



Vietnam Asia Commercial Joint Stock Bank

Consolidated Financial Statements for the year ended
31 December 2015

Vietnam Asia Commercial Joint Stock Bank

Corporate Information

Banking Licence No. 12/NH-GP 9 May 2003

The Banking Licence was issued by the State Bank of Vietnam and is valid for 99 years from the licence date.

Business Registration Certificate No. 4103001665 19 June 2003

The Business Registration Certificate has been amended several times, the most recent of which is by Business Registration Certificate No. 4103001665 dated 10 March 2016. The initial Business Registration Certificate and its updates from the first amendment to the 21st amendment were issued by the Department of Planning and Investment of Ho Chi Minh City. The updated Business Registration Certificates from the 22nd amendment were issued by the Department of Planning and Investment of Hanoi.

Board of Management	Mr. Phuong Huu Viet	Chairman
	Mr. Phan Van Toi	Vice Chairman
	Ms. Phuong Thanh Nhung	Vice Chairman
		(from 20 October 2015)
		Member
		(until 20 October 2015)
	Mr. Ngo Tan Dung	Vice Chairman
		(from 20 October 2015)
	Mr. Le Dac Cu	Member
	Mr. Nguyen Xuan Luat	Member
		(from 24 April 2015)
	Mr. Nguyen Quang Vinh	Member
		(until 24 April 2015)

Board of Supervisors	Ms. Nguyen Kim Phuong	Chief Supervisor
		(from 24 April 2015)
	Ms. Bui Thi Thu Van	Chief Supervisor
		(until 24 April 2015)
	Ms. Nguyen Thi Hoan	Member
	Mr. Phuong Minh Tuan	Member

Vietnam Asia Commercial Joint Stock Bank
Corporate Information (continued)

Board of Directors	Ms. Phuong Thanh Nhung	General Director
	Mr. Nguyen Van Hao	Standing Deputy General Director (from 10 October 2015)
		Deputy General Director (from 3 August 2015 until 10 October 2015)
	Mr. Pham Linh	Deputy General Director
	Ms. Nguyen Thi Thu Hanh	Deputy General Director (until 8 March 2016)
	Mr. Pham Quang Thuan	Deputy General Director (until 24 November 2015)
	Mr. Vu Nhat Lam	Deputy General Director (from 7 July 2015 until 14 October 2015)
	Mr. Nguyen Anh Tuan	Deputy General Director (until 1 September 2015)
	Mr. Trinh Minh Thao	Deputy General Director (until 29 August 2015)
	Mr. Tran Thai Hoa	Deputy General Director (until 4 May 2015)

Registered Office 34A - 34B Han Thuyen, Pham Dinh Ho Ward
 Hai Ba Trung District, Hanoi
 Vietnam

Auditor KPMG Limited
 Vietnam

Vietnam Asia Commercial Joint Stock Bank
Statement of the Board of Directors

The Board of Directors of Vietnam Asia Commercial Joint Stock Bank ("the Bank") presents this statement and the accompanying consolidated financial statements of the Bank and its subsidiary (collectively referred to as "the Group") for the year ended 31 December 2015.

The Bank's Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting. In the opinion of the Bank's Board of Directors:

- (a) the consolidated financial statements set out on pages 6 to 99 give a true and fair view of the consolidated financial position of the Group as at 31 December 2015, and of the consolidated results of operations and the consolidated cash flows of the Group for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons for the Bank's Board of Directors to believe that the Group will not be able to pay its liabilities as and when they fall due.

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



On behalf of the Board of Directors

Nguyễn Văn Hao
Standing Deputy General Director

Hanoi, 25 April 2016

**KPMG Limited Branch**

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Ben Nghe Ward, District 1, Ho Chi Minh City,
Vietnam

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders

Vietnam Asia Commercial Joint Stock Bank

We have audited the accompanying consolidated financial statements of Vietnam Asia Commercial Joint Stock Bank ("the Bank") and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2015, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Directors on 25 April 2016, as set out on pages 6 to 99.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Bank's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Vietnam Asia Commercial Joint Stock Bank and its subsidiary as at 31 December 2015, and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting.

Emphasis of Matter

Without qualifying opinion, we draw attention to Note 16(v) to the consolidated financial statements. Accordingly, as at 31 December 2015, the Group had interest receivables from three customers amounting to VND408,693 million with the roadmap for resolving until 31 December 2017 approved by the State Bank of Vietnam. As a result, the Group did not apply the accounting policy as described in Note 4(x) for these interest receivables.

KPMG Limited's Branch in Ho Chi Minh City
Vietnam

Audit Report No.: 15-01-134/2



Trương Vĩnh Phúc

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

Ho Chi Minh City, 25 April 2016



Nguyen Anh Hung

Practicing Auditor Registration
Certificate No. 2206-2013-007-1

	Note	31/12/2015 VND	31/12/2014 VND
A ASSETS			
I Cash on hand, gold and gemstones	5	334,550,243,535	357,314,966,388
II Balances with the State Bank of Vietnam	6	506,560,690,117	699,242,031,290
III Deposits with and loans to other credit institutions	7	4,579,602,212,211	2,069,023,413,281
1 Deposits with other credit institutions		4,295,032,212,211	2,069,023,413,281
2 Loans to other credit institutions		284,570,000,000	-
IV Held-for-trading securities	8	104,235,636,547	18,056,619,147
1 Held-for-trading securities		107,527,745,273	22,450,370,885
2 Allowance for held-for-trading securities		(3,292,108,726)	(4,393,751,738)
VI Loans and advances to customers		20,039,701,178,538	15,633,183,931,713
1 Loans and advances to customers	9	20,267,711,996,409	15,821,970,562,729
2 Allowance for loans and advances to customers	10	(228,010,817,871)	(188,786,631,016)
VII Debts purchasing activities	11	38,991,877,497	-
1 Purchased debts		38,991,877,497	-
VIII Investment securities	12	11,056,464,135,287	11,513,643,801,769
1 Available-for-sale securities		8,652,036,555,139	10,128,331,126,385
2 Held-to-maturity securities		2,699,949,989,750	1,448,794,705,580
3 Allowance for investment securities		(295,522,409,602)	(63,482,030,196)
IX Capital contribution, long-term investments	13	315,653,224,400	518,927,302,800
4 Other long-term investments		315,653,224,400	518,927,302,800
X Fixed assets		278,541,673,262	228,609,564,976
1 Tangible fixed assets	14	134,527,052,394	118,656,492,574
a Cost		283,592,467,522	248,609,540,916
b Accumulated depreciation		(149,065,415,128)	(129,953,048,342)
3 Intangible fixed assets	15	144,014,620,868	109,953,072,402
a Cost		223,542,356,340	182,521,406,597
b Accumulated amortisation		(79,527,735,472)	(72,568,334,195)
XII Other assets	16	4,623,877,782,701	4,552,510,790,196
1 Receivables		1,213,189,487,747	1,633,014,484,806
2 Accrued interest and fees receivable		3,005,872,361,055	2,228,764,064,842
4 Other assets		404,815,933,899	690,732,240,548
TOTAL ASSETS		41,878,178,654,095	35,590,512,421,560

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

	Note	31/12/2015 VND	31/12/2014 VND
B			
LIABILITIES AND EQUITY			
LIABILITIES			
I			
Borrowings from the State Bank of Vietnam	17	-	109,436,812,290
II			
Deposits and borrowings from other credit institutions	18	12,865,360,797,326	11,636,501,251,528
1 Deposits from other credit institutions		5,010,920,378,989	3,071,388,185,030
2 Borrowings from other credit institutions		7,854,440,418,337	8,565,113,066,498
III			
Deposits from customers	19	24,439,799,870,488	19,779,746,323,690
V			
Entrusted funds received	20	26,134,500,000	12,431,250,000
VI			
Valuable papers issued	21	8,477,026,500	-
VII			
Other liabilities		618,848,427,523	416,439,564,687
1 Accrued interest and fees payable		508,888,150,992	366,874,784,197
3 Other liabilities	22	109,960,276,531	49,564,780,490
TOTAL LIABILITIES		37,958,620,621,837	31,954,555,202,195
EQUITY			
VIII			
Equity	23	3,919,558,032,258	3,635,957,219,365
1 Capital		3,500,102,398,945	3,206,232,128,945
a Share capital		3,499,990,470,000	3,098,000,000,000
c Share premium		98,600,000	108,218,800,000
g Other capital		13,328,945	13,328,945
2 Reserves		148,445,464,182	198,721,138,462
5 Retained profits		271,010,169,131	231,003,951,958
TOTAL EQUITY		3,919,558,032,258	3,635,957,219,365
TOTAL LIABILITIES AND EQUITY		41,878,178,654,095	35,590,512,421,560

	Note	31/12/2015 VND	31/12/2014 VND
OFF-BALANCE SHEET ITEMS			
I	CONTINGENT LIABILITIES		
2	Foreign exchange commitments	470,635,000,000	846,718,980,000
	<i>In which:</i>		
	▪ <i>Commitments on purchase of foreign currencies</i>	470,635,000,000	493,789,980,000
	▪ <i>Commitments on sale of foreign currencies</i>	-	352,929,000,000
4	Letters of credit	39 23,095,745,509	20,830,059,068
5	Other guarantees	39 55,545,694,032	72,393,088,084

25 April 2016

Prepared by:

La Quang Trung
 Chief Accountant

Approved by:

Nguyen Van Hao
 Standing Deputy General Director



		Note	2015 VND	2014 VND Reclassified
1	Interest and similar income	24	2,871,174,154,522	1,841,994,974,536
2	Interest and similar expenses	24	(1,768,795,035,366)	(1,443,214,049,525)
I	Net interest income	24	1,102,379,119,156	398,780,925,011
3	Fee and commission income	25	11,812,985,086	13,267,162,077
4	Fee and commission expenses	25	(15,834,738,833)	(10,764,374,234)
II	Net fee and commission (expenses)/income	25	(4,021,753,747)	2,502,787,843
III	Net loss from trading of foreign currencies	26	(264,140,599,708)	(89,892,067,096)
IV	Net gain from trading of held-for-trading securities	27	5,901,023,594	68,556,991,706
V	Net gain/(loss) from sales of investment securities	28	29,908,336,738	(36,049,390,522)
5	Other income	29	147,646,623,230	127,340,154,229
6	Other expenses	29	(146,948,304,227)	(8,814,177)
VI	Net other income	29	698,319,003	127,331,340,052
VII	Income from investments in other entities	30	4,598,055,219	8,834,213,675
VIII	Operating expenses	31	(438,876,506,250)	(347,653,263,083)
IX	Operating profit before allowance expenses for credit losses		436,445,994,005	132,411,537,586
X	Allowance expenses for credit losses	32	(321,116,648,613)	(72,073,395,769)
XI	Profit before tax (carried forward to the next page)		115,329,345,392	60,338,141,817

	Note	2015 VND	2014 VND
XI Profit before tax (brought forward from the previous page)		115,329,345,392	60,338,141,817
7 Corporate income tax expense - current	33	(33,362,702,713)	(12,841,098,491)
8 Corporate income tax expense - deferred	33	-	-
XII Total income tax expense	33	(33,362,702,713)	(12,841,098,491)
XIII Profit after tax		81,966,642,679	47,497,043,326
XV Basic earnings per share (VND/share)	34	250	145

25 April 2016

Prepared by:


 La Quang Trung
 Chief Accountant



Approved by:


 Nguyen Van Hao
 Standing Deputy General Director

		2015 VND	2014 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Interest and similar income received	2,095,662,603,630	1,092,345,792,265
02	Interest and similar expenses paid	(1,617,809,547,709)	(1,303,767,336,048)
03	Net fee and commission (expenses paid)/ income received	(14,586,703,902)	5,929,867,651
04	Net (payments for)/receipts from trading activities (foreign currencies, gold and securities)	(13,141,219,126)	31,123,101,875
05	(Other expenses paid)/other income received	(76,403,197,753)	113,380,585,008
07	Salaries and operating expenses paid	(408,942,912,332)	(323,528,748,490)
08	Corporate income tax paid	(9,744,806,801)	(8,786,112,699)
	Cash flows from operating activities before changes in operating assets and liabilities	(44,965,783,993)	(393,302,850,438)
Changes in operating assets			
09	(Increase)/decrease in deposits with and loans to other credit institutions	(284,570,000,000)	239,000,000,000
10	Decrease/(increase) in held-for-trading securities and investment securities	140,061,912,688	(5,556,272,036,410)
12	Increase in loans and advances to customers	(4,484,733,311,177)	(1,433,528,562,704)
13	Utilisations of allowance for credit losses	(88,683,850,352)	(15,690,226,049)
14	Decrease/(increase) in other operating assets	653,822,174,942	(206,572,299,248)
Changes in operating liabilities			
15	(Decrease)/increase in borrowings from the State Bank of Vietnam	(109,436,812,290)	109,436,812,290
16	Increase in deposits and borrowings from other credit institutions	1,228,859,545,798	7,355,850,666,457
17	Increase in deposits from customers	4,660,053,546,798	957,671,833,979
18	Increase in valuable papers issued	8,477,026,500	-
19	Increase/(decrease) in entrusted funds received	13,703,250,000	(52,058,919,594)
20	Increase/(decrease) in other operating liabilities	4,066,544,648	(26,644,129)
21	Utilisations of reserves	(8,393,356,062)	(3,000,000)
I	NET CASH FLOWS FROM OPERATING ACTIVITIES	1,688,260,887,500	1,004,504,774,154

		2015 VND	2014 VND
	CASH FLOWS FROM INVESTING ACTIVITIES		
01	Payments for purchases of fixed assets	(72,860,041,404)	(25,969,405,469)
02	Proceeds from disposals of fixed assets	133,518,761,201	232,583,637
07	Payments for investments in other entities	(55,275,000,000)	-
08	Collections on investments in other entities	81,089,183,138	95,502,343,000
09	Receipts of dividends and profit distributions from capital contribution, long-term investments	4,598,055,219	8,834,213,675
II	NET CASH FLOWS FROM INVESTING ACTIVITIES	91,070,958,154	78,599,734,843
	CASH FLOWS FROM FINANCING ACTIVITIES		
01	Proceeds from share capital issued	231,300,200,000	-
04	Dividends paid	(69,310,750)	(2,436,750)
III	NET CASH FLOWS FROM FINANCING ACTIVITIES	231,230,889,250	(2,436,750)
IV	NET CASH FLOWS DURING THE YEAR	2,010,562,734,904	1,083,102,072,247
V	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,125,580,410,959	2,042,478,338,712
VII	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 35)	5,136,143,145,863	3,125,580,410,959

NON-CASH INVESTING ACTIVITIES

	2015 VND	2014 VND
Proceeds from disposals of capital contribution, long-term investments not yet collected	246,200,000,000	65,331,657,000


25 April 2016

Prepared by:


 La Quang Trung
 Chief Accountant

Approved by:




 Nguyen Van Hao
 Standing Deputy General Director

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

1. Reporting entity

(a) Establishment and operations

Vietnam Asia Commercial Joint Stock Bank ("the Bank") is a commercial joint stock bank incorporated in Socialist Republic of Vietnam.

The Bank was established on the basis of merging between Sai Gon Financial Joint Stock Company and Da Nang Rural Commercial Joint Stock Bank under Decision No. 440/QĐ-NHNN dated 9 May 2003 issued by the State Bank of Vietnam ("SBV"). The Bank operates under Banking Licence No. 12/NH-GP dated 9 May 2003 issued by the SBV and Business Registration Certificate No. 4103001665 dated 19 June 2003 issued by the Department of Planning and Investment of Ho Chi Minh City and its updates from the 22nd amendment issued by the Department of Planning and Investment of Hanoi. The Banking Licence of the Bank is valid for 99 years from the licence date.

The principal activities of the Bank are as follows:

- Mobilise short, medium and long-term funds in the form of demand deposits, time deposits, promissory notes, bonds and valuable papers following the SBV's approval;
- Receive entrusted funds;
- Receive funds from domestic and overseas credit institutions;
- Lend short, medium and long-term loans to economic entities and individuals;
- Discount commercial papers, bonds and other valuable papers;
- Contribute capital and invest in joint-ventures in accordance with laws;
- Provide settlement services to customers;
- Trade foreign currencies and gold;
- Provide international settlement services; and
- Provide other banking services allowed by the SBV.

The consolidated financial statements for the year ended 31 December 2015 comprise the financial statements of the Bank and its subsidiary (collectively referred to as "the Group").

(b) Charter capital

As at 31 December 2015, the Bank's charter capital is VND3,499,990,470,000 (31/12/2014: VND3,098,000,000,000). The Bank issued 349,999,047 ordinary shares (31/12/2014: 309,800,000 ordinary shares), with par value of VND10,000 per share.

(c) Location and operation network

The Bank's Head Office is located at 34A - 34B Han Thuyen, Pham Dinh Ho Ward, Hai Ba Trung District, Hanoi, Vietnam. As at 31 December 2015, the Bank has one (1) head office, seventeen (17) branches, sixty four (64) transaction offices and five (5) saving funds nation-wide (31/12/2014: the Bank has one (1) head office, one (1) transaction center, sixteen (16) branches, sixty three (63) transaction offices and four (4) saving funds nation-wide).

(d) Subsidiaries

As at 31 December 2015 and 2014, the Bank had one subsidiary as follows:

Entity name	Operation Licence	Nature of business	Percentage of equity owned and voting rights	
			31/12/2015	31/12/2014
Vietnam Asia Commercial Bank Asset Management Company	2764/QD-NHNN dated 18/11/2010	Assets management	100%	100%

The Bank's subsidiary was established in Vietnam.

(e) Number of employees

As at 31 December 2015, the Group has 1,653 employees (31/12/2014: 1,663 employees).

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the direct method.

(c) Annual accounting period

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

(d) Accounting and presentation currency

The Group's accounting currency is Vietnam Dong ("VND"), which is also the currency used for consolidated financial statement presentation purpose.

(e) Form of accounting records applied

The Group uses accounting software to record its transactions.

3. Changes in accounting policies

(a) Debt classification in accordance with Point 3, Article 8; Point 1, Article 9 and Point 3a, Article 10 of Circular No. 02/2013/TT-NHNN ("Circular 02")

From 1 January 2015, Point 3, Article 8 and Point 1, Article 9 of Circular 02 dated 21 January 2013 of the SBV regulating the classification of assets, credit loss allowance level, allowance method and utilisation of allowance in operations of credit institutions and foreign bank branches have been effective. Accordingly, credit institutions, foreign bank branches are required to use the results of debt classification as provided by the Credit Information Center of the SBV ("CIC") at the date of classification to adjust results of the internal classification of loans and off-balance sheet commitments.

In addition, Point 3a, Article 10 of Circular 02 has expired since 1 April 2015. Accordingly, credit institutions, foreign bank branches are not permitted to reschedule the payment terms without changing debt group as stipulated in Point 3a, Article 10.

The Group has adopted these requirements on a prospective basis. The changes in debt classification policy are described in Note 4(f).

(b) Adoption of Circular No. 49/2014/TT-NHNN

On 31 December 2014, the SBV issued Circular No. 49/2014/TT-NHNN ("Circular 49") amending and supplementing certain articles of the Financial Reporting Regime applicable to credit institutions issued under Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 of the Governor of the SBV ("Decision 16") and the regulation on Chart of Accounts for credit institutions issued under Decision No. 479/2004/QĐ-NHNN dated 29 April 2004 of the Governor of the SBV ("Decision 479"). Circular 49 is effective from 15 February 2015.

Accordingly, the Group's consolidated financial statements presentation for the year ended 31 December 2015 reflected certain changes following the new templates provided by Circular 49. In addition, certain corresponding figures for the year ended 31 December 2014 have been reclassified to conform to current year's presentation (Note 45 – *Corresponding figures*).

(c) Adoption of Circular No. 202/2014/TT-BTC

On 22 December 2014, the Ministry of Finance issued Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202"). Circular 202 replaces previous guidance on preparation and presentation of consolidated financial statements provided in Part XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance. Circular 202 is effective after 45 days from the signing date and applicable for annual accounting periods beginning on or after 1 January 2015. The Group has adopted Circular 202 on a prospective basis. The adoption of Circular 202 did not have any material effect on the consolidated financial statements of the Group for the year ended 31 December 2015.

(d) Adoption of Circular No. 200/2014/TT-BTC

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises ("Circular 200"). Circular 200 replaces previous guidance on Vietnamese Accounting System for enterprises under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 ("Decision 15") and Circular No. 244/2009/TT-BTC dated 31 December 2009. Circular 200 is effective after 45 days from the signing date and applicable for annual accounting periods beginning on or after 1 January 2015. In addition to compliance with the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam, the Bank also adopted relevant requirements of the Vietnamese Accounting System for enterprises.

4. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

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

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

(ii) Transactions eliminated on consolidation

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

(b) Foreign currency transactions

The Group's transactions are accounted for in original currencies. Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the reporting dates, non-monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling on transaction dates.

Transactions relating to income/expenses in currencies other than VND are translated into VND at rates of exchange ruling on transaction dates.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash, gold, precious metals and gemstones, deposits with the SBV, deposits with and loans to other credit institutions with original term to maturity of not more than three months, Treasury bills, other short-term valuable papers qualified for discounting with the SBV and securities which have maturity date within three months from purchase date.

Gold is revalued at the reporting date and differences from the revaluation are recognised in the consolidated statement of income.

(d) Deposits with and loans to other credit institutions

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

Loans to other credit institutions are loans with original term to maturity of not more than 12 months.

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

Debt classification of deposits with and loans to other credit institutions and allowance thereof is made in accordance with Circular 02 and Circular No. 09/2014/TT-NHNN dated 18 March 2014 issued by the SBV ("Circular 09") amending and supplementing certain articles of Circular 02. Accordingly, the Group classified debts and made specific allowance for credit losses on deposits with and loans to other credit institutions in accordance with the accounting policy as described in Note 4(f).

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

(e) Loans and advances to customers

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

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

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

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

Debt classification and allowance for credit losses for loans and advances to customers are made in accordance with Circular 02 and Circular 09 as described in Note 4(f).

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

(i) Debt classification

Deposits with and loans to other credit institutions (except for demand deposits), unlisted corporate bonds, loans and advances to customers (together referred to as "debts"), the debts sold but not yet collected and purchased debts are classified in accordance with the quantitative method as stipulated in Article 10 of Circular 02. Accordingly, debts are classified into five debt groups based on overdue status as follows:

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

Group		Overdue status
		(e) Debts in the collection process under inspection conclusions but being overdue up to 60 days according to recovery term.
5	Loss debts	(a) Debts being overdue more than 360 days; or (b) Debts having rescheduled terms of repayment for the first time and being overdue more than 90 days according to the first rescheduled terms of repayment; or (c) Debts having rescheduled terms of repayment for the second time and being overdue according to the second reschedule terms of repayment; or (d) Debts having rescheduled terms of repayment for the third time or more, regardless of whether the debts are overdue or not; or (e) Debts specified in point (d) of Sub-standard debts not yet collected after 60 days from the issuance date of recovery decision; or (f) Debts in the collection process under inspection conclusions but being overdue of more than 60 days according to recovery term; or (g) Debts to credit institutions being announced under special control status by the SBV, or to foreign bank branches of which capital and assets are blockaded.

For off-balance sheet payments on behalf, the Group classifies debts based on the overdue days from the date the Group has obligations under the commitments:

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

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

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

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

Before 1 April 2015: In accordance with Point 3a, Article 10 of Circular 02, amended and supplemented by Circular 09, debt groups of rescheduled debts remain unchanged as before the reschedule provided that the following conditions are met:

- The debt was granted under a credit facility which does not violate any laws or regulations;
- The reschedule of repayment term is in line with the purpose of the project as stated in the credit agreement;
- The borrower used the debt for the correct purpose;
- The borrower has a new debt repayment plan that is feasible and suitable to its business; and
- The Bank and its subsidiary remains in compliance with regulations of the SBV on limits, banking safety ratio including the maximum ratio of short-term funding being used for medium and long-term lending in case of restructuring short-term debts into medium-term or long-term debts.

From 1 April 2015: Point 3a, Article 10 of Circular 02 expired. Accordingly, the Group is not allowed to reschedule debts without changing debt group as mentioned above.

(ii) Specific allowance for credit losses

In accordance with the requirements of Circular 02 and Circular 09, the specific allowance for credit losses at the end of annual accounting period (31 December) is calculated using the allowance rate for each debt classification of outstanding balance of debts at the last working day of November less the allowed value of collateral assets. Specific allowance rates applied to each group of debts were as follows:

	Allowance rate
Group 1 - Current debts	0%
Group 2 - Special mentioned debts	5%
Group 3 - Sub-standard debts	20%
Group 4 - Doubtful debts	50%
Group 5 - Loss debts	100%

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

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

Allowed values of collateral assets are subject to the following caps:

Type of collateral assets	Maximum allowed ratio
(a) Customers' deposits in VND	100%
(b) Gold billets, except for the types of gold specified in item (i) below; customers deposits in foreign currencies	95%
(c) Government bonds, transferable instruments, valuable papers issued by the Bank, saving deposit certificates, certificates of deposit, bills and notes issued by other credit institution or foreign bank branches: <ul style="list-style-type: none"> ▪ With a remaining term of below 1 year ▪ With a remaining term of between 1 year to 5 years ▪ With a remaining term of over 5 years 	95% 85% 80%
(d) Securities issued by other credit institutions and listed on a stock exchange	70%
(e) Securities issued by other enterprises and listed on a stock exchange	65%
(f) Unlisted securities and valuable papers, except for the types of securities specified in item (c) above, issued by other credit institutions registered for listing on a stock exchange;	50%
Unlisted securities and valuable papers, except for the types of securities specified in item (c) above, issued by other credit institutions not registered for listing on a stock exchange	30%
(g) Unlisted securities and valuable papers issued by enterprises registered for listing on a stock exchange;	30%
Unlisted securities and valuable papers issued by enterprises not registered for listing on a stock exchange	10%
(h) Real estates	50%
(i) Gold billets not having quoted price, other types of gold and other collateral assets	30%

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

(iii) General allowance for credit losses

In accordance with Circular 02, a general allowance for credit losses at the end of annual accounting period (31 December) is made at 0.75% of the outstanding balance of debts except for deposits with and loans to other credit institutions and debts which are classified as Loss debts at the last working day of November.

(iv) Writing-off bad debts

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

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

(v) Provision for off-balance sheet commitments

In accordance with Circular 02 and Circular 09, the debt classification of off-balance sheet commitments is done solely for risk management, credit quality supervision of credit granting activities. The Group is not required to make provision for off-balance sheet commitments, except where the Group has been required to make payment under the guarantee contract, in which case the payment on behalf is classified and allowance for credit losses is made in accordance with the accounting policy as described in Note 4(f).

(g) Debts purchasing activities

(i) Purchased debts

The purchased debts are recognised as loans/other receivables at purchase prices. Interest income is recognised in the consolidated statement of income on accrual basis, except for interest income attributable to the period before the purchase date is deducted from the carrying value of purchased debts.

(ii) Allowance for purchased debts

The purchased debts are classified into risk group not lower than the risk group classified by the seller before selling and allowance is made in accordance with accounting policy as described in Note 4(f).

(h) Held-for-trading securities

(i) Classification

Held-for-trading securities are securities acquired principally for the purpose of selling in the short-term or for the purpose of short-term profit-taking.

(ii) Recognition

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

(iii) Measurement

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

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

For unlisted held-for-trading securities that have been registered on the unlisted public company market ("the UPCoM market"), the market price is the closing price obtained from the UPCoM market at the reporting date.

For unlisted held-for-trading securities that have been registered on the Over-The-Counter ("OTC") market, the market price is the average of the transaction prices quoted by three securities companies having charter capital of more than VND300 billion at the reporting date.

For other unlisted held-for-trading securities where the market price of those securities cannot be determined reliably, no allowance is made and such securities are stated at cost.

The allowance for diminution in value of held-for-trading securities as mentioned above is reversed if the recoverable amount increases after the allowance being recognised. An allowance is reversed only to the extent that the securities' carrying amounts do not exceed the carrying amounts that would have been determined if no allowance had been recognised.

(i) Derecognition

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

(i) Investment securities

(i) Classification

Investment securities include available-for-sale securities and held-to-maturity securities. The Group classifies investment securities at purchase date as available-for-sale securities or held-to-maturity securities. In accordance with Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 issued by the SBV, the Group is allowed to reclassify investment securities maximum one time after the initial classification at purchase date.

Available-for-sale securities:

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

Held-to-maturity securities:

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

(ii) Recognition

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

(iii) Measurement

Equity securities

Available-for-sale equity securities are stated at cost, which includes purchase price plus any directly attributable transaction costs such as brokerage fees, transaction fees, information fees and bank charges (if any). Subsequently, these securities are recognised at the lower of book value and market value with the loss being recognised in the consolidated statement of income.

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

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

For unlisted available-for-sale equity securities that have been registered on the Over-The-Counter ("OTC") market, the market price is the average of the transaction prices quoted by three securities companies having charter capital of more than VND300 billion at the reporting date.

For other securities whose market prices cannot be determined reliably are stated at cost.

Debt securities

Available-for-sale debt securities and held-to-maturity debt securities are stated at cost, which includes purchase price plus any directly attributable transaction costs such as brokerage fees, transaction fees, information fees and bank charges (if any). Subsequently, these securities are recognised at amortised cost (subject to amortisation of premiums and discounts) less allowance for losses (including allowance for credit losses and allowance for diminution in value). Premiums and discounts arising from purchases of debt securities are amortised to the consolidated statement of income using the straight line method over the period from the acquisition date to the maturity date.

For listed available-for-sale debt securities, the market price is the closing price of securities obtained from the Hanoi Stock Exchange at the reporting date.

Available-for-sale unlisted corporate debt securities and held-to-maturity unlisted corporate debt securities are stated at cost less allowance for credit losses in accordance with the requirements of Circular 02 and Circular 09 as described in Note 4(f).

Post-acquisition interest income of available-for-sale debt securities and held-to-maturity debt securities is recognised in the consolidated statement of income on an accrual basis. Interest income which is attributable to the period before acquisition date is deducted from the carrying amount.

The allowance for losses on investment securities as mentioned above is reversed if the recoverable amount increases after the allowance being recognised. An allowance is reversed only to the extent that the investments securities' carrying amounts do not exceed the carrying amounts that would have been determined if no allowance had been recognised.

(iv) *Derecognition*

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

(v) *Special bonds issued by Vietnam Asset Management Company ("VAMC")*

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

The Group accounts for bad debts sold in exchange for special bonds in accordance with the guidance in Official Letter No. 8499/NHNN-TCKT dated 14 November 2013 issued by the SBV and Official Letter No. 925/NHNN-TCKT dated 19 February 2014 issued by the SBV. These special bonds are classified as held-to-maturity securities, measured initially at par value at transaction date and subsequently measured at par value less allowance for losses.

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

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

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

(j) Other long-term investments

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

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

(k) Other assets

Other assets, except for receivables from credit activities, are stated as cost less allowance for losses on other assets.

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

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

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

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

(l) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the tangible fixed assets have been put into operation, such as repair, maintenance and overhaul costs, is charged to the consolidated statement of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

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

▪ buildings and structures	25 - 50 years
▪ office equipment	3 - 8 years
▪ motor vehicles	6 - 7 years
▪ others	4 - 25 years

(m) Intangible fixed assets

(i) Freehold land use rights

Freehold land use rights are stated at cost and are not amortised. The initial cost of a land use right comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights.

(ii) Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 to 5 years.

(n) Provisions

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

(o) Deposits and borrowings from other credit institutions

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

(p) Deposits from customers

Deposits from customers are stated at their cost.

(q) Valuable papers issued

Valuable papers issued are stated at their costs. Costs of valuable papers issued include the proceeds from the issuance less costs directly attributable to the issuance.

(r) Other payables

Other payables are stated at their cost.

(s) Employees' benefits

Under the Vietnamese Labour Code, when an employee who has worked for the Group for 12 months or more ("the eligible employees") voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service until 31 December 2008 and employee's average monthly salary of the latest 6 consecutive months prior to termination date.

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

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

(t) Capital

(i) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, after deducting the tax effects, are recognised as a deduction from share premium.

(ii) Share premium

On receipt of capital contribution from shareholders, the difference between issue price and par value of the share is credited to the share premium account in equity.

(u) Statutory reserves

(i) The Bank

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

	Annual allocation	Maximum balance
Reserve to supplement share capital	5% of profit after tax	Share capital
Financial reserve	10% of profit after tax	25% share capital

The purpose of financial reserve is to cover the remaining losses in the course of business after such losses being compensated by the organisations, individuals causing the loss, indemnity and the allowance; to use for other purposes in accordance with the laws. The statutory reserves are non-distributable and are classified as part of equity.

(ii) Vietnam Asia Commercial Bank Asset Management Company – the subsidiary

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

(v) Other funds

(i) Bonus and welfare fund

Bonus and welfare fund is not required by laws, is appropriated from profit after tax and is fully distributable, and is used primarily to make payments to the Group's employees. Bonus and welfare fund is allocated from profit after tax based on the shareholders' decision in the Annual General Meeting and is recognised as other liabilities. The appropriation rate is decided by the shareholders in the Annual General Meeting.

(ii) Other funds

Other funds include investment and development fund and other funds which are allocated from profit after tax based on the shareholders' decision in the Annual General Meeting. These funds are not required by laws, are fully distributable and are recognised as part of equity.

(w) Commitments and contingent liabilities

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

(x) Interest income

The Group recognises the interest income on an accrual basis, except for the interest income from the debts classified in Group 2 to Group 5 as defined in Note 4(f)(i) being recognised upon receipt. When debts are classified in Group 2 to Group 5 as defined in Note 4(f)(i), the accrued interest receivable is reversed and recorded in the off-balance sheet, except for special cases as described in Note 16(v). Interest income from these debts is recognised in the consolidated statement of income upon receipt.

(y) Interest expense

Interest expense is recognised in the consolidated statement of income on an accrual basis.

(z) Fees and commission income

Fees and commission income consist of fees received from settlement services, guarantee services, cashiering services and other services. Fees and commission income are recognised in the consolidated statement of income on an accrual basis.

(aa) Fees and commission expenses

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

(bb) Dividend income

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

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

(cc) Operating lease payments

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the consolidated statement of income as an integral part of the total lease expense.

(dd) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(ee) Earnings per share

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

(ff) Related parties

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

(gg) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on geographical segments and the secondary format is based on business segments.

(hh) Classification of financial instruments

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

(i) Financial assets

Financial assets at fair value through profit or loss

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

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

Held-to-maturity investments

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

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

Loans and receivables

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

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

Available-for-sale financial assets

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

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

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities carried at amortised cost

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

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

(ii) Nil balances

Items or balances required by Circular 49 that are not shown in these consolidated financial statements indicate nil balances.

5. Cash on hand, gold and gemstones

	31/12/2015	31/12/2014
	VND	VND
Cash on hand in VND	182,456,500,700	182,888,710,800
Cash on hand in foreign currencies	43,387,053,145	26,343,768,148
Gold	108,706,689,690	148,082,487,440
	<hr/>	<hr/>
	334,550,243,535	357,314,966,388

6. Balances with the State Bank of Vietnam

Balance with the SBV consist of a compulsory reserve for liquidity and a current account.

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

Deposits in scope	Compulsory reserve requirement rate	
	31/12/2015	31/12/2014
Preceding month's average balances of:		
<i>Customers:</i>		
Deposits in foreign currencies with term of less than 12 months	8.00%	8.00%
Deposits in foreign currencies with term of 12 months and above	6.00%	6.00%
Deposits in VND with term of less than 12 months	3.00%	3.00%
Deposits in VND with term of 12 months and above	1.00%	1.00%
<i>Overseas credit institutions:</i>		
Deposits in foreign currencies	1.00%	1.00%
	31/12/2015	31/12/2014
	VND	VND
Current account and compulsory reserve		
▪ In VND	431,586,082,718	644,773,522,548
▪ In USD	74,974,607,399	54,468,508,742
	506,560,690,117	699,242,031,290

7. Deposits with and loans to other credit institutions

	31/12/2015 VND	31/12/2014 VND
Deposits with other credit institutions		
Current accounts		
▪ In VND	416,008,491,148	326,779,544,478
▪ In foreign currencies	79,023,721,063	142,243,868,803
Term deposits		
▪ In VND	3,800,000,000,000	1,600,000,000,000
	<hr/> 4,295,032,212,211	<hr/> 2,069,023,413,281
Loans to other credit institutions		
▪ In foreign currencies	284,570,000,000	-
	<hr/> 4,579,602,212,211	<hr/> 2,069,023,413,281

Term deposits with and loans to other credit institutions categorized by debt group is as follows :

	31/12/2015 VND	31/12/2014 VND
Group 1 - Current debts	4,084,570,000,000	1,600,000,000,000

8. Held-for-trading securities

	31/12/2015 VND	31/12/2014 VND
Equity securities issued by domestic economic entities	107,527,745,273	22,450,370,885
Allowance for diminution in value of held-for-trading securities (i)	(3,292,108,726)	(4,393,751,738)
	<u>104,235,636,547</u>	<u>18,056,619,147</u>

Held-for-trading securities categorised by listing status are as follows:

	31/12/2015 VND	31/12/2014 VND
Equity securities		
▪ Listed	107,023,745,273	18,655,047,347
▪ De-listed	504,000,000	3,795,323,538
	<u>107,527,745,273</u>	<u>22,450,370,885</u>

- (i) Movements in allowance for diminution in value of held-for-trading securities during the year were as follows:

	2015 VND	2014 VND
Opening balance	4,393,751,738	22,464,338,151
Allowance made during the year	2,243,155,444	152,174,400
Allowance reversed during the year	(3,344,798,456)	(18,222,760,813)
	<u>3,292,108,726</u>	<u>4,393,751,738</u>

9. Loans and advances to customers

	31/12/2015 VND	31/12/2014 VND
Loans to domestic economic entities and individuals	20,227,299,432,186	15,781,658,537,729
Loans financed by entrusted funds	21,425,353,343	40,312,025,000
Discounted valuable papers	18,987,210,880	-
	<hr/> 20,267,711,996,409	<hr/> 15,821,970,562,729

Loan portfolio by loan group is as follows:

	31/12/2015 VND	31/12/2014 VND
Group 1 - Current loans	19,078,104,378,476	15,274,146,043,931
Group 2 - Special mentioned loans	730,827,130,765	179,829,278,083
Group 3 - Sub-standard loans	9,736,187,288	39,786,461,098
Group 4 - Doubtful loans	71,959,903,858	93,636,796,754
Group 5 - Loss loans	377,084,396,022	234,571,982,863
	<hr/> 20,267,711,996,409	<hr/> 15,821,970,562,729

Loan portfolio by term is as follows:

	31/12/2015 VND	31/12/2014 VND
Short-term loans	5,235,772,704,372	6,742,694,795,457
Medium-term loans	5,030,448,139,903	4,235,951,292,326
Long-term loans	10,001,491,152,134	4,843,324,474,946
	<hr/> 20,267,711,996,409	<hr/> 15,821,970,562,729

Loan portfolio by industry is as follows:

	31/12/2015 VND	31/12/2014 VND
Construction	5,310,060,542,985	2,548,683,097,030
Trading, manufacturing and processing	3,463,664,226,191	3,265,616,548,181
Warehousing, transportation and communication	974,976,692,739	1,117,869,363,631
Agriculture and forestry	678,540,081,392	813,190,923,966
Individuals and others	9,840,470,453,102	8,076,610,629,921
	<hr/> 20,267,711,996,409	<hr/> 15,821,970,562,729

Loan portfolio by type of borrowers is as follows:

	31/12/2015 VND	31/12/2014 VND
Joint stock companies	13,723,246,527,499	8,234,507,930,607
Limited liability companies	3,403,315,200,276	2,741,199,162,365
State-owned enterprises	434,000,000	71,812,406,600
Individuals and others	3,140,716,268,634	4,774,451,063,157
	<hr/> 20,267,711,996,409	<hr/> 15,821,970,562,729

Loan portfolio by currency is as follows:

	31/12/2015 VND	31/12/2014 VND
Loans in VND	19,760,604,766,849	14,783,670,457,256
Loans in foreign currencies	427,537,356,174	539,429,230,726
Loans in gold	79,569,873,386	498,870,874,747
	<hr/> 20,267,711,996,409	<hr/> 15,821,970,562,729

10. Allowance for loans and advances to customers

Allowance for loans and advances to customers consists of:

	31/12/2015 VND	31/12/2014 VND
General allowance (i)	140,710,665,286	105,282,000,000
Specific allowance (ii)	87,300,152,585	83,504,631,016
	<hr/> 228,010,817,871	<hr/> 188,786,631,016

(i) Movements in general allowance for credit losses on loans and advances to customers were as follows:

	2015 VND	2014 VND
Opening balance	105,282,000,000	78,368,300,000
Allowance made during the year	75,293,762,702	39,951,000,000
Allowance reversed during the year	(39,865,097,416)	(13,037,300,000)
Closing balance	<hr/> 140,710,665,286	<hr/> 105,282,000,000

(ii) Movements in specific allowance for credit losses on loans and advances to customers were as follows:

	2015 VND	2014 VND
Opening balance	83,504,631,016	114,517,191,492
Allowance made during the year	114,130,360,895	14,317,182,103
Allowance reversed during the year	(21,650,988,974)	(29,639,516,530)
Allowance utilised during the year	(88,683,850,352)	(15,690,226,049)
Closing balance	<hr/> 87,300,152,585	<hr/> 83,504,631,016

11. Debts purchasing activities

	31/12/2015 VND	31/12/2014 VND
Purchased debts in foreign currencies	38,991,877,497	-
<hr/>		
Principal and interest of purchased debts are as follows:		
	31/12/2015 VND	31/12/2014 VND
Principals of purchased debts	38,991,877,497	-
Interest receivables of purchased debts	2,505,815,065	-
	<hr/>	<hr/>
	41,497,692,562	-
	<hr/>	<hr/>

12. Investment securities

	31/12/2015 VND	31/12/2014 VND
Available-for-sale securities		
<i>Debt securities</i>		
▪ Government bonds (i)	8,520,914,155,139	10,069,408,726,385
<i>Equity securities</i>		
▪ Equity securities issued by domestic economic entities	131,122,400,000	58,922,400,000
	8,652,036,555,139	10,128,331,126,385
Allowance for available-for-sale securities		
▪ Allowance for diminution in value (ii)	(41,831,768,000)	-
	8,610,204,787,139	10,128,331,126,385
Held-to-maturity securities (excluding special bonds issued by VAMC)		
<i>Debt securities</i>		
▪ Bonds issued by domestic economic entities	-	400,000,000,000
Allowance for held-to-maturity securities		
▪ General allowance for credit losses (iii)	-	(3,000,000,000)
	-	397,000,000,000
Special bonds issued by VAMC (iv)		
▪ Special bonds' par value	2,699,949,989,750	1,048,794,705,580
▪ Allowance for special bonds	(253,690,641,602)	(60,482,030,196)
	2,446,259,348,148	988,312,675,384
	11,056,464,135,287	11,513,643,801,769

Investment securities classified as assets with credit risk categorised by debt group are as follows:

	31/12/2015 VND	31/12/2014 VND
Group 1 – Current debts	-	400,000,000,000
<hr/>		
(i) As at 31 December 2015, the Group pledged government bonds with the par value of VND33,200 million to the SBV to carry out low-value payment and overdraft activities (31/12/2014: VND33,000 million), pledged government bonds with the par value of VND220,000 million to the SBV to borrow from other credit institutions (31/12/2014: nil) and borrows from other credit institutions through repurchase agreements of government bonds with the par value of VND7,113,100 million (31/12/2014: VND8,173,000 million). See Note 18.		
(ii) Movements in allowance for diminution in value of available-for-sale securities were as follows:		
	2015 VND	2014 VND
Opening balance	-	-
Allowance made during the year	41,831,768,000	-
	<hr/>	
Closing balance	41,831,768,000	-
<hr/>		
(iii) Movements in general allowance for credit losses of held-to-maturity securities were as follows:		
	2015 VND	2014 VND
Opening balance	3,000,000,000	5,152,500,000
Allowance reversed during the year	(3,000,000,000)	(2,152,500,000)
	<hr/>	
Closing balance	-	3,000,000,000
<hr/>		
(iv) This balance represents the par value of special bonds issued by VAMC to purchase the Group's bad debts with the loan principal amounting to VND2,803,053 million. The specific allowance made by the Group until the time of selling bad debts to VAMC was VND103,103 million.		

As at 31 December 2015 and 2014, the Group pledged these special bonds at the State Bank of Vietnam.

Movements in allowance for special bonds issued by VAMC during the year were as follows:

	2015 VND	2014 VND
Opening balance	60,482,030,196	-
Allowance made during the year	196,289,631,406	60,482,030,196
Allowance reversed during the year	(3,081,020,000)	-
Closing balance	253,690,641,602	60,482,030,196

13. Capital contribution, long-term investments

Other long-term investments consist of:

		31/12/2015		31/12/2014
	% equity owned	Cost VND	% equity owned	Cost VND
Hung Vuong Assurance Corporation	11.00%	112,200,000,000	11.00%	112,200,000,000
Ban Viet Healthcare Securities Investment Fund	5.05%	53,902,194,400	10.00%	106,656,272,800
Son Tra Joint Stock Company	8.25%	49,500,000,000	8.25%	49,500,000,000
Yen Bai Cement and Minerals Joint Stock Company	11%	41,850,000,000	10.92%	41,850,000,000
Vinh Hao Mineral Water Joint Stock Company	4.23%	15,565,380,000	4.23%	15,565,380,000
Sai Gon Technologies Incorporation	7.54%	13,727,910,000	7.54%	13,727,910,000
Saigon Engineering Construction Investment Corporation (ECI-Sai Gon)	11.00%	10,183,620,000	11.00%	10,183,620,000
Ba Ria - Vung Tau Tourist Joint Stock Company	1.61%	9,060,000,000	1.61%	9,060,000,000
Minh Dam Tourist Joint Stock Company	3.01%	3,007,400,000	3.01%	3,007,400,000
Tam Thong Real Estate Joint Stock Company	2.25%	2,250,000,000	2.25%	2,250,000,000
Smartlink Card Services Joint Stock Company	4.00%	2,000,000,000	4.00%	2,000,000,000
International Transportation and Trading Joint Stock Company (ITC)	10.00%	904,720,000	10.00%	904,720,000
Saigon Jewelry Joint Stock Company (SJC)	8.00%	672,000,000	8.00%	672,000,000
Ho Chi Minh City Credit Guarantee Fund for Small and Medium-sized Enterprise	0.25%	500,000,000	0.25%	500,000,000
Lao Cai Chemical Industry & Investment Joint Stock Company	0.11%	330,000,000	0.11%	330,000,000
Petrolimex Group Commercial Joint Stock Bank	0.00%	-	4.17%	150,000,000,000
Viet A Gold Joint Stock Company	0.00%	-	3.00%	300,000,000
Construction and Real Estate Service Joint Stock Company (CDF)	0.00%	-	11.00%	220,000,000
		315,653,224,400		518,927,302,800

Notes to the consolidated financial statements for the year ended 31 December 2015 (continued)

14. Tangible fixed assets

2015

Cost

	Buildings and structures VND	Office equipment VND	Motor vehicles VND	Others VND	Total VND
Opening balance	96,829,434,106	88,258,604,637	55,997,879,377	7,523,622,796	248,609,540,916
Transfer from construction in progress	-	23,407,815,892	-	-	23,407,815,892
Additions	1,529,938,400	22,710,883,261	422,737,500	96,962,029	24,760,521,190
Written off	(10,068,433,158)	(1,547,017,376)	(434,731,272)	(1,135,228,670)	(13,185,410,476)
Reclassification	(3,077,781,335)	2,309,339,076	-	768,442,259	-

Closing balance

85,213,158,013	135,139,625,490	55,985,885,605	7,253,798,414	283,592,467,522
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Accumulated depreciation

Opening balance	16,932,363,484	80,413,645,045	28,646,712,612	3,960,327,201	129,953,048,342
Charge for the year	5,530,381,435	11,069,312,667	6,956,028,217	429,322,770	23,985,045,089
Written off	(2,559,843,530)	(1,443,309,038)	(381,581,757)	(487,943,978)	(4,872,678,303)

Closing balance

19,902,901,389	90,039,648,674	35,221,159,072	3,901,705,993	149,065,415,128
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Net book value

Opening balance	79,897,070,622	7,844,959,592	27,351,166,765	3,563,295,595	118,656,492,574
Closing balance	65,310,256,624	45,099,976,816	20,764,726,533	3,352,092,421	134,527,052,394

Notes to the consolidated financial statements for the year ended 31 December 2015 (continued)

14. Tangible fixed assets (continued)

2014

Cost

	Buildings and structures VND	Office equipment VND	Motor vehicles VND	Others VND	Total VND
Opening balance	129,768,529,181	86,542,419,937	44,026,545,677	7,652,620,349	267,990,115,144
Additions	11,579,037,469	1,939,208,000	12,389,160,000	62,000,000	25,969,405,469
Transfer to intangible fixed assets	(44,518,132,544)	-	-	-	(44,518,132,544)
Written off	-	(223,023,300)	(417,826,300)	-	(640,849,600)
Reclassification	-	-	-	(190,997,553)	(190,997,553)
Closing balance	96,829,434,106	88,258,604,637	55,997,879,377	7,523,622,796	248,609,540,916

Accumulated depreciation

Opening balance	22,051,975,027	73,402,951,798	23,160,608,159	3,777,267,898	122,392,802,882
Charge for the year	3,978,497,544	7,233,716,547	5,900,448,868	374,056,856	17,486,719,815
Written off	-	(223,023,300)	(414,344,415)	-	(637,367,715)
Transfer to intangible fixed assets	(9,098,109,087)	-	-	-	(9,098,109,087)
Reclassification	-	-	-	(190,997,553)	(190,997,553)

Closing balance

16,932,363,484	80,413,645,045	28,646,712,612	3,960,327,201	129,953,048,342
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Net book value

Opening balance	107,716,554,154	13,139,468,139	20,865,937,518	3,875,352,451	145,597,312,262
Closing balance	79,897,070,622	7,844,959,592	27,351,166,765	3,563,295,595	118,656,492,574

As at 31 December 2015, included in tangible fixed assets are assets costing VND89,205,170,735 which were fully depreciated, but which are still in active use (31/12/2014: VND57,902,575,862).

15. Intangible fixed assets

2015	Freehold land use rights VND	Software VND	Others VND	Total VND
Cost				
Opening balance	104,299,804,726	73,280,366,486	4,941,235,385	182,521,406,597
Additions	75,443,267,460	21,427,295,134	750,000,000	97,620,562,594
Disposals	(56,417,244,445)	-	-	(56,417,244,445)
Written off	-	(182,368,406)	-	(182,368,406)
Closing balance	123,325,827,741	94,525,293,214	5,691,235,385	223,542,356,340
Accumulated amortisation				
Opening balance	-	67,627,098,810	4,941,235,385	72,568,334,195
Charge for the year	-	7,016,769,679	125,000,004	7,141,769,683
Written off	-	(182,368,406)	-	(182,368,406)
Closing balance	-	74,461,500,083	5,066,235,389	79,527,735,472
Net book value				
Opening balance	104,299,804,726	5,653,267,676	-	109,953,072,402
Closing balance	123,325,827,741	20,063,793,131	624,999,996	144,014,620,868

15. Intangible fixed assets (continued)

2014	Freehold land use rights VND	Software VND	Others VND	Total VND
Cost				
Opening balance	59,781,672,182	73,280,366,486	4,941,235,385	138,003,274,053
Transfer from tangible fixed assets	44,518,132,544	-	-	44,518,132,544
Closing balance	104,299,804,726	73,280,366,486	4,941,235,385	182,521,406,597
Accumulated amortisation				
Opening balance	-	54,924,449,802	4,633,831,525	59,558,281,327
Charge for the year	-	12,702,649,008	307,403,860	13,010,052,868
Closing balance	-	67,627,098,810	4,941,235,385	72,568,334,195
Net book value				
Opening balance	59,781,672,182	18,355,916,684	307,403,860	78,444,992,726
Closing balance	104,299,804,726	5,653,267,676	-	109,953,072,402

As at 31 December 2015, included in intangible fixed assets are assets costing VND77,704,582,840 which were fully depreciated, but which are still in active use (31/12/2014: VND29,507,975,320).

16. Other assets

	31/12/2015 VND	31/12/2014 VND
Receivables		
▪ Receivables from National Securities Incorporation ("NSI") (i)	454,196,795,335	186,333,955,059
▪ Advances for business cooperation contracts (ii)	450,000,000,000	450,000,000,000
▪ Receivables from sales of shares (iii)	246,200,000,000	65,331,657,000
▪ Construction in progress (iv)	11,733,005,669	52,576,008,541
▪ Advances for court fees	8,800,394,864	9,937,880,880
▪ Advances for office renovations	5,064,151,405	11,378,975,141
▪ Advances to members of the Board of Management	2,520,425,151	8,079,281,905
▪ Deposits for office rentals	9,002,846,660	6,626,915,954
▪ Deposits at Vietnam Export Import Commercial Joint Stock Bank	5,942,250,000	5,942,250,000
▪ Deductible value added tax (Note 37)	666,678,558	4,233,806,031
▪ Deposits at Hoa Binh Securities Joint Stock Company	-	817,209,391,000
▪ Others	19,062,940,105	15,364,363,295
	<hr/> 1,213,189,487,747	<hr/> 1,633,014,484,806
Accrued interest and fees receivable		
▪ Interest receivables from loans and advances to customers (v)	1,963,571,524,997	1,657,548,309,004
▪ Interest receivables from investment securities	492,615,736,366	569,312,561,393
▪ Interest receivables from deposits	471,015,752,471	-
▪ Interest receivables from advances for business cooperation contracts (ii)	72,500,000,000	-
▪ Interest receivables from deposits with and loans to other credit institutions	6,169,347,221	1,903,194,445
	<hr/> 3,005,872,361,055	<hr/> 2,228,764,064,842
Other assets		
▪ Receivables relating to foreclosed assets awaiting for resolution (vi)	177,298,840,707	177,298,840,707
▪ Foreclosed assets (vii)	175,331,360,425	476,848,087,425
▪ Prepaid expenses	31,016,131,224	12,450,850,706
▪ Receivable relating to a selling securities forward contract	14,280,000,000	14,280,000,000
▪ Materials and tools	3,302,160,605	2,476,526,626
▪ Deposit books, white promissory notes, cheques	3,297,952,112	7,377,935,084
▪ Other receivables	289,488,826	-
	<hr/> 404,815,933,899	<hr/> 690,732,240,548
	<hr/> 4,623,877,782,701	<hr/> 4,552,510,790,196

(i) Receivables from NSI consist of:

	31/12/2015 VND	31/12/2014 VND
Deposits for securities transactions and advances for securities purchase	366,299,049,420	50,000,000,000
Receivables from sales of securities (T+3)	87,897,745,915	132,008,416,174
Advances for purchasing unlisted shares	-	4,325,538,885
	<u>454,196,795,335</u>	<u>186,333,955,059</u>

(ii) Advances for business cooperation contracts are related to business cooperation contracts between the subsidiary and International Trade Development and Financial Investment Joint Stock Company ("Investco") to develop the complex project of restaurant - hotel, commercial center, apartments and offices for rent at 166 Truong Chinh, Dong Da, Hanoi. Total investment capital for this project is VND924,700,000,000, in which each party contributing 50% equivalent to VND462,350,000,000. After completion of the project, the Group is entitled to 55% of total interest derived from the project. Based on the progress of the contract, the two parties issued a minute dated 5 November 2015 and accordingly Investco has to pay for the Group VND72,500 million of interest related to advance of VND250,000 million. This interest receivable will be fully paid by Investco in 2016.

(iii) Receivables from sales of shares are related to share transfer contracts and annexes signed with the buyers regarding the transfers of shares of Petrolimex Group Commercial Joint Stock Bank and Saigon Cargo Service Corporation. Accordingly, the Group transferred substantially risks and rewards of ownership of these shares to the buyers at transaction dates indicated in the contracts and these receivables will be fully settled by the buyers in 2016.

(iv) Movements in construction in progress during the year were as follows:

	2015 VND
Opening balance	52,576,008,541
Transfer to tangible fixed assets	(23,407,815,892)
Transfer to prepaid expenses	(17,435,186,980)
Closing balance	<u>11,733,005,669</u>

Details of construction in progress at the year-end are as follows:

	31/12/2015 VND	31/12/2014 VND
Transaction Center construction project	7,371,606,023	7,371,606,023
Nadara credit software	3,028,144,000	3,028,144,000
Internal credit rating system	977,134,500	977,134,500
Quy Nhon Branch construction project	356,121,146	356,121,146
IT infrastructure	-	23,407,815,892
Construction project at 34 Han Thuyen	-	17,435,186,980
	11,733,005,669	52,576,008,541

- (v) Included in interest receivables from loans and advances to customers as at 31 December 2015 were interest receivables from three customers amounting to VND408.693 million with the roadmap for resolving until 31 December 2017 approved by the State Bank of Vietnam. As a result, the Group did not apply the accounting policy as described in Note 4(x) for these interest receivables.
- (vi) This balance represents the receivable relating to a real estate forward contract between the Group and Huynh Thong Trading - Services Company Limited in which Huynh Thong Company will dispose the real estates in its investment project to pay the Group.
- (vii) Details of foreclosed assets are as follows:

	31/12/2015 VND	31/12/2014 VND
Foreclosed assets of the Bank:		
▪ Received from Lan Anh Co., Ltd	147,755,100,000	-
▪ Received from Nhat Thai Trading Co., Ltd	10,942,580,000	-
▪ Received from Saigon - Ha Noi Investment Joint Stock Company	-	450,000,000,000
Foreclosed assets of the subsidiary:		
▪ Received from individual customers	16,633,680,425	26,848,087,425
	175,331,360,425	476,848,087,425

17. Borrowings from the State Bank of Vietnam

	31/12/2015 VND	31/12/2014 VND
Borrowings	-	109,436,812,290

This is a loan from the SBV under the Refinancing Agreement based on VAMC's special bonds with original term of 6 months and bear interest rate of 4.50% per annum.

18. Deposits and borrowings from other credit institutions

	31/12/2015 VND	31/12/2014 VND
Demand deposits		
▪ In VND	320,920,378,989	317,682,185,030
Term deposits		
▪ In VND	4,690,000,000,000	2,520,000,000,000
▪ In foreign currencies	-	233,706,000,000
	5,010,920,378,989	3,071,388,185,030
Borrowings		
▪ In VND (i)	7,372,721,062,000	8,501,239,810,000
▪ In foreign currencies	481,719,356,337	63,873,256,498
	7,854,440,418,337	8,565,113,066,498
	12,865,360,797,326	11,636,501,251,528

- (i) Included in borrowings in VND as at 31 December 2015 were VND493,781,700,000 which are secured by government bonds with the par value of VND220,000 million; VND7,357,500,062,000 of repurchase agreements for government bonds with the par value of VND7,113,100 million (31/12/2014: VND8,475,710,810,000 of repurchase agreements for government bonds with the par value of VND8,173,000 million). See Note 12.

19. Deposits from customers

	31/12/2015 VND	31/12/2014 VND
Demand deposits		
▪ In VND	857,833,511,367	1,129,493,020,111
▪ In foreign currencies	27,714,350,678	11,680,055,081
Term deposits		
▪ In VND	4,316,477,041,322	2,970,589,628,112
▪ In foreign currencies	87,346,572,500	-
Saving deposits		
<i>Demand</i>		
▪ In VND	12,208,367,840	13,298,576,711
▪ In foreign currencies	201,802,432	736,091,525
<i>Term</i>		
▪ In VND	18,041,959,311,654	15,023,748,463,516
▪ In foreign currencies	842,769,693,955	567,770,654,505
Margin deposits		
▪ In VND	233,995,955,260	54,362,269,463
▪ In foreign currencies	19,287,851,996	8,062,223,786
Special capital accounts		
▪ In VND	4,580,978	4,534,787
▪ In foreign currencies	830,506	806,093
	<hr/>	<hr/>
	24,439,799,870,488	19,779,746,323,690

Deposits from customers by type of customers are as follows:

	31/12/2015 VND	31/12/2014 VND
Joint stock companies, limited liability companies and private companies	4,673,676,653,266	3,965,065,644,137
State-owned enterprises	504,443,979,959	48,324,383,638
Foreign invested companies	22,389,558,687	6,617,576,683
Individuals and others	19,239,289,678,576	15,759,738,719,232
	<hr/>	<hr/>
	24,439,799,870,488	19,779,746,323,690

20. Entrusted funds received

These balances represent the funds in VND received from the State Bank of Vietnam and The Joint Stock Commercial Bank for Investment and Development of Vietnam for the Group to lend following the instruction of these entrustors.

21. Valuable papers issued

	31/12/2015 VND	31/12/2014 VND
Certificates of deposit		
▪ Certificates of deposit with term of less than 12 months	8,477,026,500	-

22. Other liabilities

	31/12/2015 VND	31/12/2014 VND
Taxes payable to the State Treasury (Note 37)	29,679,469,180	5,649,522,590
Court fees payable	21,499,588,656	1,609,453,756
Remittances payable	13,658,565,938	12,120,720,163
Amounts awaiting for settlement	13,200,492,511	12,366,913,363
Bonus and welfare fund (i)	12,932,833,769	-
Dividend payable	6,566,689,834	6,636,000,584
Periodical interest for deposits	4,707,155,240	4,318,701,870
Customers' amounts awaiting for settlement	4,000,000,000	4,000,000,000
Shares transfer	469,860,000	469,860,000
Unearned revenue	20,231,109	16,315,081
Other payables	3,225,390,294	2,377,293,083
	109,960,276,531	49,564,780,490

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

	2015 VND
Opening balance	-
Transfer from equity	600,682
Appropriation during the year (Note 23)	21,325,589,149
Utilisation during the year	(8,393,356,062)
Closing balance	12,932,833,769

Notes to the consolidated financial statements for the year ended 31 December 2015 (continued)

23. Equity

(a) Statement of changes in equity

	Share capital VND	Share premium VND	Other capital VND	Reserve to supplement share capital VND	Financial reserve VND	Bonus and welfare fund VND	Investment and development fund VND	Retained profits VND	Total VND
Balance at 1 January 2014	3,098,000,000,000	108,218,800,000	13,328,945	62,795,237,200	128,816,304,634	3,600,682	141,406	190,615,763,172	3,588,463,176,039
Net profit for the year	-	-	-	-	-	-	-	-	-
Appropriations to reserves and funds	-	-	-	2,374,852,166	4,749,704,333	-	-	47,497,043,326	47,497,043,326
Utilisation of reserves and funds	-	-	-	-	-	(3,000,000)	-	-	(3,000,000)
Other movements	-	-	-	(5,233,986)	(10,467,973)	-	-	(193,422,566)	(209,124,525)
Balance at 1 January 2015	3,098,000,000,000	108,218,800,000	13,328,945	65,169,089,366	133,566,008,607	600,682	141,406	231,003,951,958	3,635,957,219,365
Net profit for the year	-	-	-	-	-	-	-	-	-
Share capital increase from reserves and share premium	170,690,270,000	(108,120,200,000)	-	(62,570,070,000)	-	-	-	-	-
Share capital increase from additional share issuance	231,300,200,000	-	-	-	-	-	-	-	231,300,200,000
Appropriations to reserves and funds	-	-	-	4,098,332,134	8,196,664,268	-	-	(12,294,996,402)	-
Transfer to other liabilities (Note 22)	-	-	-	-	-	(600,682)	-	-	(600,682)
Appropriations to bonus and welfare fund	-	-	-	-	-	-	-	(21,325,589,149)	(21,325,589,149)
Other movements	-	-	-	-	-	-	-	(8,339,839,955)	(8,339,839,955)
Balance at 31 December 2015	3,499,990,470,000	98,600,000	13,328,945	69,267,419,500	141,762,672,875	-	141,406	271,010,169,131	3,919,558,032,258

(b) Share capital

	31/12/2015		31/12/2014	
	Number of shares	VND	Number of shares	VND
Authorised share capital	349,999,047	3,499,990,470,000	309,800,000	3,098,000,000,000
Issued share capital				
Ordinary shares	349,999,047	3,499,990,470,000	309,800,000	3,098,000,000,000
Shares in circulation				
Ordinary shares	349,999,047	3,499,990,470,000	309,800,000	3,098,000,000,000

All ordinary shares of the Bank have a par value of VND10,000 each. Each ordinary share is entitled to one vote at shareholders' meetings of the Bank. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Bank's residual assets.

Movements in share capital during the year were as follows:

	2015		2014	
	Number of shares	VND	Number of shares	VND
Balance at the beginning of the year	309,800,000	3,098,000,000,000	309,800,000	3,098,000,000,000
Shares issued in cash during the year	23,130,020	231,300,200,000	-	-
Shares issued through utilisation of reserves and share premium	17,069,027	170,690,270,000	-	-
Balance at the end of the year	349,999,047	3,499,990,470,000	309,800,000	3,098,000,000,000

24. Net interest income

	2015 VND	2014 VND
<i>Interest and similar income from</i>		
Loans and advances to customers	1,568,032,523,388	1,288,200,556,192
Investment securities	702,371,184,132	492,110,497,420
Deposits for securities transactions and advances for business cooperation contracts	580,657,659,485	44,609,750,061
Deposits with and loans to other credit institutions	20,112,787,517	17,074,170,863
	<hr/> 2,871,174,154,522	<hr/> 1,841,994,974,536
<i>Interest and similar expenses on</i>		
Deposits from customers	(1,369,986,136,301)	(1,182,203,620,078)
Deposits and borrowings from other credit institutions	(389,463,375,875)	(247,451,657,532)
Valuable papers issued	(167,313,689)	-
Others	(9,178,209,501)	(13,558,771,915)
	<hr/> (1,768,795,035,366)	<hr/> (1,443,214,049,525)
Net interest income	<hr/> 1,102,379,119,156	<hr/> 398,780,925,011

25. Net fee and commission (expenses)/income

	2015 VND	2014 VND
<i>Fee and commission income from</i>		
Settlement services	8,054,888,625	4,289,843,284
Entrusting and agent services	701,628,447	924,017,742
Cashiering services	288,086,410	280,393,212
Others	2,768,381,604	7,772,907,839
	11,812,985,086	13,267,162,077
<i>Fee and commission expenses on</i>		
Settlement services	(5,536,371,651)	(4,559,737,871)
Consulting services	(707,818,182)	(261,919,250)
Cashiering services	(264,322,376)	(156,782,195)
Telecommunication expenses	(8,420,470,317)	(5,264,745,662)
Others	(905,756,307)	(521,189,256)
	(15,834,738,833)	(10,764,374,234)
Net fees and commission (expenses)/income	(4,021,753,747)	2,502,787,843

26. Net loss from trading of foreign currencies

	2015 VND	2014 VND
<i>Gains from trading of foreign currencies</i>		
▪ Spot foreign exchange contracts	21,795,991,460	16,883,487,152
▪ Gold trading and revaluation	8,917,322,938	231,514,283,708
	30,713,314,398	248,397,770,860
<i>Losses from trading of foreign currencies</i>		
▪ Spot foreign exchange contracts	(37,593,484,537)	(10,087,298,575)
▪ Gold trading and revaluation	(257,260,429,569)	(328,202,539,381)
	(294,853,914,106)	(338,289,837,956)
Net loss from trading of foreign currencies	(264,140,599,708)	(89,892,067,096)

27. Net gain from trading of held-for-trading securities

	2015 VND	2014 VND
Gains from trading of held-for-trading securities	7,045,310,780	55,603,437,816
Losses on trading of held-for-trading securities	(2,245,930,198)	(5,117,032,523)
Allowance for diminution in value of held-for-trading securities (Note 8)	(2,243,155,444)	(152,174,400)
Reversal of allowance for diminution in value of held-for-trading securities (Note 8)	3,344,798,456	18,222,760,813
Net gain from trading of held-for-trading securities	5,901,023,594	68,556,991,706

28. Net gain/(loss) from sales of investment securities

	2015 VND	2014 VND Reclassified
Gains/(losses) from disposals of other long-term investments	68,740,104,738	(38,201,890,522)
Allowance for diminution in value of available-for-sale securities (Note 12(ii))	(41,831,768,000)	-
Reversal of allowance for credit losses of held-to-maturity securities (Note 12(iii))	3,000,000,000	2,152,500,000
Net gain/(loss) from sales of investment securities	29,908,336,738	(36,049,390,522)

29. Net other income

	2015 VND	2014 VND Reclassified
<i>Other income</i>		
Proceeds from disposals of fixed assets	133,518,761,201	232,583,637
Gains from debts trading activities	116,012,637	111,402,596,715
Other income	14,011,849,392	15,704,973,877
	<hr/> 147,646,623,230	<hr/> 127,340,154,229
<i>Other expenses</i>		
Net book value of fixed assets disposed	(56,417,244,445)	(3,481,885)
Penalties for contracts breach	(86,537,091,014)	-
Other expenses	(3,993,968,768)	(5,332,292)
	<hr/> (146,948,304,227)	<hr/> (8,814,177)
Net other income	<hr/> 698,319,003	<hr/> 127,331,340,052

30. Income from investments in other entities

	2015 VND	2014 VND
Dividend income from		
▪ Other long-term investments	4,598,055,219	2,249,375,207
▪ Held-for-trading securities	-	6,584,838,468
	<hr/> 4,598,055,219	<hr/> 8,834,213,675

31. Operating expenses

	2015 VND	2014 VND
1. Taxes, duties and fees	459,527,163	1,626,775,695
2. Salaries and related expenses	233,806,950,789	191,110,629,767
In which:		
▪ <i>Salaries and allowances</i>	207,306,833,528	172,747,289,675
▪ <i>Salary related contributions</i>	19,585,192,486	16,284,051,022
▪ <i>Others</i>	6,914,924,775	2,079,289,070
3. Expenses on assets	88,901,490,629	75,062,182,449
In which:		
▪ <i>Depreciation and amortisation expenses</i>	31,359,723,865	30,496,772,683
▪ <i>Office rental</i>	34,269,629,595	33,286,116,603
▪ <i>Asset maintenance expenses</i>	23,272,137,169	11,279,293,163
4. Administration expenses	93,388,139,669	57,503,618,172
In which:		
▪ <i>Marketing, promotion and printing expenses</i>	3,020,787,172	2,531,255,150
▪ <i>Non-deductible value added tax</i>	4,688,891,144	5,658,614,882
▪ <i>Utilities expenses</i>	9,829,519,648	8,704,935,676
▪ <i>Tools and instruments</i>	26,407,911,573	15,403,886,279
▪ <i>Telecommunication expenses</i>	3,260,889,747	2,942,534,624
▪ <i>Others</i>	46,180,140,385	22,262,391,561
5. Insurance expenses	22,320,398,000	17,204,057,000
6. Allowance expenses	-	5,146,000,000
	<hr/> 438,876,506,250	<hr/> 347,653,263,083 <hr/>

32. Allowance expenses for credit losses

	2015 VND	2014 VND Reclassified
General allowance for credit losses on loans and advances to customers (Note 10(i))		
▪ Addition	75,293,762,702	39,951,000,000
▪ Reversal	(39,865,097,416)	(13,037,300,000)
Specific allowance for credit losses on loans and advances to customers (Note 10(ii))		
▪ Addition	114,130,360,895	14,317,182,103
▪ Reversal	(21,650,988,974)	(29,639,516,530)
Allowance for special bonds of VAMC (Note 12(iv))		
▪ Addition	196,289,631,406	60,482,030,196
▪ Reversal	(3,081,020,000)	-
	<hr/> 321,116,648,613	<hr/> 72,073,395,769

33. Corporate income tax

(a) Recognised in the consolidated statement of income

	2015 VND	2014 VND
Current tax expense		
Current year	33,362,702,713	12,841,098,491
Deferred tax expense	-	-
Corporate income tax expense	33,362,702,713	12,841,098,491

(b) Reconciliation of effective tax rate

	2015 VND	2014 VND
Profit before tax	115,329,345,392	60,338,141,817
Tax at the Bank's tax rate	25,372,455,986	13,274,391,200
Non-deductible expenses	1,095,475,428	1,510,234,300
Tax exempt income	(2,967,116,728)	(1,943,527,009)
Differences in the subsidiary's tax rate	(1,605,117,493)	-
Unrecognised deferred tax assets	11,467,005,520	-
Corporate income tax expense	33,362,702,713	12,841,098,491

(c) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	31/12/2015		31/12/2014	
	Temporary difference VND	Tax value VND	Temporary difference VND	Tax value VND
Tax losses	52,122,752,365	11,467,005,520	-	-

The tax losses expire in the following years:

Year of expiry	Status of tax review	Tax losses available	
		31/12/2015 VND	31/12/2014 VND
2020	Outstanding	52,122,752,365	-

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

(d) Applicable tax rate

The Bank's income tax rate is 22% for the years ended 31 December 2015 and 2014. The subsidiary's income tax rate is 20% for 2015 because the subsidiary had total revenue of not more than VND20 billion. The income tax computation is subject to the review and approval of the tax authorities.

The usual income tax rate applicable to enterprises before any incentives is 22% for 2014 and 2015, and will be reduced to 20% from 2016.

34. Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2015 is based on the profit attributable to the Bank's ordinary shareholders of VND81,966,642,679 (2014: VND47,497,043,326) and a weighted average number of ordinary shares outstanding of 327,336,260 shares (2014: 326,869,027 shares), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2015 VND	2014 VND
Net profit attributable to ordinary shareholders	81,966,642,679	47,497,043,326

(ii) Weighted average number of ordinary shares

	2015 Shares	2014 Shares Restated
Issued ordinary shares at the beginning of the year	309,800,000	309,800,000
Effect of shares issued during the year	17,536,260	17,069,027
Weighted average number of ordinary shares for the year ended 31 December	327,336,260	326,869,027

(iii) Basic earnings per share

	2015 VND	2014 VND Restated
Basic earnings per share	250	145

35. Cash and cash equivalents

	31/12/2015 VND	31/12/2014 VND
Cash on hand, gold and gemstones	334,550,243,535	357,314,966,388
Balances with the SBV	506,560,690,117	699,242,031,290
Deposits with and loan to other credit institutions with original term to maturity of not more than three months	4,295,032,212,211	2,069,023,413,281
	<hr/> 5,136,143,145,863	<hr/> 3,125,580,410,959

36. Employees' benefits

	2015 VND	2014 VND
Total average number of employees	1,653	1,663
Employees' income		
1. Salaries and allowances	195,831,837,929	161,902,662,222
2. Bonus	11,474,995,599	10,844,627,453
	<hr/> 207,306,833,528	<hr/> 172,747,289,675
3. Total income (1+2)		
Average annual salary/employee	118,470,561	97,355,780
Average annual income/employee	125,412,482	103,876,903

37. Obligations to the State Treasury

	Opening balance VND	Year ended 31/12/2015 Movements during the year		Closing balance VND
		Incurred / (deductible) VND	(Paid)/ deducted VND	
Input value added tax	(4,233,806,031)	(8,722,522,696)	12,289,650,169	(666,678,558)
Output value added tax	786,896,852	5,727,671,355	(5,497,710,384)	1,016,857,823
Personal income tax	691,350,938	6,493,058,202	(6,312,265,240)	872,143,900
Corporate income tax	4,169,902,611	33,362,702,713	(9,744,806,801)	27,787,798,523
Withholding tax	1,372,189	228,294,028	(226,997,283)	2,668,934
	1,415,716,559	37,089,203,602	(9,492,129,539)	29,012,790,622

	Opening balance VND	Year ended 31/12/2014 Movements during the year		Closing balance VND
		Incurred / (deductible) VND	(Paid)/ deducted VND	
Input value added tax	(9,968,293)	(14,097,713,575)	9,873,875,837	(4,233,806,031)
Output value added tax	686,236,624	2,131,266,112	(2,030,605,884)	786,896,852
Personal income tax	559,462,384	4,920,580,100	(4,788,691,546)	691,350,938
Corporate income tax	114,916,819	12,841,098,491	(8,786,112,699)	4,169,902,611
Withholding tax	1,182,315	714,061,371	(713,871,497)	1,372,189
	1,351,829,849	6,509,292,499	(6,445,405,789)	1,415,716,559

38. Type and value of collaterals received from customers

	31/12/2015 VND	31/12/2014 VND
Real estates	23,014,417,276,790	13,526,129,737,121
Shares and valuable papers	6,397,529,707,663	1,787,241,163,885
Inventories	1,456,276,346,865	869,196,236,796
Machinery and equipment	767,398,595,749	7,027,703,255,505
Others	27,839,406,001,186	617,759,418,730
	<hr/>	<hr/>
	59,475,027,928,253	23,828,029,812,037

39. Contingent liabilities and commitments

	Contractual value - gross VND	31/12/2015 Margin deposits VND	Contractual value - net VND	Contractual value - gross VND	31/12/2014 Margin deposits VND	Contractual value - net VND
Letters of credit	23,990,034,005	894,288,496	23,095,745,509	28,892,282,854	8,062,223,786	20,830,059,068
Other guarantees	307,935,212,792	252,389,518,760	55,545,694,032	126,755,357,547	54,362,269,463	72,393,088,084
	331,925,246,797	253,283,807,256	78,641,439,541	155,647,640,401	62,424,493,249	93,223,147,152

40. Concentration of assets, liabilities and off-balance sheet commitments by geographical areas

As at 31 December 2015

	Total loan balances VND	Total deposit balances VND	Held-for-trading securities VND	Investment securities VND	Credit commitments VND
Domestic	20,552,281,996,409	29,477,216,717,107	107,527,745,273	11,351,986,544,889	331,925,246,797

As at 31 December 2014

	Total loan balances VND	Total deposit balances VND	Held-for-trading securities VND	Investment securities VND	Credit commitments VND
Domestic	15,821,970,562,729	22,851,134,508,720	22,450,370,885	11,577,125,831,965	155,647,640,401

41. Significant transactions with related parties

Transactions during the year	2015 VND	2014 VND
Viet Phuong Investment Group Joint Stock Company		
Deposits received	200	4,257,712
Hoa Binh Investment and Development Joint Stock Company		
Interest income from loans	19,565,452,223	-
Interest expense on deposits	-	60,670
Members of the Board of Management		
Interest expense on deposits	1,297,064	49,101,824
Remunerations	3,064,276,667	2,395,448,980
Members of the Board of Supervisors		
Interest expense on deposits	4,810,174	99,909,556
Remunerations	886,415,151	650,671,741
Members of the Board of Directors		
Interest expense on deposits	11,652,820	234,980,809
Salaries and allowances	9,350,000,000	5,607,497,365
<hr/>		
Balances at the year-end	31/12/2015 VND Receivables/(payables)	31/12/2014 VND Receivables/(payables)
Viet Phuong Investment Group Joint Stock Company		
Deposits	(1,437,194)	(10,703,478)
Hoa Binh Investment and Development Joint Stock Company		
Deposits	(196,594)	(6,777,210)
Loans	298,000,000,000	-
Party Committee Office of Ho Chi Minh City		
Deposits	(11,713,794)	(11,488,987)
Members of the Board of Management		
Deposits	(31,815,159)	(1,215,844,829)
Members of the Board of Supervisors		
Deposits	(1,944,164,621)	(1,183,742,713)
Members of the Board of Directors		
Deposits	(5,788,242,065)	(3,978,664,816)

42. Segment reporting

(a) Primary segment reporting

The Group's primary segment information by geographical segment is as follows:

	For the year ended 31 December 2015				
	The Northern Region VND	The Central Region VND	The Southern Region VND	Adjustments VND	Total VND
I. Income					
1. Interest income					
<i>External interest income</i>	1,970,633,152,857	354,052,358,667	546,488,642,998	-	2,871,174,154,522
<i>Internal interest income</i>	2,097,876,731,712	494,936,997,026	1,313,162,964,846	(3,905,976,693,584)	-
2. Fee and commission income/(expenses)	(8,141,466,074)	882,342,740	3,237,369,587	-	(4,021,753,747)
3. Other income	(234,144,226,681)	5,343,337,188	13,907,490,413	-	(214,893,399,080)
II. Expenses					
1. Interest expenses					
<i>External interest expenses</i>	(638,077,675,722)	(349,501,101,112)	(781,216,258,532)	-	(1,768,795,035,366)
<i>Internal interest expenses</i>	(2,777,382,405,769)	(329,564,964,602)	(799,029,323,213)	3,905,976,693,584	-
2. Depreciation of fixed assets	(25,469,916,618)	(2,854,270,978)	(2,802,627,176)	-	(31,126,814,772)
3. Operating expenses	(205,309,920,962)	(61,034,749,687)	(141,405,020,829)	-	(407,749,691,478)
Operating profit before allowance expenses for credit losses	171,842,806,669	112,259,949,242	152,343,238,094	-	436,445,994,005
Allowance expenses for credit losses	(241,252,181,736)	(21,405,254,319)	(58,459,212,558)	-	(321,116,648,613)
Segment results before tax	(69,409,375,067)	90,854,694,923	93,884,025,536	-	115,329,345,392

	As at 31 December 2015				
	The Northern Region VND	The Central Region VND	The Southern Region VND	Adjustments VND	Total VND
Assets					
Cash on hand, gold	216,312,881,635	45,418,841,850	72,818,520,050	-	334,550,243,535
Fixed assets	191,763,146,632	36,498,002,617	50,280,524,013	-	278,541,673,262
Other assets	20,558,749,594,709	6,192,941,265,775	14,513,395,876,814	-	41,265,086,737,298
	20,966,825,622,976	6,274,858,110,242	14,636,494,920,877	-	41,878,178,654,095
Liabilities					
External liabilities	16,992,701,789,614	6,056,806,551,127	14,290,263,853,573	-	37,339,772,194,314
Internal liabilities	19,175,449,719	-	15,655,765	-	19,191,105,484
Other liabilities	232,011,724,015	132,196,012,510	235,449,585,514	-	599,657,322,039
	17,243,888,963,348	6,189,002,563,637	14,525,729,094,852	-	37,958,620,621,837

For the year ended 31 December 2014					
	The Northern Region VND	The Central Region VND	The Southern Region VND	Adjustments VND	Total VND
I. Income					
1. Interest income					
<i>External interest income</i>	1,208,237,538,661	118,700,580,024	515,056,855,851	-	1,841,994,974,536
<i>Internal interest income</i>	1,246,744,731,222	386,568,151,175	885,299,646,533	(2,518,612,528,930)	-
2. Fee and commission income/(expenses)	(2,512,465,587)	1,227,110,971	3,788,142,459	-	2,502,787,843
3. Other income	128,544,495,677	3,612,058,311	7,618,079,193	-	139,774,633,181
II. Expenses					
1. Interest expenses					
<i>External interest expenses</i>	(426,288,776,675)	(296,778,402,510)	(720,146,870,340)	-	(1,443,214,049,525)
<i>Internal interest expenses</i>	(1,706,750,793,569)	(132,088,234,384)	(679,773,500,977)	2,518,612,528,930	-
2. Depreciation of fixed assets	(25,386,082,577)	(2,174,166,903)	(2,936,523,203)	-	(30,496,772,683)
3. Operating expenses	(136,208,039,908)	(54,828,911,511)	(126,119,538,981)	-	(317,156,490,400)
Operating profit/(loss) before allowance expenses for credit losses	225,387,061,878	24,238,185,173	(117,213,709,465)	-	132,411,537,586
Allowance expenses for credit losses	(59,903,847,746)	(729,304,900)	(11,440,243,123)	-	(72,073,395,769)
Segment results before tax	165,483,214,132	23,508,880,273	(128,653,952,588)	-	60,338,141,817

	As at 31 December 2014				
	The Northern Region VND	The Central Region VND	The Southern Region VND	Adjustments VND	Total VND
Assets					
Cash on hand, gold	246,244,174,603	52,702,386,049	58,368,405,736	-	357,314,966,388
Fixed assets	155,976,096,107	22,585,408,282	50,048,060,587	-	228,609,564,976
Other assets	17,891,884,642,710	5,021,482,273,307	12,091,220,974,179	-	35,004,587,890,196
	18,294,104,913,420	5,096,770,067,638	12,199,637,440,502	-	35,590,512,421,560
Liabilities					
External liabilities	14,433,008,152,077	4,969,320,003,259	12,135,787,482,172	-	31,538,115,637,508
Internal liabilities	18,724,131,490	64,480,000	15,655,765	-	18,804,267,255
Other liabilities	104,394,934,517	101,468,811,478	191,771,551,437	-	397,635,297,432
	14,556,127,218,084	5,070,853,294,737	12,327,574,689,374	-	31,954,555,202,195

(b) Secondary segment reporting

The Group's principal activities are to carry out commercial banking, investment, and debts and assets management activities.

As at 31 December 2015	Commercial banking activities VND	Investment activities VND	Debts and assets management activities VND	Unallocated activities VND	Total VND
Assets	31,298,800,605,522	8,967,689,779,539	492,035,662,120	1,119,652,606,914	41,878,178,654,095
Liabilities	29,306,584,066,698	8,652,036,555,139	-	-	37,958,620,621,837
For the year ended 31 December 2015					
Income	2,192,907,668,743	789,099,453,325	87,456,374,365	78,611,849,996	3,148,075,346,429
Expenses	(2,108,043,776,655)	(476,544,770,250)	(9,280,947,882)	(438,876,506,250)	(3,032,746,001,037)
Profit/(loss) before tax	84,863,892,088	312,554,683,075	78,175,426,483	(360,264,656,254)	115,329,345,392
As at 31 December 2014					
Assets	20,630,213,441,126	13,119,502,726,775	491,888,596,876	1,348,907,656,783	35,590,512,421,560
Liabilities	31,904,990,421,705	-	5,502,843,772	44,061,936,718	31,954,555,202,195
For the year ended 31 December 2014					
Income	1,568,912,518,877	617,356,694,222	4,880,323,483	123,029,130,746	2,314,178,667,328
Expenses	(1,800,346,427,288)	(101,749,520,963)	(2,173,764,189)	(349,570,813,071)	(2,253,840,525,511)
Profit/(loss) before tax	(231,433,908,411)	515,607,173,259	2,706,559,294	(226,541,682,325)	60,338,141,817

43. Financial instruments

(a) Financial risk management

The banking business is always involved in risks, the risk assessment and management depend on the Group's risk appetite and risk assessment and control processes.

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks and description about the Group's objectives, policies and processes for measuring and managing risk.

The organisational structure of risk management of the Group is as below:

- The Board of Management is responsible for approving, controlling how the Board of Directors implement the risk management strategies and policies, establishing and operating the risk management system in order to ensure the significant risks are within the risk limits;
- The Group establishes, regulates the structure and activities of the Risk Management Committee ("RMC"). The RMC is responsible for:
 - Consulting the Board of Management in issuing procedures and policies under the authority relating to risk management in banking activities as stipulated by laws and the Bank's charter;
 - Analysing and provide warnings on the Group's safety level regarding potential risks and short-term as well as long-term preventing measures;
 - Reviewing and evaluate the appropriateness and effectiveness of the Group's current risk management policies and procedures in order to recommend and propose to the Board of Management on requirements to change to existing procedures and policies as well as the operational strategies; and
 - Reporting to the Board of Management and meet on a regular basis or adhoc basis but at least once every 6 months.
- The Bank's Board of Supervisors is responsible for the internal audit activities of risk management system;

- Risk measurement and reporting system:
 - The Group's risks are measured by the methods of reflecting the measurable losses and forecasting the unmeasurable losses by the models and statistics;
 - The risk managing and monitoring are primarily based on the limits set by the SBV and in compliance with the safety regulations of the SBV. These limits reflect the Group's business strategies, business environment and the risk acceptance limits;
 - Information from operating activities is examined and processed in order to identify risks early, as well as report to the Board of Management and the Board of Directors for decision making on a timely basis. Information includes credit limits, industry limits, value at risk (Var), safety ratios in liquidity and the quantified market risks. On that basis, the management decides necessary provisions and understand to handle the Group's significant risks.
- Risk concentration: The concentration level in operating activities represents the sensitivity of the Group's risks to the development of an industry or a particular group of clients, the Group has initiative to diversify the risks by setting limits in all sectors, industries, groups of clients and investment activities.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk arises mainly from lending activities and investment activities involving investment in debt securities. The Group manages and controls credit risk by setting risk limits, risk appetite for each counterparty. The Group meets the SBV's regulations including establishing credit risk management procedures, as well as credit limits, portfolio for credit products, collaterals, type of customers, geographical areas and business sectors that are allowed to grant credit or limit credit. By monitoring status of these credit limits, the Group can assess the potential risks and be able to handle risks on a timely basis.

In addition, the Group has also implemented the methods of measuring and assessing the client's repayment capacity with advanced criteria including initial assessment of the most important criteria effecting the repayment capacity and evaluation framework method in order to determine each client's probability of default, and therefore the Group can determine the loan expense for each client and assist in debt management through early warning.

The Group has established the process of credit quality review in order to early identify the possible changes in client's repayment capacity. The limits for each client are set through the credit risk classification system in accordance with the SBV's regulations. Accordingly, the system classifies credit risk level for each client. The risk classification is reviewed quarterly. The credit quality review process allows the Group to assess the potential losses and then take proper actions on a timely basis.

Collaterals

The Group has issued guidelines on the acceptance of types of collateral and valuation parameters. The main types of collateral obtained are real estates, inventories, machinery and equipment, shares and valuable papers. The Board of Directors monitors the market value of collaterals, requests additional collaterals in accordance with the underlying agreement, and reviews the market value of collaterals obtained during its review of the adequacy of the allowance for loans and advances to customers.

Commitments and guarantees

To meet the financial demands of customers, the Group enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the balance sheet, they do contain credit risk and are therefore part of the overall risk of the Group.

Concentration of credit risk

The Group's concentration of risk is managed by clients, by geographical area and by business sector.

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

	31/12/2015 VND	31/12/2014 VND
Loans and receivables		
Balances with the SBV	506,560,690,117	699,242,031,290
Deposits with and loans to other credit institutions (i)	4,579,602,212,211	2,069,023,413,281
Loans and advances to customers - gross (ii)	20,267,711,996,409	15,821,970,562,729
Purchased debts	38,991,877,497	-
Accrued interest and fees receivable	3,005,872,361,055	2,228,764,064,842
Other receivables	1,643,366,588,613	1,761,914,183,746
	<hr/> 30,042,105,725,902	<hr/> 22,580,914,255,888
Available-for-sale financial assets		
Available-for-sale debt securities (iii)	8,520,914,155,139	10,069,408,726,385
Held-to-maturity investments		
Held-to-maturity securities - gross (iii)	2,699,949,989,750	1,448,794,705,580
Off-balance sheet commitments		
Letters of credit	23,990,034,005	28,892,282,854
Other guarantees	307,935,212,792	126,755,357,547
	<hr/> 331,925,246,797	<hr/> 155,647,640,401
	<hr/> 41,555,899,031,598	<hr/> 34,254,765,328,254

(i) *Deposits with and loans to other credit institutions*

Deposits with and loans to other credit institutions of the Group are mainly held with well-known credit institutions. The Board of Directors does not foresee any significant credit risk from these deposits and does not expect that these credit institutions may default and cause losses to the Group.

(ii) *Loans and advances to customers*

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

(iii) *Available-for-sale debt securities and held-to-maturity securities*

The Board of Directors does not foresee any significant credit risk from these securities and does not expect that the issuers may default and cause losses to the Group.

An analysis of collateral against financial assets as at the reporting dates are as follows:

As at 31 December 2015	Secured VND	Unsecured VND	Total VND
Loans and receivables			
Balances with the SBV	-	506,560,690,117	506,560,690,117
Deposits with and loans to other credit institutions	-	4,579,602,212,211	4,579,602,212,211
Loans and advances to customers - gross	19,668,173,149,348	599,538,847,061	20,267,711,996,409
Purchased debts	38,991,877,497	-	38,991,877,497
Accrued interest and fees receivable	1,963,571,524,997	1,042,300,836,058	3,005,872,361,055
Other receivables	366,910,201,132	1,276,430,728,988	1,643,366,588,613
	22,037,646,752,974	8,004,454,764,435	30,042,105,725,902
Available-for-sale financial assets			
Available-for-sale debt securities	-	8,520,914,155,139	8,520,914,155,139
Held-to-maturity investments			
Held-to-maturity securities - gross	-	2,699,949,989,750	2,699,949,989,750
	22,037,646,752,974	19,225,323,117,817	41,262,969,870,791

As at 31 December 2014	Secured VND	Unsecured VND	Total VND
Loans and receivables			
Balances with the SBV	-	699,242,031,290	699,242,031,290
Deposits with and loans to other credit institutions	-	2,069,023,413,281	2,069,023,413,281
Loans and advances to customers - gross	14,299,463,969,633	1,522,506,593,096	15,821,970,562,729
Accrued interest and fees receivable	-	2,228,764,064,842	2,228,764,064,842
Other receivables	-	1,761,729,231,144	1,761,729,231,144
	14,299,463,969,633	8,281,377,363,450	22,580,729,303,286
Available-for-sale financial assets			
Available-for-sale debt securities	-	10,069,408,726,385	10,069,408,726,385
Held-to-maturity investments			
Held-to-maturity securities - gross	1,448,794,705,580	-	1,448,794,705,580
	15,748,258,675,213	18,350,786,089,835	34,098,932,735,251

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

	31/12/2015 VND	31/12/2014 VND
Loans and advances to customers	859,131,559,330	4,196,149,967,970
Held-to-maturity securities	-	200,000,000,000
	859,131,559,330	4,396,149,967,970

An aging analysis of impaired financial assets is as follows:

As at 31 December 2015	Overdue up to 90 days VND	Overdue from 91 to 180 days VND	Overdue from 181 to 360 days VND	Overdue over 360 days VND	Total VND
Loans and receivables					
Loans and advances to customers - gross	11,587,020,056	213,323,283	-	174,944,928,371	186,745,271,710
As at 31 December 2014	Overdue up to 90 days VND	Overdue from 91 to 180 days VND	Overdue from 181 to 360 days VND	Overdue over 360 days VND	Total VND
Loans and receivables					
Loans and advances to customers - gross	173,914,336,593	26,284,720,761	91,196,817,597	216,312,763,017	507,708,637,968

Refer to Note 38 for the type and value of collaterals received from customers. The Group has not determined the fair value of collaterals for past due and impaired financial assets because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam. The fair values of these collaterals may differ from their carrying amounts.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due, or the Group will be able to meet its financial obligations as they fall due but suffer major loss to perform such obligations.

Management of liquidity risk

To limit the risk, in addition to the Group's basic capital, the Board of Directors has prepared a diversified funds beside deposits, managed the assets in the relation with liquidity, monitored the future cash flows together with the availability of high quality collaterals, which would be the additional funds when necessary.

The Group maintains the portfolio of assets, valuable papers with diversity and high liquidity and are able to liquidate easily in case the cash flows are unexpectedly interrupted. The Group also has credit commitments to meet the liquidity requirements. In addition, the Group maintains the compulsory reserves at the SBV. The important thing is that the Group maintains the limit between net liquidity assets and payables when are affected by the market conditions.

The liquidity scenario are made weekly with the before-maturity withdrawal scenario, unrenewed deposits from other credit institutions, while maintaining the safety.

The liquidity ratios according to the regulations of the SBV

The Group maintains a minimum ratio equal to 10% of highly liquid assets to total liabilities.

A minimum ratio equals to 50% and 10% between the highly liquid assets and the net cash flows being due within the next 30 days for VND and foreign currencies (including USD and other foreign currencies converted into USD using interbank exchange rate of the SBV or using exchange rate of the Group if interbank exchange rate of the SBV is not available).

Analysis of assets and liabilities by remaining contractual maturity

The following table presents an analysis of assets and liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to maturity date. The actual maturity of assets or liabilities may differ from contractual terms based on addenda to the contracts if any.

As at 31 December 2015	Overdue over 3 months VND	Overdue up to 3 months (including overdue less than 10 days) VND	Up to 1 month VND	From over 1 to 3 months VND	From over 3 to 12 months VND	From over 1 to 5 years VND	Over 5 years VND	Total VND
Assets								
Cash on hand, gold and gemstones	-	-	334,550,243,535	-	-	-	-	334,550,243,535
Balances with the SBV	-	-	506,560,690,117	-	-	-	-	506,560,690,117
Deposits with and loans to other credit institutions	-	-	3,695,032,212,211	600,000,000,000	284,570,000,000	-	-	4,579,602,212,211
Held-for-trading securities - gross	-	-	107,527,745,273	-	-	-	-	107,527,745,273
Loans and advances to customers - gross	878,476,210,409	167,400,620,631	1,263,743,127,466	999,180,296,914	2,431,892,701,387	5,719,302,048,402	8,807,716,991,200	20,267,711,996,409
Purchased debts	38,991,877,497	-	-	-	-	-	-	38,991,877,497
Investment securities - gross	-	-	790,584,156,149	709,512,878,893	927,640,096,699	8,778,738,388,182	145,511,024,966	11,351,986,544,889
Capital contribution, long-term investments	-	-	-	-	-	-	315,653,224,400	315,653,224,400
Fixed assets	-	-	-	-	-	-	278,541,673,262	278,541,673,262
Other assets	-	-	14,413,198,663	317,392,484	3,495,499,466,369	1,112,042,917,142	1,604,808,043	4,623,877,782,701
Total assets (1)	917,468,087,906	167,400,620,631	6,712,411,373,414	2,309,010,568,291	7,139,602,264,455	15,610,083,353,726	9,549,027,721,871	42,405,003,990,294
Liabilities								
Deposits and borrowings from other credit institutions	-	-	9,937,469,160,989	2,430,951,280,000	494,776,000,000	2,025,000,000	139,356,337	12,865,360,797,326
Deposits from customers	-	-	7,339,154,215,840	4,957,368,430,134	10,868,495,979,447	1,274,716,571,567	64,673,500	24,439,799,870,488
Entrusted funds received	-	-	-	-	422,000,000	25,712,500,000	-	26,134,500,000
Valuable papers issued	-	-	2,270,000,000	6,207,026,500	-	-	-	8,477,026,500
Other liabilities	-	-	-	605,915,593,754	12,932,833,769	-	-	618,848,427,523
Total liabilities (2)	-	-	17,278,893,376,829	8,000,442,330,388	11,376,626,813,216	1,302,454,071,567	204,029,837	37,958,620,621,837
Net liquidity gap [(3) - (1) - (2)]	917,468,087,906	167,400,620,631	(10,566,482,003,415)	(5,691,431,762,097)	(4,237,024,548,761)	14,307,629,282,159	9,548,823,692,034	4,446,383,368,457

As at 31 December 2014	Overdue over 3 months VND	Overdue up to 3 months (including overdue less than 10 days) VND	Up to 1 month VND	From over 1 to 3 months VND	From over 3 to 12 months VND	From over 1 to 5 years VND	Over 5 years VND	Total VND
Assets								
Cash on hand, gold and gemstones	-	-	357,314,966,388	-	-	-	-	357,314,966,388
Balances with the SBV	-	-	699,242,031,290	-	-	-	-	699,242,031,290
Deposits with and loans to other credit institutions	-	-	2,069,023,413,281	-	-	-	-	2,069,023,413,281
Held-for-trading securities - gross	-	-	22,450,370,885	-	-	-	-	22,450,370,885
Loans and advances to customers - gross	367,995,240,715	4,335,863,365,223	3,375,650,830,765	594,316,520,260	478,622,955,754	2,726,962,065,249	3,942,559,584,763	15,821,970,562,729
Investment securities - gross	200,000,000,000	-	100,000,000,000	627,805,375,814	3,131,505,366,960	7,458,892,689,191	58,922,400,000	11,577,125,831,965
Other long-term investments	-	-	-	-	-	-	518,927,302,800	518,927,302,800
Fixed assets	-	-	-	-	-	-	228,609,564,976	228,609,564,976
Other assets	-	-	-	4,552,510,790,196	-	-	-	4,552,510,790,196
Total assets (1)	567,995,240,715	4,335,863,365,223	6,623,681,612,609	5,774,632,686,270	3,610,128,322,714	10,185,854,754,440	4,749,018,852,539	35,847,174,834,510
Liabilities								
Borrowings from the SBV	-	-	-	109,436,812,290	-	-	-	109,436,812,290
Deposits and borrowings from other credit institutions	-	-	9,026,467,775,030	2,587,594,220,000	7,083,000,000	15,221,000,000	135,256,498	11,636,501,251,528
Deposits from customers	-	-	1,235,360,860,583	10,507,183,946,976	7,109,835,902,188	927,365,613,943	-	19,779,746,323,690
Entrusted funds received	-	-	-	-	-	-	12,431,250,000	12,431,250,000
Other liabilities	-	-	-	416,439,564,687	-	-	-	416,439,564,687
Total liabilities (2)	-	-	10,261,828,635,613	13,620,654,543,953	7,116,918,902,188	942,586,613,943	12,566,506,498	31,954,555,202,195
Net liquidity gap [(3) = (1) - (2)]	567,995,240,715	4,335,863,365,223	(3,638,147,023,004)	(7,846,021,857,683)	(3,506,790,579,474)	9,243,268,140,497	4,736,452,346,041	3,892,619,632,315

(d) Market risk

Market risk is the risk that incurs due to adverse fluctuations in interest rates, foreign exchange rates and market prices. Market risk includes interest rate risk, foreign exchange rate risk and price risk will affect the Group's results of operations or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable risk parameters, while optimising the return.

Management of market risk

Market Risk Management Division in the Bank's Risk Management Department controls the market risk by establishing and managing the business limits, loss stop limits and analysing the risk of investment portfolio including interest rate risk and price risk in order to report to the Board of Directors on a timely basis.

(i) Interest rate risk

Interest rate risk is the risk of adverse fluctuations in interest rates when the Group has:

- Timing difference in new interest rates setting;
- Changes in relationships of interest rates of different financial instruments with the same maturities;
- Changes in interest rates with different maturities; and
- Effect of products with options relating to interest rates.

The Group will be subject to the interest rate risk due to mismatches or differences between the maturity date and repricing date of assets, liabilities and off-balance sheet commitments in a certain period. The Group manages this risk through balancing the repricing date of assets and liabilities by optimising the terms of assets in the portfolio (see the below analysis of interest rate risk). The Group also periodically calculates and determines the gap between average interest rates input and output in order to estimate the business effectiveness and then adjust the interest rates accordingly.

The following table shows the assets and liabilities categorised by the earlier of contractual repricing date or maturity date at the reporting date. The expected repricing and maturity dates may differ significantly from contractual dates particularly with regard to the maturity of customers' deposits.

As at 31 December 2015	Overdue (including loans overdue of less than 10 days) VND	Free of interest VND	Up to 1 month VND	From over 1 to 3 months VND	From over 3 to 6 months VND	From over 6 to 12 months VND	From over 1 to 5 years VND	Over 5 years VND	Total VND
Assets									
Cash on hand, gold and gemstones	-	334,550,243,535	-	-	-	-	-	-	334,550,243,535
Balances with the SIBV	-	-	506,560,690,117	-	-	-	-	-	506,560,690,117
Deposits with and loans to other credit institutions	-	-	3,695,032,212,211	600,000,000,000	284,570,000,000	-	-	-	4,579,602,212,211
Held-for-trading securities - gross	-	107,527,745,273	-	-	-	-	-	-	107,527,745,273
Loans and advances to customers - gross	1,045,876,831,040	-	3,243,427,954,658	6,214,638,483,949	5,244,472,846,858	3,760,346,992,192	3,888,400,000	755,060,487,712	20,267,711,996,409
Purchased debts	38,991,877,497	-	-	-	-	-	-	-	38,991,877,497
Investment securities - gross	-	2,938,600,135,023	551,934,010,876	709,512,878,893	662,887,932,657	264,752,164,042	6,224,299,423,398	-	11,351,986,544,889
Capital contribution, long-term investments	-	315,653,224,400	-	-	-	-	-	-	315,653,224,400
Fixed assets	-	278,541,673,262	-	-	-	-	-	-	278,541,673,262
Other assets	-	3,641,238,737,366	-	982,639,045,335	-	-	-	-	4,623,877,782,701
Total assets (1)	1,084,868,708,537	7,616,111,758,859	7,996,954,867,862	8,506,790,408,177	6,191,930,779,515	4,025,099,156,234	6,228,187,823,398	755,060,487,712	42,405,003,990,294
Liabilities									
Deposits and borrowings from other credit institutions	-	320,920,378,989	9,616,548,782,000	2,430,951,280,000	284,570,000,000	210,206,000,000	2,025,000,000	139,356,337	12,865,360,797,326
Deposits from customers	-	-	7,339,154,215,840	4,957,368,430,134	4,634,526,621,327	6,233,969,358,120	1,274,716,571,567	64,673,500	24,439,799,870,488
Entrusted funds received	-	-	-	-	-	422,000,000	25,712,500,000	-	26,134,500,000
Valuable papers issued	-	-	2,270,000,000	6,207,026,500	-	-	-	-	8,477,026,500
Other liabilities	-	605,915,593,754	-	-	-	12,932,833,769	-	-	618,848,427,523
Total liabilities (2)	-	926,835,972,743	16,957,972,997,840	7,394,526,736,634	4,919,096,621,327	6,457,530,191,889	1,302,454,071,567	204,029,837	37,958,620,621,837
Interest sensitivity gap of balance sheet items [(3) = (1) - (2)]	1,084,868,708,537	6,689,275,786,116	(8,961,018,129,978)	1,112,263,671,543	1,272,834,158,188	(2,432,431,035,655)	4,925,733,751,831	754,856,457,875	4,446,383,368,457
Interest sensitivity gap of off-balance sheet items (4)	-	-	-	-	-	-	-	-	-
Total interest sensitivity gap [(5) = (3)+(4)]	1,084,868,708,537	6,689,275,786,116	(8,961,018,129,978)	1,112,263,671,543	1,272,834,158,188	(2,432,431,035,655)	4,925,733,751,831	754,856,457,875	4,446,383,368,457

As at 31 December 2014	Overdue (including loans overdue of less than 10 days)	Free of interest	Up to 1 month	From over 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND
Assets									
Cash on hand, gold and gemstones	-	357,314,966,388	-	-	-	-	-	-	357,314,966,388
Balances with the SBV	-	-	699,242,031,290	-	-	-	-	-	699,242,031,290
Deposits with and loans to other credit institutions	-	-	2,069,023,413,281	-	-	-	-	-	2,069,023,413,281
Held-for-trading securities - gross	-	22,450,370,885	-	-	-	-	-	-	22,450,370,885
Loans and advances to customers - gross	4,703,858,605,938	-	1,465,706,026,734	2,209,182,981,778	297,259,161,630	7,145,963,786,649	-	-	15,821,970,562,729
Investment securities - gross	200,000,000,000	1,107,717,105,580	100,000,000,000	627,805,375,814	1,345,279,217,023	1,786,226,149,937	6,410,097,983,611	-	11,577,125,831,965
Capital contribution, long-term investments	-	518,927,302,800	-	-	-	-	-	-	518,927,302,800
Fixed assets	-	228,609,564,976	-	-	-	-	-	-	228,609,564,976
Other assets	-	4,552,510,790,196	-	-	-	-	-	-	4,552,510,790,196
Total assets (1)	4,903,858,605,938	6,787,530,100,825	4,333,971,471,305	2,836,988,357,592	1,642,538,378,653	8,932,189,936,586	6,410,097,983,611	-	35,847,174,834,510
Liabilities									
Borrowings from the SBV	-	-	-	109,436,812,290	-	-	-	-	109,436,812,290
Deposits and borrowings from other credit institutions	-	-	9,026,467,775,030	2,587,594,220,000	22,439,256,498	-	-	-	11,636,501,251,528
Deposits from customers	-	-	1,235,360,860,583	10,507,183,946,976	4,542,102,116,541	2,567,733,785,647	927,365,613,943	-	19,779,746,323,690
Entrusted funds received	-	-	-	-	-	-	-	12,431,250,000	12,431,250,000
Other liabilities	-	416,439,564,687	-	-	-	-	-	-	416,439,564,687
Total liabilities (2)	-	416,439,564,687	10,261,828,635,613	13,204,214,979,266	4,564,541,373,039	2,567,733,785,647	927,365,613,943	12,431,250,000	31,954,555,202,195
Interest sensitivity gap of balance sheet items [(3) = (1) - (2)]	4,903,858,605,938	6,371,090,536,138	(5,927,857,164,308)	(10,367,226,621,674)	(2,922,002,994,386)	6,364,456,150,939	5,482,732,369,668	(12,431,250,000)	3,892,619,632,315
Interest sensitivity gap of off-balance sheet items (4)	-	-	-	-	-	-	-	-	-
Total interest sensitivity gap [(5) = (3)+(4)]	4,903,858,605,938	6,371,090,536,138	(5,927,857,164,308)	(10,367,226,621,674)	(2,922,002,994,386)	6,364,456,150,939	5,482,732,369,668	(12,431,250,000)	3,892,619,632,315

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

As at 31 December 2015	Overdue	Up to 1 month	From over 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years
Assets							
Deposits with and loans to other credit institutions							
▪ VND	N/A	4.70%	4.68%	N/A	N/A	N/A	N/A
▪ Foreign currencies	N/A	N/A	N/A	N/A	1.75%	N/A	N/A
Loans and advances to customers							
▪ VND	17.41%	10.93%	12.36%	11.12%	11.61%	12.42%	11.19%
▪ Foreign currencies	7.05%	5.50%	5.73%	4.88%	5.25%	3.09%	N/A
▪ Gold	7.91%	N/A	N/A	N/A	N/A	5.40%	9.55%
Investment securities							
▪ VND	N/A	8.71%	9.61%	8.80%	10.89%	9.16%	N/A
Liabilities							
Deposits and borrowings from other credit institutions							
▪ VND	N/A	4.90%	4.70%	4.70%	N/A	N/A	N/A
▪ Foreign currencies	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Deposits from customers							
▪ VND	N/A	0.30%	5.50%	5.50%	6.50%	7.20%	7.40%
▪ Foreign currencies	N/A	0.00%	0.15%	0.25%	0.75%	0.75%	N/A
Entrusted funds received							
▪ VND	N/A	N/A	N/A	N/A	N/A	N/A	6.48%
Valuable papers issued							
▪ VND	N/A	5.40%	5.51%	N/A	N/A	N/A	N/A

As at 31 December 2014

	Overdue	Up to 1 month	From over 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years
Assets							
Deposits with and loans to other credit institutions							
▪ VND	N/A	3.00%	N/A	N/A	N/A	N/A	N/A
Loans and advances to customers							
▪ VND	18.33%	8.84%	7.69%	10.75%	12.27%	N/A	N/A
▪ Foreign currencies	8.01%	N/A	N/A	4.55%	4.99%	N/A	N/A
▪ Gold	8.50%	N/A	N/A	N/A	8.27%	N/A	N/A
Investment securities							
▪ VND	17.00%	11.10%	10.09%	10.70%	9.96%	9.43%	N/A
Liabilities							
Deposits and borrowings from other credit institutions							
▪ VND	N/A	3.74%	4.65%	6.00%	N/A	N/A	N/A
▪ Foreign currencies	N/A	0.87%	N/A	N/A	N/A	N/A	N/A
Deposits from customers							
▪ VND	N/A	1.96%	9.10%	9.68%	9.06%	9.63%	N/A
▪ Foreign currencies	N/A	0.85%	1.31%	1.47%	1.26%	1.31%	N/A
Entrusted funds received							
▪ VND	N/A	N/A	N/A	N/A	N/A	N/A	6.00%

(ii) *Foreign exchange rate risk and price risk*

Foreign exchange rate risk is the risk of adverse fluctuations in the foreign exchange rates when the Group is exposed to foreign currency position.

Price risk is the risk of adverse fluctuations in the value of the financial instruments, investments and assets of the Group.

The Group's primary transaction currency is VND. The Group's loans and advances to customers are primarily denominated in VND and USD.

The Group has introduced a limit system to manage each currency position. Currency positions are monitored on a daily basis to ensure positions are maintained within the established limits. At the same time, the Group has also implemented the risk management through price forecasting models and statistics in order to avoid losses.

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

	Exchange rates as at	
	31/12/2015	31/12/2014
USD/VND	21,890	21,246
XAU/VND	3,780,500	3,513,000
EUR/VND	23,216	26,193
AUD/VND	16,346	18,141

As at 31 December 2015	VND VND	USD VND	EUR VND	Gold VND	Others VND	Total VND
Assets						
Cash on hand, gold and gemstones	182,456,500,700	38,551,726,730	1,844,859,440	108,706,689,690	2,990,466,975	334,550,243,535
Balances with the SBV	431,586,082,718	74,974,607,399	-	-	-	506,560,690,117
Deposits with and loans to other credit institutions	4,216,008,491,148	358,422,090,388	2,804,100,450	-	2,367,530,225	4,579,602,212,211
Held-for-trading securities - gross	107,527,745,273	-	-	-	-	107,527,745,273
Loans and advances to customers - gross	19,760,604,766,849	427,537,356,174	-	79,569,873,386	-	20,267,711,996,409
Purchased debts	-	38,991,877,497	-	-	-	38,991,877,497
Investment securities - gross	11,351,986,544,889	-	-	-	-	11,351,986,544,889
Capital contribution, long-term investments	315,653,224,400	-	-	-	-	315,653,224,400
Fixed assets	278,541,673,262	-	-	-	-	278,541,673,262
Other assets	4,623,877,782,701	-	-	-	-	4,623,877,782,701
Total assets (1)	41,268,242,811,940	938,477,658,188	4,648,959,890	188,276,563,076	5,357,997,200	42,405,003,990,294
Liabilities and owners' equity						
Deposits and borrowings from other credit institutions	12,383,641,440,989	481,719,356,337	-	-	-	12,865,360,797,326
Deposits from customers	23,462,478,768,421	977,253,147,418	64,703,920	-	3,250,729	24,439,799,870,488
Entrusted funds received	26,134,500,000	-	-	-	-	26,134,500,000
Valuable papers issued	8,477,026,500	-	-	-	-	8,477,026,500
Other liabilities	618,848,427,523	-	-	-	-	618,848,427,523
Equity	3,919,558,032,258	-	-	-	-	3,919,558,032,258
Total liabilities (2)	40,419,138,195,691	1,458,972,503,755	64,703,920	-	3,250,729	41,878,178,654,095
FX position on balance sheet [(3) = (1) - (2)]	849,104,616,249	(520,494,845,567)	4,584,255,970	188,276,563,076	5,354,746,471	500,328,868,569
FX position off-balance sheet (4)	-	470,635,000,000	-	-	-	470,635,000,000
FX position on and off-balance sheet [5] = (3) + (4)	849,104,616,249	(49,859,845,567)	4,584,255,970	188,276,563,076	5,354,746,471	997,460,336,199

As at 31 December 2014	VND VND	USD VND	EUR VND	Gold VND	Others VND	Total VND
Assets						
Cash on hand, gold and gemstones	182,888,710,800	22,580,312,538	1,363,637,755	148,082,487,440	2,399,817,855	357,314,966,388
Balances with the SBV	644,773,522,548	54,468,508,742	-	-	-	699,242,031,290
Deposits with and loans to other credit institutions	1,926,779,544,478	118,590,166,614	12,168,522,096	-	11,485,180,093	2,069,023,413,281
Held-for-trading securities - gross	22,450,370,885	-	-	-	-	22,450,370,885
Loans and advances to customers - gross	14,783,670,457,256	539,429,230,726	-	498,870,874,747	-	15,821,970,562,729
Investment securities - gross	11,577,125,831,965	-	-	-	-	11,577,125,831,965
Capital contribution, long-term investments	518,927,302,800	-	-	-	-	518,927,302,800
Fixed assets	228,609,564,976	-	-	-	-	228,609,564,976
Other assets	4,552,510,790,196	-	-	-	-	4,552,510,790,196
Total assets (1)	34,437,736,095,904	735,068,218,620	13,532,159,851	646,953,362,187	13,884,997,948	35,847,174,834,510
Liabilities and owners' equity						
Borrowings from the SBV	109,436,812,290	-	-	-	-	109,436,812,290
Deposits and borrowings from other credit institutions	11,338,921,995,030	297,579,256,498	-	-	-	11,636,501,251,528
Deposits from customers	19,191,496,492,700	584,635,518,555	3,612,691,657	-	1,620,778	19,779,746,323,690
Entrusted funds received	12,431,250,000	-	-	-	-	12,431,250,000
Other liabilities	416,439,564,687	-	-	-	-	416,439,564,687
Equity	3,635,957,219,365	-	-	-	-	3,635,957,219,365
Total liabilities (2)	34,704,683,334,072	882,214,775,053	3,612,691,657	-	1,620,778	35,590,512,421,560
FX position on balance sheet [(3) = (1) - (2)]	(266,947,238,168)	(147,146,556,433)	9,919,468,194	646,953,362,187	13,883,377,170	256,662,412,950
FX position off-balance sheet (4)	-	-	-	-	-	-
FX position on and off-balance sheet [(5) = (3) + (4)]	(266,947,238,168)	(147,146,556,433)	9,919,468,194	646,953,362,187	13,883,377,170	256,662,412,950

Below is an analysis of the possible impact on the net profit of the Group, after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at 31 December 2015 and 2014.

	Effect to net profit after tax VND
As at 31 December 2015	
USD (3% strengthening)	(1,160,402,386)
XAU (8% weakening)	11,748,457,536
	<hr/>
As at 31 December 2014	
USD (2% strengthening)	(2,295,486,280)
XAU (7% weakening)	35,706,075,657
	<hr/>

(e) Fair values versus carrying amounts

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

The fair values of financial instruments, together with the carrying amounts shown in the consolidated balance sheet, are as follows:

	31/12/2015		31/12/2014	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
Categorised as financial assets at fair value through profit or loss:				
▪ Held-for-trading securities				
- Listed	103,731,636,547	122,937,935,000	17,552,619,147	18,409,931,500
- De-listed	504,000,000	(*)	504,000,000	(*)
Categorised as held-to-maturity investments:				
▪ Held-to-maturity securities	2,446,259,348,148	(*)	1,385,312,675,384	(*)
Categorised as loans and receivables:				
▪ Balances with the SBV	506,560,690,117	506,560,690,117	699,242,031,290	699,242,031,290
▪ Deposits with and loans to other credit institutions	4,579,602,212,211	(*)	2,069,023,413,281	(*)
▪ Loans and advances to customers	20,039,701,178,538	(*)	15,633,183,931,713	(*)
▪ Purchased debts	38,991,877,497	(*)	-	-
▪ Accrued interest and fees receivable	3,005,872,361,055	(*)	2,228,764,064,842	(*)
▪ Receivables	1,643,366,588,613	(*)	1,761,729,231,144	(*)
Categorised as available-for-sale assets:				
▪ Available-for-sale equity securities				
- Listed	30,368,232,000	30,368,232,000	-	(*)
- Unlisted	58,922,400,000	(*)	58,922,400,000	(*)
▪ Available-for-sale debt securities	8,520,914,155,139	(*)	10,069,408,726,385	(*)
▪ Capital contribution, long-term investments	315,653,224,400	(*)	518,927,302,800	(*)
Categorised as liabilities at amortised cost:				
▪ Borrowings from the SBV	-	-	(109,436,812,290)	(109,436,812,290)
▪ Deposits and borrowings from other credit institutions	(12,865,360,797,326)	(*)	(11,636,501,251,528)	(*)
▪ Deposits from customers	(24,439,799,870,488)	(*)	(19,779,746,323,690)	(*)
▪ Entrusted funds received	(26,134,500,000)	(*)	(12,431,250,000)	(*)
▪ Valuable papers issued	(8,477,026,500)	(*)	-	(*)
▪ Accrued interest and fees payable	(508,888,150,992)	(*)	(366,874,784,197)	(*)
▪ Other liabilities	(45,828,153,817)	(*)	(43,900,915,690)	(*)

- (*) The Group has not determined fair values of these financial instruments for disclosure in the consolidated financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting. The fair values of these financial instruments may differ from their carrying amounts.

44. Lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	31/12/2015 VND	31/12/2014 VND
Within 1 year	27,756,229,196	33,233,135,194
Within 2 to 5 years	77,990,839,821	40,618,038,585
Over 5 years	4,837,690,000	2,439,040,800
	<hr/> 110,584,759,017	<hr/> 76,290,214,579

45. Corresponding figures

As described in Note 3(b), the Group has adopted Circular 49 for the year ended 31 December 2015. Due to the adoption of Circular 49, the presentation of certain financial statement captions has been changed. Certain corresponding figures for the year ended 31 December 2014 have been reclassified to conform with current year's presentation. A comparison of the amounts previously reported and as reclassified was as follows:

Consolidated statement of income

	2014 (as reclassified) VND	2014 (as previously reported) VND
Net loss from sales of investment securities	(36,049,390,522)	(96,531,420,718)
Other income	127,340,154,229	127,909,545,229
Allowance expenses for credit losses	(72,073,395,769)	(12,160,665,573)


25 April 2016

Prepared by:


La Quang Trung
Chief Accountant

Approved by:




Nguyen Van Hao
Standing Deputy General Director