,901,308</b>	
<b>Liabilities</b>										
Due to and borrowings from other credit institutions	-	6,133,056	-	-					6,133,056	
Due to customers	29,622	2,230,592	-	88,946					2,349,160	
Grants, entrusted funds and loans exposed to risks	5,460,258		-	35,813					5,496,071	
Derivatives and other financial liabilities	-	2,875,817	-	69,800					2,945,617	
Other liabilities	278	60,212	232	6,605					67,327	
<b>Total liabilities</b>	<b>5,490,158</b>	<b>11,299,677</b>	<b>232</b>	<b>201,164</b>					<b>16,991,231</b>	
<b>Foreign exchange position on-balance sheet</b>	<b>292,182</b>	<b>(411,486)</b>	<b>47,619</b>	<b>(18,238)</b>					<b>(89,923)</b>	
<b>Foreign exchange position off-balance sheet</b>	<b>(279,440)</b>	<b>1,445,951</b>	<b>-</b>	<b>21,279</b>					<b>1,187,790</b>	
<b>Foreign exchange position on and off-balance sheet</b>	<b>12,742</b>	<b>1,034,465</b>	<b>47,619</b>	<b>3,041</b>					<b>1,097,867</b>	



## 25.3 *Liquidity risk*

Liquidity risk is the risk which the Bank and its subsidiaries have difficulties in meeting the obligations of financial liabilities. Liquidity risk occurs when the Bank and its subsidiaries cannot afford to settle debt obligations at the due dates in the normal or stress conditions. To manage the liquidity risk exposure, the Bank and its subsidiaries have 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 and its subsidiaries have 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 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 and its subsidiaries' 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 assets are determined based on remaining useful life of assets.

The following table presents assets and liabilities maturity from the Bank at 31 March 2018.

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	Overdue		Current					Total VND million
	Up to 3 months		Up to 1 month		3 – 12 months		Above 5 years	
	VND million	months	VND million	1 – 3 months	VND million	1 – 5 years		
<b>Assets</b>								
Cash and gold	-	-	1,649,501	-	-	-	1,649,501	
Balances with the State Bank of Vietnam	-	-	2,269,185	-	-	-	2,269,185	
Due from and loans to other credit institutions – gross (*)	-	-	18,270,672	1,410,731	-	-	19,681,403	
Trading securities – gross (*)	-	-	-	-	451,418	-	451,418	
Derivatives and other financial assets	-	-	86,098	(2,815)	(55,161)	-	28,122	
Loans to customers – gross (*)	1,884,632	2,215,399	10,671,695	15,860,401	43,414,653	17,066,573	115,886,169	
Debt purchasing – gross (*)	7,749	-	-	-	-	-	7,749	
Investment securities – gross (*)	300,000	-	1,540,544	1,500,000	9,101,760	19,579,398	40,589,364	
Long-term investments – gross (*)	-	-	-	-	-	-	487,357	
Fixed assets	-	-	959,795	-	-	67,744	1,574,684	
Other assets – gross (*)	70,358	-	7,870,482	1,945	-	-	7,942,785	
<b>Total assets</b>	<b>2,262,739</b>	<b>2,215,399</b>	<b>43,317,972</b>	<b>18,770,262</b>	<b>52,912,670</b>	<b>38,127,424</b>	<b>192,969,430</b>	
<b>Liabilities</b>								
Borrowings from the Government and the SBV and other banks	-	-	35,227,689	2,426,103	1,663,990	1,817,012	41,138,343	
Due to customers	-	-	47,584,430	18,936,027	45,349,403	5,430,187	117,302,099	
Grants, entrusted funds and loans exposed to risks	-	-	-	-	1,000	691	2,947,308	
Valuable papers issued	-	-	325,000	516,000	4,565,000	1,423,000	9,446,000	
Other liabilities – gross (*)	-	-	3,587,743	23,765	131,598	14,981	3,761,300	
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>86,724,862</b>	<b>21,901,895</b>	<b>51,710,991</b>	<b>8,685,871</b>	<b>174,595,050</b>	
<b>In-balance sheet interest sensitivity gap</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net liquidity gap</b>	<b>2,262,739</b>	<b>2,215,399</b>	<b>(43,406,890)</b>	<b>(3,131,633)</b>	<b>1,201,679</b>	<b>29,441,553</b>	<b>18,374,380</b>	





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## 26. Exchange rates of applicable foreign currencies against Vietnam dong at the end of the period

	<u>31 March 2018</u>	<u>31 December 2017</u>
USD	22,458	22,425
EUR	27,944	27,000
GBP	31,857	30,413
CAD	17,619	17,998
SGD	17,321	16,910
AUD	17,422	17,623
CNY	3,514	3,372
JPY	213.68	200.37
Gold SJC (ounce)	36,680,000	36,400,000

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Chief Finance Officer

Ho Chi Minh City, Vietnam  
24 April 2018