



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

**SEPARATE FINANCIAL STATEMENTS  
FOR SECOND QUATER OF 2019**

For the period from 1 January 2019 to 30 June 2019



# Ho Chi Minh City Development Joint Stock Commercial Bank

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# Ho Chi Minh City Development Joint Stock Commercial Bank

SEPARATE BALANCE SHEET  
as at 30 June 2019

Form B02a/TCTD  
(issued under Circular No.  
49/2014/TT-NHNN dated 31 December 2014)

	Notes	30 June 2019 VND million	31 December 2018 VND million
<b>ASSETS</b>			
<b>Cash and gold</b>		<b>1,949,506</b>	<b>2,096,192</b>
<b>Balances with the State Bank of Vietnam</b>		<b>1,639,910</b>	<b>5,310,253</b>
<b>Due from and loans to other credit institutions</b>		<b>22,054,475</b>	<b>32,634,552</b>
Due from other credit institutions		19,904,475	30,524,170
Loans to other credit institutions		2,150,000	2,110,382
Provision for loan to other credit institutions (*)			
<b>Securities held for trading</b>	<b>V.01</b>	<b>2,091,898</b>	<b>2,596,626</b>
Securities held for trading		2,097,898	2,603,376
Provision for securities held for trading (*)		(6,000)	(6,750)
<b>Derivatives and other financial assets</b>	<b>V.02</b>	<b>10,840</b>	<b>227,063</b>
<b>Loans to customers</b>		<b>126,130,669</b>	<b>111,481,099</b>
Loans to customers	V,03	127,255,248	112,478,936
Provision for credit losses of loans to customers (*)	V,04	(1,124,579)	(997,837)
<b>Purchased debts</b>		-	-
Purchased debts		-	-
Provision for credit losses of purchased debts (*)		-	-
<b>Investment securities</b>	<b>V.05</b>	<b>37,559,984</b>	<b>43,294,913</b>
Available-for-sale securities		23,310,441	26,354,996
Held-to-maturity securities		15,157,992	17,888,621
Provision for investment securities (*)		(908,449)	(948,704)
<b>Long-term investments</b>	<b>V.06</b>	<b>1,056,509</b>	<b>1,054,619</b>
Investment in subsidiaries		889,688	889,688
Investment in joint ventures		-	-
Investment in associates		-	-
Other long-term investments		185,117	185,117
Provision for long-term investments (*)		(18,296)	(20,186)
<b>Fixed assets</b>		<b>826,279</b>	<b>1,578,007</b>
<i>Tangible fixed assets</i>		461,266	536,329
Cost		1,022,515	1,086,447
Accumulated depreciation (*)		(561,249)	(550,118)
<i>Finance leases</i>		-	-
Cost		-	-
Accumulated depreciation (*)		-	-
<i>Intangible fixed assets</i>		365,013	1,041,678
Cost		527,934	1,200,904
Accumulated amortization (*)		(162,921)	(159,226)
<b>Investment properties</b>		-	-
Cost		-	-
Accumulated depreciation (*)		-	-
<b>Other assets</b>		<b>8,158,967</b>	<b>6,139,055</b>
Receivables		3,699,788	1,741,326
Interest and fees receivable		3,415,531	3,375,692
Deferred corporate income tax assets	V.12.2	-	-
Other assets		1,080,138	1,061,358
<i>In which: Goodwill</i>		-	-
Provision for other assets (*)		(36,490)	(39,321)
<b>TOTAL ASSETS</b>		<b>201,479,037</b>	<b>206,412,379</b>

# Ho Chi Minh City Development Joint Stock Commercial Bank

SEPARATE BALANCE SHEET  
as at 30 June 2019

Form B02a/TCTD  
(issued under Circular No.  
49/2014/TT-NHNN dated 31 December 2014)

	Notes	30 June 2019 VND million	31 December 2018 VND million
<b>LIABILITIES</b>			
<b>Due to and borrowings from the Government and the State Bank of Vietnam</b>	<b>V.07</b>	<b>2,167,416</b>	<b>7,911,883</b>
<b>Due to and borrowings from other credit institutions</b>	<b>V.08</b>	<b>31,680,356</b>	<b>39,458,782</b>
Due to other credit institutions		19,125,259	23,536,099
Borrowings from other credit institutions		12,555,097	15,922,683
<b>Due to customers</b>	<b>V.09</b>	<b>130,156,538</b>	<b>128,151,279</b>
<b>Derivatives and other financial liabilities</b>	<b>V.02</b>	-	-
<b>Grants, entrusted funds and loans exposed to risks</b>		<b>3,059,677</b>	<b>3,045,666</b>
<b>Valuable paper issued</b>	<b>V.10</b>	<b>14,133,000</b>	<b>9,232,000</b>
<b>Other liabilities</b>	<b>V.11</b>	<b>3,757,867</b>	<b>3,484,626</b>
Interest and fees payable		3,102,534	2,989,431
Deferred corporate income tax liabilities	V.12.2	851	1,585
Other payables		654,482	493,610
Other provision for liabilities (for contingent liabilities and off-balance sheet commitments)			
<b>TOTAL LIABILITIES</b>		<b>184,954,854</b>	<b>191,284,236</b>
<b>OWNERS' EQUITY</b>			
<b>Capital</b>		<b>11,852,342</b>	<b>11,852,342</b>
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>		<b>1,052,411</b>	<b>639,514</b>
<b>Foreign exchange differences</b>		<b>7,244</b>	-
<b>Asset revaluation differences</b>		-	-
<b>Retained earnings</b>		<b>3,612,186</b>	<b>2,636,287</b>
<b>Non-controlling interest</b>		-	-
<b>TOTAL OWNERS' EQUITY</b>	<b>V.13</b>	<b>16,524,183</b>	<b>15,128,143</b>
<b>TOTAL LIABILITIES, OWNERS' EQUITY AND NON-CONTROL INTEREST</b>		<b>201,479,037</b>	<b>206,412,379</b>

# Ho Chi Minh City Development Joint Stock Commercial Bank

SEPARATE BALANCE SHEET  
as at 30 June 2019

Form B02a/TCTD  
(issued under Circular No.  
49/2014/TT-NHNN dated 31 December 2014)

## OFF-BALANCE SHEET ITEMS

	Notes	30 June 2019 VND million	31 December 2018 VND million
Credit guarantees		54,936	8,565
Foreign exchange commitments		51,567,378	74,115,137
- Spot foreign exchange commitments - buy		5,705,132	4,414,221
- Spot foreign exchange commitments - sell		5,373,516	3,471,919
- Cross currency swap contracts		40,488,730	66,228,997
- Future contracts		-	
Irrevocable lending commitments		-	
Letters of credit		6,492,561	4,891,115
Other guarantees		3,309,200	3,337,898
Other commitments		1,575,693	2,698,939
<b>Total</b>		<b>62,999,768</b>	<b>85,051,654</b>

Prepared by:



Ms. Le Thi Thao  
Accountant

Reviewed by: 



Ms. Ho Dang Hoang Quyen  
Chief Accountant

Approved by: 



Mr. Nguyen Huu Dang  
Chief Executive Officer

Ho Chi Minh City, Vietnam

30 July 2019



# Ho Chi Minh City Development Joint Stock Commercial Bank

SEPERATE INCOME STATEMENT  
For the period from 1 January 2019 to 30 June 2019

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

Notes	Quarter II		Accumulated for the period from 1 January to 30 June		
	Current period VND million	Previous period VND million	Current period VND million	Previous period VND million	
Interest and similar income	VI.14	3,849,558	3,125,326	7,352,929	6,069,957
Interest and similar expenses	VI.15	(2,322,199)	(1,974,387)	(4,572,343)	(3,842,214)
<b>Net interest and similar income</b>		<b>1,527,359</b>	<b>1,150,939</b>	<b>2,780,586</b>	<b>2,227,743</b>
Fee and commission income		88,765	58,780	163,885	119,700
Fee and commission expenses		(47,853)	(20,570)	(80,766)	(38,940)
<b>Net fee and commission income</b>		<b>40,912</b>	<b>38,210</b>	<b>83,119</b>	<b>80,760</b>
<b>Net gain from trading of foreign currencies</b>		<b>60,875</b>	<b>55,050</b>	<b>161,681</b>	<b>82,003</b>
<b>Net gain from securities held for trading</b>	VI.16	<b>(2,674)</b>	<b>26,835</b>	<b>27,131</b>	<b>110,152</b>
<b>Net gain from investment securities</b>	VI.17	<b>33,535</b>	<b>166,928</b>	<b>161,611</b>	<b>327,042</b>
Other operating income		71,599	40,863	92,561	84,577
Other operating expenses		(5,721)	(3,968)	(8,111)	(17,173)
<b>Net gain from other operating activities</b>		<b>65,878</b>	<b>36,895</b>	<b>84,450</b>	<b>67,404</b>
<b>Income from investments in other entities</b>	VI.18	<b>27,069</b>	<b>26,111</b>	<b>27,069</b>	<b>48,542</b>
<b>Operating expenses</b>	VI.19	<b>(814,390)</b>	<b>(648,578)</b>	<b>(1,461,322)</b>	<b>(1,178,622)</b>
<b>Net operating profit before provision for credit losses</b>		<b>938,564</b>	<b>852,390</b>	<b>1,864,325</b>	<b>1,765,024</b>
Provision expenses for credit losses		(103,477)	(42,724)	(129,103)	(104,697)
<b>PROFIT BEFORE TAX</b>		<b>835,087</b>	<b>809,666</b>	<b>1,735,222</b>	<b>1,660,327</b>
Current corporate income tax expense		(160,345)	(154,324)	(340,396)	(324,700)
Deferred corporate income tax		734	-	734	-
<b>Corporate income tax expenses</b>		<b>(159,611)</b>	<b>(154,324)</b>	<b>(339,662)</b>	<b>(324,700)</b>
<b>PROFIT AFTER TAX</b>		<b>675,476</b>	<b>655,342</b>	<b>1,395,560</b>	<b>1,335,627</b>

Prepared by:



Ms. Le Thi Thao  
Accountant

Reviewed by:



Ms. Ho Dang Hoang Quyên  
Chief Accountant



Approved by:



Ms. Nguyen Huu Dang  
Chief Executive Officer

Ho Chi Minh City, Vietnam

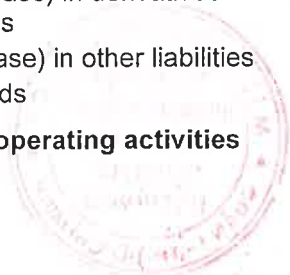
30 July 2019

# Ho Chi Minh City Development Joint Stock Commercial Bank

SEPERATE CASH FLOW STATEMENT  
For the period from 1 January 2019 to 30 June 2019

Form B04a/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 operating activities</b>		
Interest and similar receipts	7,464,793	6,506,411
Interest and similar payments	(4,394,899)	(3,919,877)
Net fee and commission receipts	73,726	70,975
Net receipts from trading of securities, gold and foreign currencies	276,412	228,140
Other income	25,451	7,077
Recoveries from bad debts written-off previously	32,383	43,559
Payments to employees and other operating expenses	(1,460,564)	(1,137,604)
Corporate income tax paid during the period	(276,997)	(273,568)
<b>Net cash flows from operating profit before changes in operating assets and liabilities</b>	<b>1,740,305</b>	<b>1,525,113</b>
<b>Changes in operating assets</b>		
(Increase)/decrease in due from and loans to other credit institutions	(1,319,618)	(94,000)
(Increase)/decrease in investment securities	6,149,442	15,973,808
(Increase)/decrease in derivatives and other financial assets	216,223	(71,227)
(Increase)/decrease in loans to customers	(14,776,312)	(15,378,678)
Utilization of provision to write-off loans to customers, securities and long-term investments	(54,179)	(11,829)
(Increase)/decrease in other assets	(1,217,371)	1,227,769
<b>Changes in operating liabilities</b>		
Increase/(decrease) in due to Government and the State Bank of Vietnam	(5,744,467)	(25,074)
Increase/(decrease) in due to and borrowings from other credit institutions	(7,778,426)	(9,910,872)
Increase/(decrease) in due to customers	2,005,259	6,249,352
Increase/(decrease) in valuable paper issued	4,901,000	4,333,637
Increase/(decrease) in grants, entrusted funds and loans exposed to risks	14,011	80,974
(Increase)/(decrease) in derivatives and other financial liabilities	-	-
Increase/(decrease) in other liabilities	108,571	245,276
Utilization of funds	(1,764)	(1,430)
<b>Net cash from operating activities</b>	<b>(15,757,326)</b>	<b>4,142,819</b>



# Ho Chi Minh City Development Joint Stock Commercial Bank

SEPERATE CASH FLOW STATEMENT  
For the period from 1 January 2018 to 30 June 2019

Form B04a/TCTD  
(issued under Circular No.  
49/2014/TT- NHNN dated 31 December 2014)

Notes	Current period VND million	Previous period VND million
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(86,590)	(5,143)
Proceeds from disposal of fixed assets	98,188	16,981
Payment for disposal of fixed assets	(5,309)	-
Purchase of investment properties	-	-
Proceeds from disposal of investment properties	-	-
Payment for disposal of investment properties	-	-
Payments for investments in other entities	-	-
Proceeds from disposal of investments in other entiti	-	2,730
Dividends received from long-term investments	27,069	48,542
<b>Net cash from investing activities</b>	<b>33,358</b>	<b>63,110</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in charter capital from capital contribution and share issuance		
Proceeds from issuing long term valuable papers eligible to be included in capital and other long-term borrowings		
Proceeds from disposals of long term valuable papers eligible to be included in capital and other long-term borrowings		
Dividends distributed to shareholders		
Purchase of treasury shares		
Proceeds from disposal of treasury shares		
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash for the period</b>	<b>(15,723,968)</b>	<b>4,205,929</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>39,210,615</b>	<b>24,290,401</b>
<b>Foreign exchange difference</b>	<b>7,244</b>	<b>17,644</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>23,493,891</b>	<b>28,513,974</b>

Prepared by:



Ms. Le Thi Thao  
Accountant

Reviewed by: 



Ms. Ho Dang Hoang Quyen  
Chief Accountant

Approved by:



Mr. Nguyen Huu Dang  
Chief Executive Officer

Ho Chi Minh City, Vietnam

30 July 2019



# Ho Chi Minh City Development Joint Stock Commercial Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
As at 30 June 2019 and for the period then ended

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

## I. GENERAL INFORMATION

### 1. Establishment and Operations

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

The Bank was established under Decision No. 47/QĐ-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 30 June 2019 is VND9,810,000 million (as at 31 December 2018: VND9,810,000 million)

### 3. The Board of Directors

The members of the Board of Directors of the Bank during the period and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/ re-appointment/resignation</i>
Ms. Le Thi Bang Tam	Chairwoman	Re-appointment on 21 April 2017
Ms. Nguyen Thi Phuong Thao	Permanent 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, Independent Member	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	Resignation on 23 April 2019

### 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 at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/ re-appointment/resignation</i>
Mr. Nguyen Huu Dang	Chief Executive Officer	Re-appointed on 22 October 2015
Ms. Nguyen Doan Duy Ai	Deputy Chief Executive Officer	Appointed on 2 January 2019 (*)
Mr. Pham Quoc Thanh	Deputy Chief Executive Officer	Re-appointed on 11 March 2016
Mr. Nguyen Minh Duc	Deputy Chief Executive Officer	Appointed on 30 December 2013
Mr. Le Thanh Tung	Deputy Chief Executive Officer	Appointed on 16 September 2009
Mr. Nguyen Thanh Phuong	Deputy Chief Executive Officer	Appointed on 22 January 2018
Mr. Le Thanh Trung	Deputy Chief Executive Officer	Re-appointed on 15 February 2019
Mr. Tran Hoai Nam	Deputy Chief Executive Officer	Re-appointed on 27 February 2019
Mr. Tran Thai Hoa	Deputy Chief Executive Officer	Re-appointed on 26 May 2018
Mr. Pham Van Dau	Chief Financial Officer	Appointed on 16 September 2009
Ms. Ho Dang Hoang Quyen	Chief Accountant	Appointed on 7 July 2011

# Ho Chi Minh City Development Joint Stock Commercial Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

As at 30 June 2019 and for the period then ended

Form B05a/TCTD

(issued under Circular No.

49/2014/TT-NHNN dated 31 December 2014)

(\*) Ms. Nguyen Doan Duy Ai retired and benefited pension regime on 1 January 2019 and was appointed on 2 January 2019.

## 5. *Operation network*

The Bank's Head Office is located at HD Tower, 25 Bis Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City. As at 30 June 2019, the Bank had one (1) Head Office, one (1) representative office in the North, sixty-two (62) branches and two hundred and twenty-one (221) transaction offices located in cities and provinces throughout Vietnam.

## 6. *Subsidiaries*

As at 30 June 2019, the Bank had two (2) subsidiaries:

<i>Subsidiaries</i>	<i>Operating License No.</i>	<i>Nature of business</i>	<i>Ownership of the Bank</i>
Asset Management Company Limited - Ho Chi Minh City Development Joint Stock Commercial Bank	3602376446 dated 13 September 2010 issued by the Department of Planning and Investment of Dong Nai Province, amended for sixth (6) time on 13 January 2015	Assets management	100%
HD SAISON Finance Co., Ltd. ("HD SAISON"), previously known as Ho Chi Minh City Development Joint Stock Commercial Bank Finance Co., Ltd.	0304990133 dated 13 July 2007 issued by Ho Chi Minh city Department of Planning and Investment, amended for fourteenth (14) time on 4 December 2018	Finance/ Banking	50%

## 7. *Employees*

The Bank's total number of employees as at 30 June 2019 was 6,237 persons (as at 31 December 2018: 6,069 persons)

## II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

### 1 *Accounting period*

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

The second quarter accounting period applicable for the presentation of separate financial statements of the Bank starts on 1 April and ends on 30 Jun.

### 2 *Accounting currency*

The Bank maintains its accounting records in Vietnam dong ("VND"). For the the purpose of preparing of the separate financial statements as at 30 June 2019, the data is rounded to the nearest millions and presented in VND million. The presentation makes no impact on readers' view of the separate financial position, separate income statement and separate cash flows.

# Ho Chi Minh City Development Joint Stock Commercial Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
As at 30 June 2019 and for the period then ended

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

## III. APPLIED ACCOUNTING STANDARDS AND SYSTEM

### 1 *Statement of compliance*

The Board of Management of the Bank confirms that the accompanying separate 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 separate financial statements.

### 2 *Basis of preparation*

The 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, Circular No. 10/2014/TT-NHNN dated 20 March 2014 and Circular No. 22/2017/TT-NHNN dated 29 December 2017 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 the financial reporting regime applicable to credit institutions under Decision No. 16/2007/QD-NHNN and the chart of account system for Credit Institutions issued in connection with Decision No. 479/2004/QD-NHNN issued by the State Bank of Vietnam and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ 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).

Accordingly, the accompanying separate financial statements and 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 separate financial position, results of separate operations and 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 separate financial statements indicate nil balance.

### 3 *Assumptions and uses of estimates*

The preparation of the 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. Therefore, the actual results may differ results in future changes in such provision.

## IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1 *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 are translated into VND using exchange rates ruling at the balance sheet date. 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 separate income statement at the end of the financial year.

### 2. *Derivatives and hedging accounting*

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 trading purpose of the Bank.

#### *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 separate income statement at the end of the financial year.

#### *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 premium or discount resulting from the difference between the spot rate at the effective date of the contract and the forward rate will be recognized immediately at the effective date of the contract as an asset if positive or a liability if the negative on the balance sheet. The difference will be amortized on a straight-line basis over the life of the swap contract.

### 3. *Recognition and de-recognition of accrued interest income and expenses*

Interest income and interest expenses are recognized in the 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. Suspended interest income is reversed and monitored off-balance sheet and recognized in the income statement upon actual receipt.

### 4. *Fees and commissions income*

#### *Fees and commissions income*

Fees and commissions are recognized on accrued basis.

#### *Income from investment*

Income from securities 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 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 income statement.

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## 5. Loans to customers, purchased debts

### 5.1 Loans to customers

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

Short-term loans have maturity of less or equal to one year from disbursement date. Medium-term loans have maturity of more than one to five years from disbursement date. Long-term loans have maturity of more than five years from disbursement date.

Loan classification and provision for credit losses are made according to Circular 02 and Circular 09.

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

Loan group		Classification criteria	Specific 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%
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%
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> (e) Debts are required to be recovered according to regulatory inspection conclusions.	20%

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<i>Loan group</i>		<i>Classification criteria</i>	<i>Specific 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%
5	Loss	(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 (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.	100%

For loans to customers in agricultural and rural sector, the Bank is allowed to restructure these loans and keep their debt groups as before restructuring for only one time in accordance with Circular No. 10/2015/TT-NHNN dated 22 July 2015 providing guidance on certain contents of Decree No. 55/2015/ND-CP dated 9 June 2015 by the Government on credit policies for agriculture and rural development.

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

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.

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The basis for determination of value and discounted value of collaterals is regulated in Circular 02 and Circular 09.

General provision as at 30 June 2019 was made at 0.75% of total outstanding loans excluding due from and loans to other credit institutions and loans classified as loss (group 5) as at 31 May 2019

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

The Bank 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 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 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 recognize the difference between provision for credit losses and the remaining outstanding loan balance/bond value in "Other operating income" of the separate income statement.

## **5.2 *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 and make provision for purchased debts in accordance with regulations on loan classification and provision for credit loss.

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

### **6.1 *Securities held for trading***

#### ***Classification and recognition***

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

#### ***Measurement***

Listed debt securities held for trading are recognized at cost less provision for diminution in value of securities, which is based on the yield quoted on the Hanoi Securities Exchange as at the balance sheet date.

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

Equity securities are initially recognized at cost on transaction date and always presented at cost during subsequent periods. Equity securities are subject to the impairment review on a periodical basis. Provision for diminution in value of equity securities is made when the carrying value is higher than the market value in compliance with Circular No. 228/2009/TT-BTC dated 7 December 2009. In case market prices of securities are not available or cannot be determined reliably, no provision is calculated.

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Provision for losses on securities held for trading mentioned above will be reversed when the subsequent increase in recoverable value of securities held for trading due to objective events occurring after the provision is recognized. The reversal is limited to the extent that the carrying amount of the securities does not exceed its carrying amount that would have been determined with no impairment loss been recognized in prior years.

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

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

## *De-recognition*

Securities held for trading are derecognized when the rights to receive cash flows from these securities are terminated or the Bank transfers substantially all the risks and rewards of ownership of these securities.

## **6.2 Available-for-sale securities**

### *Classification and recognition*

Available-for-sale securities include debt and equity securities that are acquired by the Bank 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 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 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*

Available-for-sale securities 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. 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 investment securities" account of the separate income statement.

Listed debt securities are recognized at the cost less provision for diminution in value of securities, which is based on the yield quoted on the Hanoi Securities Exchange as at the balance sheet date.

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



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## 6.3 Held-to-maturity securities

Held-to-maturity investment securities include special bonds issued by Vietnam Asset Management Company ("VAMC") and other investment securities held to maturity.

### *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 provision.

During the holding period, the Bank annually calculates and makes specific provision in accordance with Circular No. 14/2015/TT-NHNN dated 28 August 2015 issued by the SBV 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  $m^{\text{th}}$  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).

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 income statement in "Provision expense for credit losses". General provision is not required for the special bonds.

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

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

Held-to-maturity securities are debt securities purchased by the Bank for the investment purpose of earning dividend and the Bank 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.

Held-to-maturity securities are recognized and measured similarly as available-for-sale securities.

## 7. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, gold, balances with the State Bank of Vietnam, demand deposits, due from other credit institutions 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.

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## 8. *Provision, contingent liabilities and assets*

Off-balance sheet commitments include guarantees, letter of credit and other irrevocable lending 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 make provisions for off-balance sheet commitments.

## 9. *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 separate balance sheet date.

Current income tax is charged or credited to the separate 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 intends to settle its current tax assets and liabilities on a net basis.

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.

### *Deferred tax*

Deferred tax is provided for temporary differences at the separate balance sheet date between the tax base of assets and liabilities and their carrying amount recorded in the separate 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 tax 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 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:

- ▶ Deferred tax assets 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 tax loss) at the time of transaction.
- ▶ In respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognized 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 utilized.

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The carrying amount of the deferred tax asset has to be reviewed at the end of the financial year and the carrying amount should be reduced to the extent there will be enough taxable profit to utilize 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 income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also recorded directly in equity.

## 10. *Borrowings, issued debt securities and 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.

## 11. *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 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% of profit after tax	100% share capital
Financial reserve	10% of profit after tax	Not specified

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

## 12. *Restatement corresponding figures: None*

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## V. SUPPLEMENT FOR ITEMS PRESENTED ON BALANCE SHEET

### 1. Securities held for trading

	<i>30 June 2019</i> <i>VND million</i>	<i>31 December 2018</i> <i>VND million</i>
<b>1.1 Debt securities</b>		
Government and municipal bonds	896,275	1,001,753
Debt securities issued by other domestic credit institutions	401,623	401,623
Debt securities issued by domestic economic entities	800,000	1,200,000
Debt securities issued by foreign entities	-	-
<b>1.2 Equity securities</b>		
Equity securities issued by domestic credit institutions	-	-
Equity securities issued by domestic economic entities	-	-
Equity securities issued by foreign entities	-	-
<b>1.3 Other securities held for trading</b>	-	-
<b>1.4 Provision for securities held for trading</b>	(6,000)	(6,750)
<b>Total</b>	<b>2,091,898</b>	<b>2,596,626</b>

### 2. Derivatives and other financial assets

	<i>Total contract value</i> <i>(using exchange rate</i> <i>at the contract date)</i> <i>VND million</i>	<i>Total carrying value</i> <i>(using exchange rate at reporting date)</i>	
		<i>Assets</i> <i>VND million</i>	<i>Liabilities</i> <i>VND million</i>
<b>Currency derivatives as at 30 June 2019</b>			
Forward contracts	3,606,722	4,796	-
Swap contracts	20,255,065	6,044	-
<b>Total</b>	<b>23,861,787</b>	<b>10,840</b>	<b>-</b>
<b>Net amount</b>	<b>-</b>	<b>10,840</b>	<b>-</b>
<b>Currency derivatives as at 31 December 2018</b>			
Forward contracts	2,884,973	-	1,142
Swap contracts	33,039,766	228,205	-
<b>Total</b>	<b>35,924,739</b>	<b>228,205</b>	<b>1,142</b>
<b>Net amount</b>	<b>-</b>	<b>227,063</b>	<b>-</b>

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## 3. Loans to customers

	30 June 2019 VND million	31 December 2018 VND million
Loans to domestic economic entities and individuals	121,497,383	106,832,512
Discounted bills and valuable papers	2,506,382	2,630,200
Lending by funding, entrusted investment	1,844,622	1,837,491
Overdraft and credit card	1,111,650	1,039,162
Loans to foreign economic entities and individuals	287,643	131,789
Payments on behalf of customers	7,568	7,782
<b>Total</b>	<b>127,255,248</b>	<b>112,478,936</b>

### Analysis of loans by quality

	30 June 2019 VND million	31 December 2018 VND million
Current	124,596,082	110,295,969
Special mention	1,390,539	968,538
Substandard	260,410	271,842
Doubtful	193,767	235,526
Loss	814,450	707,061
<b>Total</b>	<b>127,255,248</b>	<b>112,478,936</b>

### Analysis of loans by original terms

	30 June 2019 VND million	31 December 2018 VND million
Short-term	70,273,407	61,941,387
Medium-term	17,649,240	19,270,026
Long-term	39,332,601	31,267,523
<b>Total</b>	<b>127,255,248</b>	<b>112,478,936</b>

## 4 Change in provision for credit losses of loans to customers

Changes in provision for credit losses of loans to customers during the current period are as follows:

	Specific provision VND million	General provision VND million	Total VND million
1 January 2019	169,958	827,879	997,837
Provision charged/(reversed) during the period	15,760	110,982	126,742
Provision used to write-off bad debts during the period	-	-	-
<b>30 June 2019</b>	<b>185,718</b>	<b>938,861</b>	<b>1,124,579</b>

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Changes in provision for credit losses of loans to customers during the previous period are as follows:

	<i>Specific provision VND million</i>	<i>General provision VND million</i>	<i>Total VND million</i>
1 January 2018	<b>166,958</b>	<b>688,068</b>	<b>855,026</b>
Provision charged/(reversed) during the period	29,278	139,811	169,089
Provision used to write-off bad debts during the period	(26,278)	-	(26,278)
<b>31 December 2018</b>	<b>169,958</b>	<b>827,879</b>	<b>997,837</b>

## 5. Investment securities

### 5.1 Available-for-sale securities

	<i>30 June 2019 VND million</i>	<i>31 December 2018 VND million</i>
<b>a. Debt securities</b>		
Government and municipal bonds	11,598,989	15,074,784
Debt securities issued by other domestic credit institutions	8,561,478	6,932,229
Debt securities issued by domestic economic entities	2,136,001	3,334,010
Debt securities issued by foreign entities	-	-
	<b>22,296,468</b>	<b>25,341,023</b>
<b>b. Equity securities</b>		
Equity securities issued by other domestic credit institutions	-	-
Equity securities issued by domestic economic entities	1,013,973	1,013,973
Equity securities issued by foreign entities	-	-
	<b>1,013,973</b>	<b>1,013,973</b>
	<b>23,310,441</b>	<b>26,354,996</b>
<b>c. Provision for available-for-sale securities</b>		
Diminution provision		
General provision	(15,593)	(32,814)
Specific provision	(2,079)	-
	<b>(17,672)</b>	<b>(32,814)</b>
<b>Net amount</b>	<b>23,292,769</b>	<b>26,322,182</b>

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## 5.2 Held-to-maturity securities (excluding special bonds issued by VAMC)

	30 June 2019 VND million	31 December 2018 VND million
Government and municipal bonds	6,458,507	9,519,169
Debt securities issued by other domestic credit institutions	3,862,668	5,002,845
Debt securities issued by domestic economic entities	3,561,103	1,958,759
Debt securities issued by foreign entities	<u>13,882,278</u>	<u>16,480,773</u>
Provision for held-to-maturity securities		
- Diminution provision	(26,705)	-
- General provision	-	-
- Specific provision	-	-
<b>Net amount</b>	<u><u>13,855,573</u></u>	<u><u>16,480,773</u></u>

## 5.3 Special bonds issued by VAMC

	30 June 2019 VND million	31 December 2018 VND million
Special bonds	1,275,714	1,407,848
Provision for special bonds	(864,072)	(915,890)
	<u>411,642</u>	<u>491,958</u>

## 6. Long-term investments

### Analysis of securities classified by type

	30 June 2019 VND million	31 December 2018 VND million
Investments in subsidiaries (*)	889,688	889,688
Investments in joint ventures	-	-
Investments in associates	-	-
Other long-term investments	185,117	185,117
Provision for long-term investments	(18,296)	(20,186)
<b>Total</b>	<u>1,056,509</u>	<u>1,054,619</u>

## 7. Due to and borrowings from the Government and the State Bank of Vietnam

	30 June 2019 VND million	31 December 2018 VND million
Borrowings from SBV	-	-
Due to the State Treasury	2,000,000	2,000,000
Others	167,416	5,911,883
<b>Total</b>	<u>2,167,416</u>	<u>7,911,883</u>

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## 8. Due to and borrowings from other credit institutions

### 8.1 Due to other credit institutions

	30 June 2019 VND million	31 December 2018 VND million
<b>Demand deposits</b>	<b>12,548,539</b>	<b>12,599,349</b>
In VND	12,193,962	12,113,002
In foreign currencies	354,577	486,347
<b>Term deposits</b>	<b>6,576,720</b>	<b>10,936,750</b>
In VND	4,272,000	10,357,000
In foreign currencies	2,304,720	579,750
<b>Total</b>	<b>19,125,259</b>	<b>23,536,099</b>

### 8.2 Borrowings from other credit institutions

	30 June 2019 VND million	31 December 2018 VND million
<b>In VND</b>	<b>9,551,977</b>	<b>13,487,733</b>
Discount, re-discount valuable papers	5,962,977	8,232,733
Mortgaged and pledged borrowings	3,589,000	5,255,000
<b>In foreign currencies</b>	<b>3,003,120</b>	<b>2,434,950</b>
Discount, re-discount valuable papers	-	-
Mortgaged and pledged borrowings	3,003,120	2,434,950
<b>Total</b>	<b>12,555,097</b>	<b>15,922,683</b>

## 9. Due to customers

### Analysis by products

	30 June 2019 VND million	31 December 2018 VND million
<b>Demand deposits</b>	<b>12,735,126</b>	<b>10,700,002</b>
Demand deposits in VND	10,081,992	9,729,725
Demand deposits in foreign currencies	2,653,134	970,277
<b>Term deposits</b>	<b>116,905,409</b>	<b>116,673,038</b>
Term deposits in VND	115,875,445	115,648,053
Term deposits in foreign currencies	1,029,964	1,024,985
<b>Deposits for specific purposes</b>	<b>59,361</b>	<b>248,151</b>
<b>Margin deposits</b>	<b>456,642</b>	<b>530,088</b>
<b>Total</b>	<b>130,156,538</b>	<b>128,151,279</b>



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## 10. Valuable papers issued (excluding compound financial instruments)

	30 June 2019 VND million	31 December 2018 VND million
<b>Certificates of deposits</b>	<b>133,000</b>	<b>232,000</b>
Less than 12 months	133,000	232,000
From 12 months to under 5 years		
<b>Straight bonds</b>	<b>14,000,000</b>	<b>9,000,000</b>
From 12 months to under 5 years	11,000,000	6,000,000
From 5 years	3,000,000	3,000,000
<b>Total</b>	<b>14,133,000</b>	<b>9,232,000</b>

## 11. Other liabilities

	30 June 2019 VND million	31 December 2018 VND million
Internal payables	71,261	93,642
External payables	3,669,835	3,377,938
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	16,771	13,046
<b>Total</b>	<b>3,757,867</b>	<b>3,484,626</b>

## 12. Statutory obligations and deferred corporate income tax

### 12.1 Statutory obligations

	1 January 2019 VND million	<u>Movement during the period</u>		30 June 2019 VND million
		Payable VND million	Paid VND million	
Value added tax	6,394	27,201	(20,765)	12,830
Corporate income tax	36,962	340,396	(217,390)	159,968
Property tax		7	(7)	
Land rental tax				
Other taxes	3,864	39,494	(35,672)	7,686
- License tax		288	(288)	
- Personal income tax	3,579	33,145	(30,969)	5,755
- Foreign contractor tax	285	6,061	(4,415)	1,931
Other fees and tax payables		324	(324)	
<b>Total</b>	<b>47,220</b>	<b>407,422</b>	<b>(274,158)</b>	<b>180,484</b>

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## 12.2 Deferred corporate income tax

### a. Deferred corporate income tax assets

	30 June 2019 VND million	31 December 2018 VND million
Deferred income tax assets related to deductible temporary differences	-	-
Deferred income tax assets related to unused tax losses	-	-
Deferred income tax assets related to unused incentive	-	-
Deferred income tax assets related to recorded in previous period	734	-
<b>Deferred corporate income tax assets</b>	<b>734</b>	<b>-</b>

### b. Deferred corporate income tax liabilities

	30 June 2019 VND million	31 December 2018 VND million
Deferred income tax liabilities incurred from temporary differences	(1,585)	(1,585)
Deferred income tax liabilities incurred recorded in previous period	-	-
<b>Deferred corporate income tax liabilities</b>	<b>(1,585)</b>	<b>(1,585)</b>

## 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
Fund for capital expenditure	89	-	-	89
Treasury shares	(2)	-	-	(2)
Assets revaluation differences	-	-	-	-
Foreign exchange differences	-	7,244	-	7,244
Development and investment reserve	70	-	-	70
Financial reverse	475,267	263,107	-	738,374
Capital supplementary reserve	103,639	131,554	-	235,193
Other reserves	60,538	20,000	(1,764)	78,774
Retained earnings	2,636,287	1,395,560	(419,661)	3,612,186
Non-controlling interest	-	-	-	-
Other owners' capital	-	-	-	-
	<b>15,128,143</b>	<b>1,817,465</b>	<b>(421,425)</b>	<b>16,524,183</b>

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## 13.2 Shares

	30 June 2019 VND million	31 December 2018 VND million
Number of registered shares	980,999,979	980,999,979
Number of shares issued	980,999,979	980,999,979
- Ordinary shares		
- Preference shares		
Number of shares repurchased	208	208
- Ordinary shares		
- Preference shares		
Number of outstanding shares	980,999,771	980,999,771
- Ordinary shares		
- Preference shares		
* Par value of outstanding share (VND/share)	10,000	10,000

## VI. SUPPLEMENT FOR ITEMS PRESENTED ON INCOME STATEMENT

### 14. Interest and similar income

	Current period VND million	Previous period VND million
Interest income from deposits	140,929	95,480
Interest income from loans	5,594,291	4,608,410
Interest income from debt securities	1,244,663	1,151,428
- Interest income from securities held-for-trading	-	-
- Interest income from investment securities	1,244,663	1,151,428
Income from guarantee services	68,159	26,670
Other income from credit activities	304,887	187,969
<b>Total</b>	<b>7,352,929</b>	<b>6,069,957</b>

### 15. Interest and similar expenses

	Current period VND million	Previous period VND million
Interest expenses for deposits	3,815,801	3,443,017
Interest expenses for borrowings	389,310	196,190
Interest expenses for valuable papers issued	360,902	202,829
Other expenses for credit activities	6,330	178
<b>Total</b>	<b>4,572,343</b>	<b>3,842,214</b>

# Ngân hàng TMCP Phát triển Thành phố Hồ Chí Minh

THUYẾT MINH BÁO CÁO TÀI CHÍNH RIÊNG  
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## 16. Net gain from securities held for trading

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
Income from dealing securities held for trading	27,616	110,684
Expense for dealing securities held for trading	(1,235)	(532)
Provision reversal for securities held for trading	750	-
<b>Net gain from securities held for trading</b>	<b>27,131</b>	<b>110,152</b>

## 17. Net gain from investment securities

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
Income from dealing investment securities	182,772	378,583
Expense for dealing investment securities	(9,598)	(108,481)
Provision (expenses)/reversal for investment securities	(11,563)	56,940
<b>Net gain from investment securities</b>	<b>161,611</b>	<b>327,042</b>

## 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	26,809	44,772
Dividend from long-term investment	260	3,770
<b>Total</b>	<b>27,069</b>	<b>48,542</b>

## 19. Operating expenses

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
<b>1. Tax payment and other fees</b>	<b>1,327</b>	<b>1,338</b>
<b>2. Personnel expenses</b>	<b>721,625</b>	<b>591,075</b>
Salary and allowances	612,860	524,466
Salary related allowances	53,862	36,612
Allowance	29,150	22,958
Other expense	25,753	7,039
<b>3. Fixed asset expenses</b>	<b>260,627</b>	<b>213,551</b>
<i>In which:</i> depreciation and amortization of fixed assets	34,960	40,918
<b>4. Administrative expenses</b>	<b>425,512</b>	<b>327,367</b>
<i>In which:</i>	16,410	16,204
Expense relating to business trips	199	157
<b>5. Insurance expenses for customer deposits</b>	<b>56,951</b>	<b>57,094</b>
<b>6. Provision expense (excluding provision expense for credit losses, provision expense for investment securities)</b>	<b>(4,720)</b>	<b>(11,803)</b>
<b>7. Other expenses</b>		
<b>Total</b>	<b>1,461,322</b>	<b>1,178,622</b>

# Ngân hàng TMCP Phát triển Thành phố Hồ Chí Minh

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## VII. OTHER INFORMATION

### 20. Related parties

Related party transactions include all transactions undertaken with other entities to which the Bank 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 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 (owning 5% or more of the charter capital or voting share capital) in the Bank that gives it significant influence over the Bank;
  - ▶ has joint control over the Bank;
- (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);
- (c) The party is a member of the key management personnel (including Chief Financial Officer and Chief Accountant) of the Bank;
- (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 period VND million</i>
Major shareholders and related parties of major shareholders	Deposits	7,867,691
	Withdrawals	8,753,016
Companies in which the Bank has long-term investments	Deposits	48,438,898
	Withdrawals	49,106,712
Subsidiaries	Deposits	26,601,404
	Withdrawals	26,676,695

# Ngân hàng TMCP Phát triển Thành phố Hồ Chí Minh

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Receivables and payables with related parties at the end of the period are as follows:

Related party	Transactions	30 June 2019	
		VND million	
		Receivables	Payables
Major shareholders and related parties of major shareholders	Term deposits	-	(82,634)
	Demand deposits	-	(15,037)
	Margin deposits	-	(47)
	Loans	357,690	-
Companies in which the Bank has long-term investments	Term deposits	-	(978,545)
	Demand deposits	-	(279,959)
	Margin deposits	-	(2)
	Loans	1,343,476	-
Subsidiaries	Term deposits	-	(95,600)
	Demand deposits	-	(420,532)
	Loans	650,000	-

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

	Loans	Deposits	Credit commitment	Derivatives	Trading and investment securities
Domestic	127,255,248	21,114,469	10,115,228	23,861,787	40,566,331
Oversea	-	429,916	-	-	-

## VIII. FINANCIAL RISK MANAGEMENT

### 22. Financial risk management policies

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.

#### (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.

(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 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 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.

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, 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 mitigation*

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.

### 23. 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, including frequently review collateral. 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.

### 24. Market risk

#### 24.1 Interest risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair values of financial instruments. The Bank 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*

The repricing period of interest rate of assets and liabilities is the term calculated from the separate balance sheet date to the nearest repricing date of interest rate or remaining contractual term whichever is earlier.

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; security held for trading; investment securities - equity securities; special bonds issued by VAMC; derivatives; long-term investment and other assets (including fixed assets and other assets) and other payables 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 - debt securities (excluded special bonds issued by VAMC) is calculated based on the time to maturity from the separate balance sheet date for each type of securities;
- ▶ The re-pricing term of due to the SBV; due from and loans to other credit institutions; loans to customers; grants, entrusted funds and loans exposed to risks; due to and borrowings from other credit institutions and 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 separate 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 separate balance sheet date.
- ▶ The re-pricing term of valuable papers issued is determined based on the time to maturity from the separate balance sheet date.

The following table presents the interest re-pricing period of the Bank's assets and liabilities as at 30 June 2019:



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Items	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>									1,949,506
Cash and gold	-	1,949,506	-	-	-	-	-	-	1,949,506
Balances with the State Bank of Vietnam	-	-	1,639,910	-	-	-	-	-	1,639,910
Due from and loans to other credit institutions (*)	-	-	18,707,170	2,897,305	-	450,000	-	-	22,054,475
Securities held for trading (*)	-	2,097,898	-	-	-	-	-	-	2,097,898
Derivatives and other financial assets	-	10,840	-	-	-	-	-	-	10,840
Loans to customers (*)	2,659,166	-	8,746,881	115,849,201	-	-	-	-	127,255,248
Purchased debts (*)	-	-	-	-	-	-	-	-	-
Investment securities (*)	62,259	2,289,687	1,882,885	3,730,572	8,178,049	6,517,853	11,767,226	4,039,902	38,468,433
Long-term investments (*)	-	1,074,805	-	-	-	-	-	-	1,074,805
Fixed assets and investment properties	-	826,279	-	-	-	-	-	-	826,279
Other assets (*)	42,859	8,152,598	-	-	-	-	-	-	8,195,457
<b>Total assets</b>	<b>2,764,284</b>	<b>16,401,613</b>	<b>30,976,846</b>	<b>122,477,078</b>	<b>8,178,049</b>	<b>6,967,853</b>	<b>11,767,226</b>	<b>4,039,902</b>	<b>203,572,851</b>
<b>Liabilities</b>									
Due to and borrowings from the SBV and other credit institutions	-	-	29,932,276	1,004,174	-	-	2,911,322	-	33,847,772
Due to customers	-	456,776	46,775,188	22,668,206	28,038,114	24,850,964	7,365,578	1,712	130,156,538
Derivatives and other financial liabilities	-	-	-	-	-	-	-	-	-
Grants, entrusted funds and loans exposed to risks	-	-	1,841	2,979,840	-	-	-	77,996	3,059,677
Valuable papers issued	-	-	133,000	-	-	1,600,000	9,900,000	2,500,000	14,133,000
Other liabilities (*)	-	3,757,867	-	-	-	-	-	-	3,757,867
<b>Total liabilities</b>	<b>-</b>	<b>4,214,643</b>	<b>76,842,305</b>	<b>26,652,220</b>	<b>28,038,114</b>	<b>26,450,964</b>	<b>20,176,900</b>	<b>2,579,708</b>	<b>184,954,854</b>
On-balance sheet interest sensitivity gap	2,764,284	12,186,970	(45,865,459)	95,824,858	(19,860,065)	(19,483,111)	(8,409,674)	1,460,194	18,617,997
Off-balance sheet interest sensitivity gap		(10,115,228)							(10,115,228)
Interest sensitivity gap (on, off-balance sheet)	2,764,284	2,071,742	(45,865,459)	95,824,858	(19,860,065)	(19,483,111)	(8,409,674)	1,460,194	8,502,769

(\*) these items exclude provision

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## **24.2** *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. Financial assets and financial liabilities of the Bank are almost denominated in VND and a proportion in USD, EUR and gold. 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 that the 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 30 June 2019:

<i>Items</i>	<i>EUR equivalent VND million</i>	<i>USD equivalent VND million</i>	<i>Gold equivalent VND million</i>	<i>Other currencies equivalent VND million</i>	<i>Total VND million</i>
<b>Assets</b>					
Cash and gold	170,195	392,395	16,054	241,546	820,190
Balances with the State Bank of Vietnam	-	7,796	-	-	7,796
Due from and loans to other credit institutions (*)	675,552	883,877	-	888,393	2,447,822
Derivatives and other financial assets	-	554,766	-	-	554,766
Loans to customers (*)	2,167	11,141,730	-	77,996	11,221,893
Other assets (*)	953,611	182,160	-	3,130	1,138,901
<b>Total assets</b>	<b>1,801,525</b>	<b>13,162,724</b>	<b>16,054</b>	<b>1,211,065</b>	<b>16,191,368</b>
<b>Liabilities</b>					
Due to and borrowings from other credit institutions	-	5,662,417	-	-	5,662,417
Due to customers	60,826	3,539,258	-	117,713	3,717,797
Grants, entrusted funds and loans exposed to risks	-	2,980,990	-	77,996	3,058,986
Derivatives and other financial liabilities	1,764,034	-	-	996,603	2,760,637
Other liabilities	449	162,916	198	9,097	172,660
<b>Total liabilities</b>	<b>1,825,309</b>	<b>12,345,581</b>	<b>198</b>	<b>1,201,409</b>	<b>15,372,497</b>
<b>Foreign exchange position on-balance sheet</b>	<b>(23,784)</b>	<b>817,143</b>	<b>15,856</b>	<b>9,656</b>	<b>818,871</b>
<b>Foreign exchange position off-balance sheet</b>	<b>37,082</b>	<b>(362,021)</b>	<b>-</b>	<b>(24,195)</b>	<b>(349,134)</b>
<b>Foreign exchange position on and off-balance sheet</b>	<b>13,298</b>	<b>455,122</b>	<b>15,856</b>	<b>(14,539)</b>	<b>469,737</b>

(\*) These items exclude provision.

## 24.3 *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 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 SBV are classified as demand deposits which include compulsory deposits;
- ▶ The maturity term of securities held for trading; investment securities - debt securities is calculated based on the maturity date of each kind of securities; investment securities - listed equity securities is considered within one month because of their high liquidity;
- ▶ The maturity term of due to the SBV; grants, entrusted funds and loans exposed to risks; valuable papers issued; 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, derivatives; 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 fixed assets is determined based on the remaining useful life of assets.

The following table presents assets and liabilities maturity from the Bank at 30 June 2019:

# Ho Chi Minh City Development Joint Stock Commercial Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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Items	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	
<b>Assets</b>								
Cash and gold	-	-	1,949,506	-	-	-	-	1,949,506
Balances with the State Bank of Vietnam	-	-	1,639,910	-	-	-	-	1,639,910
Due from and loans to other credit institutions (*)	-	-	18,707,170	2,897,305	450,000	-	-	22,054,475
Securities held for trading (*)	-	-	106,423	-	401,623	1,132,933	456,919	2,097,898
Derivatives and other financial assets	-	-	7,500	516	2,824	-	-	10,840
Loans to customers (*)	1,268,627	1,390,539	8,746,881	14,334,862	45,955,075	20,038,885	35,520,379	127,255,248
Purchased debts (*)	-	-	-	-	-	-	-	-
Investment securities (*)	62,259	-	1,878,282	1,914,137	12,587,081	14,225,668	7,801,006	38,468,433
Long-term investments (*)	-	-	-	-	-	-	1,074,805	1,074,805
Fixed assets and investment properties	-	-	303,454	-	-	26,393	496,432	826,279
Other assets (*)	42,859	-	8,152,598	-	-	-	-	8,195,457
<b>Total assets</b>	<b>1,373,745</b>	<b>1,390,539</b>	<b>41,491,724</b>	<b>19,146,820</b>	<b>59,396,603</b>	<b>35,423,879</b>	<b>45,349,541</b>	<b>203,572,851</b>
<b>Liabilities</b>								
Due to and borrowings from the SBV and other credit institutions	-	-	29,932,392	839,246	5,178	3,054,878	16,078	33,847,772
Due to customers	-	-	47,231,964	22,668,206	52,889,078	7,365,578	1,712	130,156,538
Grants, entrusted funds and loans exposed to risks	-	-	-	691	-	-	3,058,986	3,059,677
Valuable papers issued	-	-	133,000	-	1,600,000	9,900,000	2,500,000	14,133,000
Other liabilities (*)	-	-	3,757,867	-	-	-	-	3,757,867
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>81,055,223</b>	<b>23,508,143</b>	<b>54,494,256</b>	<b>20,320,456</b>	<b>5,576,776</b>	<b>184,954,854</b>
<b>Net liquidity gap</b>	<b>1,373,745</b>	<b>1,390,539</b>	<b>(39,563,499)</b>	<b>(4,361,323)</b>	<b>4,902,347</b>	<b>15,103,423</b>	<b>39,772,765</b>	<b>18,617,997</b>

(\*) These items exclude provision

This translation is for informational purpose only, NOT an official version



# Ho Chi Minh City Development Joint Stock Commercial Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
As at 30 June 2019 and for the period then ended

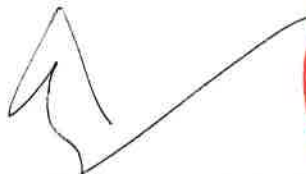
Form B05a/TCTD  
(issued under Circular No.  
49/2014/TT-NHNN dated 31 December 2014)

Prepared by:



Ms. Le Thi Thao  
Accountant

Reviewed by:



Ms. Ho Dang Hoang Quyên  
Chief Accountant

Approved by:



Mr. Nguyen Huu Dang  
Chief Executive Officer

Ho Chi Minh City, Vietnam

30 July 2019