

Indovina Bank Limited

Financial Statements for the year ended
31 December 2015



Indovina Bank Limited

Financial Statements for the year ended
31 December 2015

Indovina Bank Limited
Corporate Information

Banking Licence No. 08/NH-GP 29 October 1992

The Banking Licence was issued by the State Bank of Vietnam and is valid for 40 years from the licence date.

Business Registration Certificate No. 0300733752 11 May 1993

The Business Registration Certificate has been amended several times, the most recent of which is by the Business Registration Certificate No. 0300733752 dated 17 July 2015. The Business Registration Certificate and its updates were issued by the Department of Planning and Investment of Ho Chi Minh City.

Members' Council

Nguyen Tran Manh Trung	Chairman (from 20 May 2015)
Tran Minh Binh	Chairman (until 19 May 2015)
Lee Ming-Hsien	Vice Chairman (from 17 September 2015)
Tzi-Li Tung	Vice Chairman (until 16 September 2015)
Yei-Fong Jan	Member
Le Van Phu	Member
Lu Chan Kun	Member
Nguyen Thu Hang	Member (from 20 May 2015)

Board of Executives

Yei-Fong Jan	General Director
Le Van Phu	First Deputy General Director
Lu Chan Kun	Second Deputy General Director

Supervisory Board

Vu Anh Duc	Head of Supervisory Board
Ngo Thi Thien Huong	Member
Le Thi Hai Ha	Member

Registered Office

97A Nguyen Van Troi Street
Ward 12, Phu Nhuan District
Ho Chi Minh City
Vietnam

Auditor

KPMG Limited
Vietnam

Indovina Bank Limited


Statement of the Board of Executives


The Board of Executives of Indovina Bank Limited (“the Bank”) presents this statement and the accompanying financial statements of the Bank for the year ended 31 December 2015.

The Board of Executives is responsible for the preparation and fair presentation of the 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. The Board of Executives is also responsible for the preparation of the VND translated financial statements in accordance with the basis of the financial statements translation policy as described in Note 4(a)(ii) to the financial statements. In the opinion of the Board of Executives:

- (a) the financial statements prepared in USD set out on pages 5 to 93 give a true and fair view of the financial position of the Bank as at 31 December 2015, and of the results of operations and the cash flows of the Bank 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;
- (b) the VND translated financial statements has been prepared in accordance with the basis of the financial statements translation policy as described in Note 4(a)(ii); and
- (c) at the date of this statement, there are no reasons to believe that the Bank will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Executives 



Ho Chi Minh City, 30 March 2016



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

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INDEPENDENT AUDITOR'S REPORT

To the Investors Indovina Bank Limited

We have audited the accompanying financial statements of Indovina Bank Limited ("the Bank"), which comprise the balance sheet as at 31 December 2015, the 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 Executives on 30 March 2016, as set out on pages 5 to 93.

Management's Responsibility

The Bank's Board of Executives is responsible for the preparation and fair presentation of these 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 Executives determines is necessary to enable the preparation of 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 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 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 Executives, 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 financial statements give a true and fair view, in all material respects, of the financial position of Indovina Bank Limited as at 31 December 2015 and of its results of operations and its 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.

Report on VND translated financial statements in accordance with regulatory requirement

As part of our audit of the financial statements, we have audited the translation of the financial statements from United States Dollars ("USD") into VND which have been conducted by the Bank's Board of Executive on the basis of the financial statements translation policy as described in Note 4(a)(ii) to the financial statements. The Bank's Board of Executive is responsible for the VND translated financial statements. In our opinion, the VND translated financial statements have been, in all material respects, properly translated from the USD financial statements in accordance with the financial statements translation policy as described in Note 4(a)(ii) to the financial statements.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Short No.: 15-01-137



Phuoc Vinh Phuc

Practicing Auditor Registration

Certificate No. 1901-2013-007-1

Deputy General Director

Ho Chi Minh City, 30 March 2016

Nguyen Anh Hung

Practicing Auditor Registration

Certificate No. 2206-2013-007-1

	Note	31/12/2015 USD	31/12/2014 USD	31/12/2015 Equivalent VND million Note 4(a)(ii)	31/12/2014 Equivalent VND million Note 4(a)(ii)
A ASSETS					
I Cash on hand	5	9,542,304	10,390,602	208,881	220,759
II Balances with the State Bank of Vietnam	6	34,291,427	36,794,595	750,639	781,738
III Deposits with and loans to other credit institutions	7	280,884,076	307,440,549	6,148,552	6,531,882
1 Deposits with other credit institutions		172,190,152	262,027,012	3,769,242	5,567,026
2 Loans to other credit institutions		108,693,924	45,413,537	2,379,310	964,856
IV Securities held-for-trading	8	44,470,569	6,743,815	973,461	143,280
1 Securities held-for-trading		45,416,110	7,709,288	994,159	163,792
2 Allowance for securities held-for-trading		(945,541)	(965,473)	(20,698)	(20,512)
V Derivatives and other financial assets	9	141,812	-	3,104	-
VI Loans and advances to customers		644,028,263	633,516,349	14,097,779	13,459,688
1 Loans and advances to customers	10	658,969,567	638,557,928	14,424,844	13,566,801
2 Allowance for loans and advances to customers	11	(14,941,304)	(5,041,579)	(327,065)	(107,113)
VIII Investment securities	12	187,784,007	131,797,770	4,110,592	2,800,175
1 Available-for-sale securities		101,551,710	73,369,125	2,222,967	1,558,800
2 Held-to-maturity securities		86,797,624	58,834,604	1,900,000	1,250,000
3 Allowance for investment securities		(565,327)	(405,959)	(12,375)	(8,625)
X Fixed assets		23,896,431	23,668,304	523,094	502,857
1 Tangible fixed assets	13	10,851,182	11,459,815	237,533	243,475
<i>a Cost</i>		19,766,051	19,008,773	432,679	403,860
<i>b Accumulated depreciation</i>		(8,914,869)	(7,548,958)	(195,146)	(160,385)
3 Intangible fixed assets	14	13,045,249	12,208,489	285,561	259,382
<i>a Cost</i>		14,812,552	13,807,824	324,247	293,361
<i>b Accumulated amortisation</i>		(1,767,303)	(1,599,335)	(38,686)	(33,979)
XII Other assets		16,949,759	13,909,410	371,030	295,519
1 Receivables	15	531,985	534,613	11,645	11,358
2 Accrued interest and fees receivable		9,576,148	8,548,643	209,622	181,624
4 Other assets	16	6,841,626	4,826,154	149,763	102,537
TOTAL ASSETS		1,241,988,648	1,164,261,394	27,187,132	24,735,898

The accompanying notes are an integral part of these financial statements

	Note	31/12/2015 USD	31/12/2014 USD	31/12/2015 Equivalent VND million Note 4(a)(ii)	31/12/2014 Equivalent VND million Note 4(a)(ii)
B LIABILITIES AND EQUITY					
LIABILITIES					
II Deposits and borrowings from other credit institutions	17	141,218,244	149,539,385	3,091,267	3,177,113
1 Deposits from other credit institutions		71,554,740	29,636,235	1,566,333	629,651
2 Borrowings from other credit institutions		69,663,504	119,903,150	1,524,934	2,547,462
III Deposits from customers	18	866,200,296	751,214,842	18,961,124	15,960,311
IV Derivatives and other financial liabilities	9	-	696,223	-	14,792
VII Other liabilities		13,041,521	34,940,688	285,480	742,350
1 Accrued interest and fees payable		9,086,156	5,599,382	198,896	118,964
3 Other liabilities	19	3,955,365	29,341,306	86,584	623,386
TOTAL LIABILITIES		1,020,460,061	936,391,138	22,337,871	19,894,566
EQUITY					
VIII Capital and reserves	20	221,528,587	227,870,256	4,849,261	4,841,332
1 Contributed capital		193,000,000	193,000,000	4,224,770	4,100,478
2 Reserves		21,891,812	20,881,844	479,212	443,656
5 Retained profits		6,636,775	13,988,412	145,279	297,198
TOTAL EQUITY		221,528,587	227,870,256	4,849,261	4,841,332
TOTAL LIABILITIES AND EQUITY		1,241,988,648	1,164,261,394	27,187,132	24,735,898

	Note	31/12/2015	31/12/2014	31/12/2015	31/12/2014
		USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
OFF-BALANCE SHEET ITEMS					
I	CONTINGENT LIABILITIES	133,900,231	128,942,249	2,931,076	2,739,507
2	Commitments on currency swap transaction	34 46,526,937	47,219,299	1,018,475	1,003,221
4	Letters of credit commitments	34 35,144,185	29,853,571	769,306	634,269
5	Other guarantees	34 52,229,109	51,869,379	1,143,295	1,102,017

30 March 2016

Prepared by:



Tran Thi My Hang
 Deputy Head of
 Accounting Department

Reviewed by:



Tran Le Thuy
 Chief Accountant



	Note	2015 USD	2014 USD	2015 Equivalent VND million Note 4(a)(ii)	2014 Equivalent VND million Note 4(a)(ii)	
1	Interest and similar income	21	62,775,610	62,316,774	1,374,158	1,323,982
2	Interest and similar expenses	21	(29,512,982)	(31,109,170)	(646,039)	(660,945)
I	Net interest and similar income	21	33,262,628	31,207,604	728,119	663,037
3	Fee and commission income	22	2,588,085	2,490,909	56,653	52,922
4	Fee and commission expenses	22	(654,762)	(559,951)	(14,333)	(11,897)
II	Net fee and commission income	22	1,933,323	1,930,958	42,320	41,025
III	Net loss from foreign exchange transactions	23	(939,073)	(556,099)	(20,556)	(11,815)
IV	Net gain from trading of securities held-for-trading	24	578,457	1,045,624	12,662	22,215
V	Net gain from sales of investment securities	25	1,676,801	-	36,705	-
5	Other income		441,662	985,220	9,668	20,931
6	Other expenses		(18,830)	(10,425)	(412)	(221)
VI	Net other income	26	422,832	974,795	9,256	20,710
VII	Income from investments in other entities	27	193,774	184,484	4,242	3,920
VIII	Operating expenses	28	(17,803,000)	(15,789,186)	(389,708)	(335,458)
IX	Operating profit before allowance expenses for credit losses		19,325,742	18,998,180	423,040	403,634
X	Allowance (expenses)/income for credit losses	11	(10,443,230)	475,243	(228,602)	10,098
XI	Profit before tax (carried forward to next page)		8,882,512	19,473,423	194,438	413,732

The accompanying notes are an integral part of these financial statements

Indovina Bank Limited

97A Nguyen Van Troi Street, Ward 12, Phu Nhuan District
 Ho Chi Minh City, Vietnam
 Statement of income for the year ended 31 December 2015
 (continued)

Form B03/TCTD
 (Issued under Circular No.
 49/2014/TT-NHNN dated 31 December 2014
 of the State Bank of Vietnam)

	Note	2015 USD	2014 USD	2015 Equivalent VND million Note 4(a)(ii)	2014 Equivalent VND million Note 4(a)(ii)
XI Profit before tax (brought forward from the previous page)		8,882,512	19,473,423	194,438	413,732
7 Income tax expense – current	29	(1,917,213)	(4,253,176)	(41,968)	(90,363)
8 Income tax expense – deferred	29	-	-	-	-
XII Total income tax expense	29	(1,917,213)	(4,253,176)	(41,968)	(90,363)
XIII Net profit after tax		6,965,299	15,220,247	152,470	323,369

30 March 2016

Prepared by:



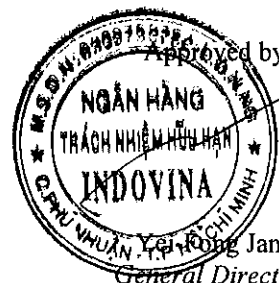
Tran Thi My Hang
 Deputy Head of
 Accounting Department

Reviewed by



Tran Le Thuy
 Chief Accountant

Approved by:



Rong Jan
 General Director

The accompanying notes are an integral part of these financial statements

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
CASH FLOWS FROM OPERATING ACTIVITIES				
01 Interest and similar income received	61,748,105	62,153,769	1,346,160	1,318,758
02 Interest and similar expenses paid	(26,026,208)	(30,216,591)	(566,107)	(640,993)
03 Net fee and commission income received	1,933,323	1,930,958	42,320	41,025
04 Net receipts from trading of foreign currencies and securities	1,166,575	360,651	25,536	7,662
05 Net other income received	1,729	2,833	32	59
06 Collections of bad debts previously written off	420,549	970,535	9,206	20,620
07 Salaries and operating expenses paid	(16,200,921)	(14,334,430)	(355,670)	(304,550)
08 Corporate income tax paid	(4,186,452)	(4,043,767)	(91,641)	(85,815)
Cash flows from operating activities before changes in operating assets and liabilities	18,856,700	16,823,958	409,836	356,766
Changes in operating assets				
09 (Increase)/decrease in deposits with and loans to other credit institutions	(195,841,479)	155,854,903	(4,310,154)	3,271,004
10 Increase in held-for-trading securities and investment securities	(93,563,381)	(69,295,633)	(2,138,206)	(1,487,084)
11 Increase in derivatives and other financial assets	(141,812)	-	(3,104)	-
12 Increase in loans and advances to customers	(20,411,639)	(88,565,635)	(858,043)	(1,997,163)
13 Utilisation of allowance for credit losses	(543,505)	(6,615,505)	(11,897)	(140,553)
14 Increase in other assets	(1,055,485)	(365,837)	(26,435)	(9,069)

The accompanying notes are an integral part of these financial statements

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Changes in operating liabilities				
16 Decrease in deposits and borrowings from other credit institutions	(8,321,141)	(103,216,195)	(85,846)	(2,139,853)
17 Increase in deposits from customers	114,985,454	164,507,634	3,000,813	3,618,338
20 (Decrease)/increase in derivatives and other financial liabilities	(696,223)	696,223	(14,792)	14,792
21 (Decrease)/increase in other liabilities	(4,164,584)	7,965,679	(72,267)	171,338
22 Utilisation of reserves	(259,118)	(180,868)	(5,672)	(3,971)
I Net cash flows from operating activities	(191,156,213)	77,608,724	(4,115,767)	1,654,545
CASH FLOWS FROM INVESTING ACTIVITIES				
01 Payments for purchases of fixed assets	(2,796,653)	(2,103,071)	(61,219)	(44,682)
02 Proceeds from disposals of fixed assets	9,674	9,873	212	210
09 Receipts of dividends	193,774	184,484	4,242	3,920
II Net cash flows from investing activities	(2,593,205)	(1,908,714)	(56,765)	(40,552)
CASH FLOWS FROM FINANCING ACTIVITIES				
04 Profit distribution to the investors	(32,000,000)	-	(700,480)	-
III Net cash flows from financing activities	(32,000,000)	-	(700,480)	-
IV Net cash flows during the year (carry forward from previous page)	(225,749,418)	75,700,010	(4,873,012)	1,613,993

Indovina Bank Limited

97A Nguyen Van Troi Street, Ward 12, Phu Nhuan District
 Ho Chi Minh City, Vietnam
 Statement of cash flows for the year ended 31 December 2015
 (Direct method - continued)

Form B04/FCTD

(Issued under Circular No.
 49/2014/TT-NHNN dated 31 December 2014
 of the State Bank of Vietnam)

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
IV Net cash flows during the year (brought forward from the previous page)	(225,749,418)	75,700,010	(4,873,012)	1,613,993
V Cash and cash equivalents at the beginning of the year	318,625,745	242,925,735	6,769,523	5,110,185
VI Foreign exchange translation differences	-	-	136,551	45,345
VII Cash and cash equivalents at the end of the year (Note 30)	<u>92,876,327</u>	<u>318,625,745</u>	<u>2,033,062</u>	<u>6,769,523</u>

30 March 2016

Prepared by:



Tran Thi My Hang
 Deputy Head of
 Accounting Department

Reviewed by:



Tran Le Thuy
 Chief Accountant

Approved by:



Yei-Pong Jan
 General Director

The accompanying notes are an integral part of these financial statements

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

1. Reporting entity

(a) Establishment and principal activities

Indovina Bank Limited (“the Bank”) is incorporated as a joint venture bank in Vietnam, of Vietnam Joint Stock Commercial Bank for Industry and Trade (“Vietinbank”), a bank incorporated in Vietnam, and Cathay United Bank (“CUB”), a bank incorporated in the Republic of China. The Banking Licence No. 08/NH-GP was issued by the State Bank of Vietnam (“the SBV”) on 29 October 1992 and is valid for 40 years from the licence date.

The principal activities of the Bank are to carry out banking activities which include mobilising and receiving short-term, medium-term and long-term deposits from organisations and individuals; granting short-term, medium-term and long-term loans to organisations and individuals based on the Bank’s capital resources; trading foreign currencies, providing international settlement services, discounting commercial notes, bonds and valuable papers; providing settlement services among customers; and providing other banking services as stipulated by the SBV.

(b) Charter capital

As at 31 December 2015, the Bank’s charter capital is USD193,000,000 (equivalent to VND4,224,770 million) (31/12/2014: USD193,000,000 (equivalent to VND4,100,478 million)).

(c) The Bank’s structure and network

The Bank’s Head Office is located at 97A Nguyen Van Troi Street, Ward 12, Phu Nhuan District, Ho Chi Minh City, Vietnam. As at 31 December 2015, the Bank had one (1) Head Office, thirteen (13) branches, twenty (20) transaction offices (31/12/2014: one (1) Head Office, twelve (12) branches, fourteen (14) transaction offices and six (6) transaction points) across Vietnam.

(d) Number of employees

As at 31 December 2015, the Bank had 776 employees (31 December 2014: 745 employees).

2. Basis of preparation

(a) Statement of compliance

The 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 standards and statutory 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 financial statements are not intended to present the financial position and results of operations and cash flows in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. Furthermore, their utilisation is not designed for those who are not informed about Vietnam's accounting principles, procedures and practices applicable to credit institutions.

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

The Bank maintains its accounting records in USD and presents its financial statements 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 in USD. The Bank also prepares the VND translated financial statements for the purpose of meeting the regulatory requirement under the guidance of the SBV. These VND translated financial statements, including amounts presented for corresponding figures, have been translated from the USD financial statements into VND in accordance with the financial statements translation policy as described in Note 4(a)(ii) to the financial statements. This translation method is different from the translation method stipulated in Vietnamese Accounting Standard No. 10, "*The effects of changes in foreign exchange rates*".

(e) Form of accounting records

The Bank uses accounting software to record its transactions.

3. Changes in accounting policies

(a) Classification of debts

From 1 January 2015, Point 3, Article 8 and Point 1, Article 9 of Circular No. 02/2013/TT-NHNN 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 ("Circular 02") are effective. Accordingly, credit institutions and foreign bank branches shall use the results of debt classification provided by the Credit Information Center of the SBV ("CIC") at the date of classification to adjust result of the internal credit risk classification.

Whereas, Point 3a, Article 10 of Circular 02 expired from 1 April 2015. Accordingly, credit institutions and foreign bank branches are not permitted to restructure debts and keep the debt group unchanged as stipulated in Point 3a, Article 10.

The Bank has adopted these requirements on a prospective basis. The changes to the Bank's accounting policies are disclosed in Note 4(f).

(b) Adoption of Circular No. 49/2014/TT-NHNN dated 31 December 2014

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/QD-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/QD-NHNN dated 29 April 2004 of the Governor of the SBV ("Decision 479"). Circular 49 is effective from 15 February 2015.

Accordingly, the presentation of the Bank's financial statements for the year ended 31 December 2015 reflected certain changes following the new templates provided by Circular 49. Certain corresponding figures for the year ended 31 December 2014 have been reclassified to conform to current year's presentation. See Note 40 – Corresponding figures.

(c) Adoption of Circular No. 200/2014/TT-NHNN dated 22 December 2014

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/QD-BTC dated 20 March 2006 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 SBV, the Bank also adopted relevant requirements in the Vietnamese Accounting System for enterprises.

4. Summary of significant accounting policies

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

(a) Foreign currencies

(i) Foreign currency transactions

All transactions are accounted for in original currencies. Monetary assets and liabilities denominated in currencies other than USD are translated into USD at rates of exchange ruling at the reporting date, non-monetary assets and liabilities are translated into USD at rates of exchange ruling on transaction dates.

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

(ii) Translation of financial statements from the accounting currency to the presentation currency

As discussed in Note (2)(d), the financial statements are prepared and presented in USD, which is the Bank's accounting currency.

Solely for the purpose of meeting the regulatory requirement under the guidance of the SBV where the accounting currency is other than VND, the USD financial statements of the Bank have been translated into VND, rounded to the nearest million ("VND million"), using the following translation method:

- Assets, liabilities and equity are translated into VND at the average inter-bank rate of exchange ruling at the accounting period end date;
- Income and expenses are translated into VND at the average inter-bank rate of exchange ruling at the accounting period end date; and
- Differences arising from these translations are recorded as foreign currency translation differences in Capital and reserves (Note 20).

As the VND translated financial statements are prepared to meet the specific regulatory reporting requirement under the guidance of the SBV, they may not be suitable for another purpose. This translation method should not be construed as a representation that the respective USD amounts can be readily converted into VND at the specified rate or other rates.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with the SBV and deposits with and loans to other credit institutions with original term to maturity of not more than 3 months.

(c) Deposits with and loans to other credit institutions

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

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

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

Credit risk classification of deposits with and loans to other credit institutions and allowance thereof is made in accordance with Circular 02 and Circular No. 09/2014/TT-NHNN dated 18 March 2014 (“Circular 09”) of the SBV on amendments and supplementation to certain articles of Circular 02. Debt classification and allowance for credit losses for deposits with other credit institutions are made in accordance with the accounting policy as described in Note 4(f)(i) and Note 4(f)(ii).

The Bank is not required to make general allowance for deposits with and loans to other credit institutions in accordance with Circular 02.

(d) Securities held-for-trading

(i) Classification

Securities held-for-trading are securities which are acquired principally for the purpose of selling it in the near term or there is evidence of a recent pattern of short-term profit-taking.

(ii) Recognition

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

(iii) Measurement

Securities held-for-trading are stated at cost less allowance. Allowance of securities held-for-trading comprises allowance for credit losses and allowance for diminution in value.

Allowance for credit losses is made for unlisted corporate bonds held-for-trading. Allowance is made in accordance with Circular 02 and Circular 09 as described in Note 4(f).

Allowance for diminution in value is made when the market value is lower than the book value.

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

For unlisted equity securities held-for-trading that are actively traded on the over-the-counter market (“OTC market”), the market price is the average price of the transaction prices quoted by three securities companies having charter capital of more than VND300 billion at the reporting date.

Other securities held-for-trading whose market prices cannot be determined are stated at cost.

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

Interest income during the holding period of debt securities held-for-trading is recognised in the statement of income upon receipt.

(iv) Derecognition

Securities held-for-trading are derecognised when the rights to receive cash flows from these securities have expired or the Bank has transferred substantially all risks and rewards of ownership.

(e) Loans and advances to customers

Loans and advances to customers are stated at the amount of principal outstanding less allowances for credit losses. Allowances for credit losses on loans and advances to customers comprise 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 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 Bank 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.

Loan classification and allowance for credit losses are made in accordance with the requirements of Circular 02 and Circular 09 as described in Note 4(f).

(f) Credit risk classification of allowance for credit losses

(i) Credit risk classification

Credit risk classification of deposits with and loans to other credit institutions (except demand deposits), unlisted corporate bonds and loans and advances to customers (together referred to as “debts”) is made in accordance with the quantitative method as stipulated in Article 10 of Circular 02. Accordingly, debts are classified into 5 groups based on the 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 of 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 to 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 interests because customers are not able to pay the interest according to credit contract; or (d) Debts falling in one of the following cases not yet collected within 30 days after the issuance date of recovery decision: <ul style="list-style-type: none"> ▪ Debts having violated regulations specified in Points 1, 3, 4, 5, 6 of Article 126 of Law on Credit Institutions; or ▪ Debts having violated regulations specified in Points 1, 2, 3, 4 of Article 127 of Law on Credit Institutions; or ▪ Debts having violated regulations specified in Points 1, 2, 5 of Article 128 of Law 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 having specified in point (d) of Sub-standard debts not yet collected between 30 days and 60 days after the issuance date of recovery decision; or (e) Debts in the collection process under inspection conclusions but being overdue up to 60 days according to recovery term.

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

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

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

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

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

Effective from 1 January 2015, the Bank is required to use the results of debt group as provided by the CIC of the SBV to classify its debts into higher risk group as decided by the Bank and provided by the CIC.

Prior to 1 April 2015

In accordance with Point 3a, Article 10 of Circular 02, amended and supplemented by Circular 09, credit ratings of rescheduled loans and advances to customers remains unchanged as before the reschedule provided that the following conditions are met:

- The loan was granted under credit facility which does not violate any law or regulation;
- The reschedule of repayment term is in line with the purpose of the project as stated in the loan contract;
- The borrower used the loan for the correct purpose;
- The borrower has a new loan repayment plan that is feasible and suitable to its business; and
- The Bank 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 loans into medium-term or long-term loans.

From 1 April 2015

Point 3a, Article 10 of Circular 02 expires. Accordingly, the Bank is not allowed to reschedule the payment term and keep the debt group unchanged.

(ii) Specific allowance for credit losses

In accordance with Circular 02 and Circular 09, specific allowance for credit losses as at 31 December is calculated based on the allowance rate corresponding with debt group of outstanding principals of debts on the last working date of November less allowed value of collaterals being determined in accordance with the principles described as below. The allowance rate for each debt group is 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 loans and advances to customers to related parties or other parties subject to credit restriction under Article 127 of the Law on Credit Institutions and collateral asset with value of VND200 billion or more must be valued by a licensed asset valuation organisation.

Other than the above, collateral assets are valued in accordance with the Bank's internal policy and process

Deductible 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 (i); 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:	
▪ With a remaining term of 1 year or less	95%
▪ With a remaining term of between 1 year to 5 years	85%
▪ With a remaining term of over 5 years	80%

Type of collateral assets	Maximum allowed ratio
(d) Securities issued by other credit institutions and listed on a stock exchange	70%
(e) Securities issued by enterprises and listed on a stock exchange	65%
(f) Unlisted securities and valuable papers, except for the types of securities specified in (c), 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 (c), 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 deductible value.

(iii) General allowance for credit losses

In accordance with Circular 02, a general allowance for credit losses on loans and advances to customers as at 31 December is made at 0.75% of the outstanding balance of loans and advances to customers on the last working day of November, excluding the balances of loans and advances to customers which are classified as Loss debts.

(iv) Writing-off loans and advances to customers

In accordance with Circular 02 and Circular 09, loans and advances to customers are written-off against the allowance when loans and advances to customers 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 written-off against allowance are recorded as off-balance sheet items for following up and collection. The amount collected from previously written-off loans, including the amount from sales of collaterals against those loans, is recognised in the statement of income upon receipt.

(g) Investment securities

Investment securities include available-for-sale and held-to-maturity securities. The Bank classifies investment securities at buying date as either available-for-sale or held-to-maturity. According to Official Letter No. 2601/NHNN-TCKT issued by SBV on 14 April 2009, for investment securities, the Bank is allowed to reclassify maximum one time after the initial classification at buying date.

(i) *Available-for-sale securities*

Classification

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

Recognition

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

Measurement

Available-for-sale unlisted corporate bonds are stated at cost less allowance for credit losses. Credit risk classification and allowance for credit losses are made in accordance with Circular 02 and Circular 09 as described in Note 4(f).

Other available-for-sale securities are initially recognised at cost which includes purchase price plus any directly attributable transaction costs such as brokerage fee, transaction fee, information fee, bank charge (if any). Subsequent to initial recognition, these securities are stated at the lower of book value and market value and allowance for diminution in value is recorded in the 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 unlisted public company market ("the UPCom market"), the market price is the closing prices obtained from the UPCom market at the reporting date.

For unlisted available-for-sale equity securities that are actively traded on the OTC market, the market price is the average of the transaction prices quoted by three securities companies having charter capital above VND300 billion at the reporting date.

Other available-for-sale securities whose market price cannot be determined reliably are stated at cost.

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

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

The allowance for credit losses of available-for-sale unlisted corporate bonds and allowance for diminution in value of other available-for-sale securities as mentioned above are 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.

Derecognition

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

(ii) Held-to-maturity securities

Classification

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

Recognition

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

Measurement

Held-to-maturity unlisted corporate bonds are stated at cost less allowance for credit losses. Credit risk classification and allowance for credit losses for held-to-maturity unlisted corporate bonds are made in accordance with Circular 02 and Circular 09 as described in Note 4(f).

Other held-to-maturity securities are stated at cost less allowance for diminution in value. Allowance for diminution in value is made when there is an indicator of long-term decline or strong evidence that the Bank might not be able to fully recover the amount and the Bank does not make allowance for ~~diminution in value for short-term changes in prices.~~

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

Post-acquisition interest income of held-to-maturity securities is recognised in the statement of income on an accrual basis. Interest income received which are attributable to the period before acquisition date of held-to-maturity securities are deducted from the carrying amount of held-to-maturity securities.

The allowance for credit losses of held-to-maturity unlisted corporate bonds and allowance for diminution in the value of other held-to-maturity securities as mentioned above are 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.

Derecognition

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

(h) Off-balance sheet commitments

In accordance with Circular 02 and Circular 09, classification of off-balance sheet commitments is conducted solely for risk management, credit quality supervision of credit granting activities. No provision is made for off-balance sheet commitments, except where the Bank has been required to made payment under the guarantee contract, in which case the payment on behalf is classified and allowance for credit losses is made in accordance with the accounting policy as described in Note 4(f)(i) and Note 4(f)(ii).

(i) Other assets

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

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

Allowance for losses on other assets based on overdue status is made in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by Ministry of Finance as follows:

	Allowance rate
From six (06) months to less than one (01) year	30%
From one (01) year to less than two (02) years	50%
From two (02) years to less than three (03) years	70%
From three (03) years and over	100%

(j) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises of its purchase price, import duties 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 repairs, maintenance and overhaul costs, is normally charged to the 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 its originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

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

▪ buildings and leasehold improvements	5 – 40 years
▪ office equipment, furniture and fixtures	3 – 8 years
▪ motor vehicles	6 years

(k) Intangible fixed assets

(i) Land use rights

Land use rights are stated at cost less accumulated amortisation. 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. Land use rights which are granted for a definite term are amortised, using the straight-line method over the terms indicated in the land use right certificates. Land use rights which are granted for an indefinite term are carried out at cost and not amortised.

(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 5 to 8 years.

(l) Construction in progress

Construction in progress represents the costs of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

(m) Derivative financial instruments

Currency swap contracts

Currency swap contracts are recorded at contract value in the financial statements. Differences between the currency amounts which are committed to buy/sell at the contractual exchange rate and the buy/sell committed currency amounts translated at the spot exchange rate at the effective dates of the currency swap contracts are amortised to the statement of income on a straight-line basis over the terms of the contracts.

Cross currency swap contracts

For cross currency swap of parties to exchange interest payments and principals denominated in two different currencies which are exchanged at the effective date, the contract value is recognised on the balance sheet following the same accounting policy applied to currency swap contracts. Income earned and expenses incurred are recognised on an accrual basis.

(n) Provisions

A provision other than provisions as described in Note 4(f) and Note 4(g), is recognised if, as a result of a past event, the Bank 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 loans to other credit institutions

Deposit and loans to other credit institutions are stated at cost.

(p) Deposits from customers

Deposit from customers are stated at cost.

(q) Other payables

Other payables are stated at cost.

(r) Employees' benefits

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Bank and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. Contribution payable by the Bank to the unemployment insurance fund for the period in exchange for the services rendered by the employees is recognised as an expense in the statement of income.

(s) Contributed capital

Contributed capital is recognised on the contribution date at the actual amount contributed less any directly attributable transaction costs.

(t) Statutory reserves

According to Decree No. 57/2012/NĐ-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 contributed capital	5% of profit after tax	Contributed capital
Financial reserve	10% of profit after tax	25% contributed capital

The purpose of the financial reserve is to cover losses incurred during the normal course of business. These reserves are non-distributable and classified as part of equity.

(u) Taxation

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

Current tax is the expected tax payable on the taxable income for the 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 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 difference 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.

(v) Revenue

(i) Interest income

Interest income is recognised in the statement of income on an accrual basis except for interest from debts classified in Group 2 to Group 5 as defined in Note 4(f)(i), which is recognised in the statement of income upon receipt.

(ii) Fee and commission income

Fees and commissions are recognised in the statement of income when earned.

(iii) Dividend income

Dividend receivable in cash are recognised in the statement of income when the Bank's right to receive payment is established.

(w) Interest expense

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

(x) Fee and commission expenses

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

(y) Operating lease payments

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

(z) Related parties

Parties are considered to be related to the Bank 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 Bank 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.

Related companies refer to the investors and their ultimate parent companies and their subsidiaries and associates.

(aa) Off-balance sheet items

Commitments and contingent liabilities

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

(bb) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Bank's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Bank 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 considered by the management as held for trading. A financial asset is considered 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
 - 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 Bank 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 payments and a fixed maturity that the Bank has the positive intention and ability to hold to maturity, other than:

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

Loans and receivables

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

- that the Bank intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as at fair value through profit or loss;
- that the Bank upon initial recognition designates as available-for-sale; or
- for which the Bank 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 that are not classified as:

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

(ii) *Financial liabilities*

Financial liabilities at fair value through profit or loss

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

- It is considered by the management as held for trading. A financial liability is considered 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
 - 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 Bank 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 purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

(cc) Nil balances

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

5. Cash on hand

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Cash in VND	6,497,761	7,545,811	142,236	160,319
Cash in foreign currencies	3,044,543	2,844,791	66,645	60,440
	9,542,304	10,390,602	208,881	220,759

6. Balances with the State Bank of Vietnam

These 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 ("CRR"). The monthly average balance of the reserve must not be less than CRR rates multiply with preceding month's average balances of deposits in scope as follows:

Deposits in scope	CRR rates	
	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%	8%
▪ Deposits in foreign currencies with term of 12 months and above	6%	6%
▪ Deposits in VND with term of less than 12 months	3%	3%
▪ Deposits in VND with term of 12 months and above	1%	1%

Overseas credit institutions

▪ Deposits in foreign currencies	1%	1%
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	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Current account and compulsory reserve				
▪ In VND	18,320,587	22,717,915	401,038	482,665
▪ In USD	15,970,840	14,076,680	349,601	299,073
	34,291,427	36,794,595	750,639	781,738

7. Deposits with and loans to other credit institutions

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Deposits with other credit institutions				
Current deposits				
▪ In VND	6,468,434	1,605,614	141,594	34,113
▪ In foreign currencies	21,153,422	15,043,915	463,048	319,623
Term deposits				
▪ In VND	4,568,296	130,377,483	100,000	2,770,000
▪ In foreign currencies	140,000,000	115,000,000	3,064,600	2,443,290
	172,190,152	262,027,012	3,769,242	5,567,026
Loans to other credit institutions				
▪ In VND	29,693,924	9,413,537	650,000	200,000
▪ In foreign currencies	79,000,000	36,000,000	1,729,310	764,856
	108,693,924	45,413,537	2,379,310	964,856
	280,884,076	307,440,549	6,148,552	6,531,882

Analysis credit quality of deposits and loans to other credit institution is as follows:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Group 1 - Current debts	253,262,220	290,791,020	5,543,910	6,178,146

8. Securities held-for-trading

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
<i>Equity securities</i>				
▪ Shares issued by local economic entities	2,910,628	3,002,519	63,714	63,792
<i>Debt securities</i>				
▪ Bonds issued by local economic entities	24,211,969	4,706,769	530,000	100,000
▪ Government bonds	18,293,513	-	400,445	-
	45,416,110	7,709,288	994,159	163,792
Allowance for securities held-for-trading (*)	(945,541)	(965,473)	(20,698)	(20,512)
	44,470,569	6,743,815	973,461	143,280

Securities held-for-trading categorised by listing status are as follows:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
<i>Equity securities</i>				
▪ Unlisted	2,910,628	3,002,519	63,714	63,792
<i>Debt securities</i>				
▪ Unlisted	24,211,969	4,706,769	530,000	100,000
▪ Listed	18,293,513	-	400,445	-
	45,416,110	7,709,288	994,159	163,792

(*) Allowance for securities held-for-trading consists of:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent	Equivalent
			VND million	VND million
			Note 4(a)(ii)	Note 4(a)(ii)
General allowance for credit losses (i)	147,328	17,650	3,225	375
Allowance for diminution in value (ii)	798,213	947,823	17,473	20,137
	945,541	965,473	20,698	20,512

(i) Movements in general allowance for credit losses of securities held-for-trading during the year were as follows:

	2015	2014	2015	2014
	USD	USD	Equivalent	Equivalent
			VND million	VND million
			Note 4(a)(ii)	Note 4(a)(ii)
Opening balance	17,650	-	375	-
Allowance made during the year	129,678	17,650	2,839	375
Foreign currency translation difference	-	-	11	-
Closing balance	147,328	17,650	3,225	375

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

	2015	2014	2015	2014
	USD	USD	Equivalent	Equivalent
			VND million	VND million
			Note 4(a)(ii)	Note 4(a)(ii)
Opening balance	947,823	1,076,697	20,137	22,650
Allowance reversed during the year	(149,610)	(128,874)	(3,275)	(2,738)
Foreign currency translation difference	-	-	611	225
Closing balance	798,213	947,823	17,473	20,137

9. Derivatives and other financial assets/(liabilities)

	Total contract value (at the foreign exchange rate at the contract date)		Total carrying value (at the foreign exchange rate at the reporting date)	
	USD	Equivalent VND million Note 4(a)(ii)	USD	Equivalent VND million Note 4(a)(ii)
As at 31 December 2015				
Cross currency swap contracts	23,685,457	500,000	141,812	3,104
As at 31 December 2014				
Cross currency swap contracts	23,685,457	500,000	(696,223)	(14,792)

10. Loans and advances to customers

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Loans to local economic entities and individuals	658,964,357	631,662,492	14,424,730	13,420,301
Loans to foreign economic entities and individuals	5,210	6,895,436	114	146,500
	658,969,567	638,557,928	14,424,844	13,566,801

Loan portfolio by loan group is as follows:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Group 1 - Current loans	621,568,773	621,740,078	13,606,141	13,209,488
Group 2 - Special-mentioned loans	11,063,422	9,158,454	242,178	194,581
Group 3 - Sub-standard loans	223,111	1,403,735	4,884	29,824
Group 4 - Doubtful loans (i)	10,240,110	706,391	224,156	15,008
Group 5 - Loss loans	15,874,151	5,549,270	347,485	117,900
	658,969,567	638,557,928	14,424,844	13,566,801

- (i) Included in loans in Group 4 – Doubtful loans as at 31 December 2015 was USD10 million (31/12/2014: USD10 million) of loan to Orient Bio Fuels Joint Stock Company (“OBF”). In accordance with Circular 02, the Bank classified this loan into higher risk group as decided by the Bank – Group 2 and the loan group provided by CIC – Group 4. In 2015, OBF, the Bank and other banks sent official letter to the SBV proposing the classification of loan to OBF into lower risk group. As at the date of this report, the Bank has not received response from SBV to this proposal.

Loan portfolio by term is as follows:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Short-term loans	281,322,888	266,146,537	6,158,159	5,654,548
Medium-term loans	74,229,617	61,171,696	1,624,886	1,299,654
Long-term loans	303,417,062	311,239,695	6,641,799	6,612,599
	658,969,567	638,557,928	14,424,844	13,566,801

Loan portfolio by industry is as follows:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Mining and processing	278,343,200	249,467,654	6,092,933	5,300,190
Trading and motor vehicle repairing	135,079,588	128,411,523	2,956,892	2,728,231
Construction	61,815,638	65,992,774	1,353,144	1,402,082
Logistics	57,206,634	60,282,802	1,252,253	1,280,768
Accommodation and restaurant services	7,168,251	2,778,549	156,913	59,033
Real estate	6,280,425	14,191,147	137,479	301,505
Agriculture, forestry and aquatics	5,596,733	4,732,600	122,512	100,549
Health care and social support	5,642,527	6,212,220	123,515	131,985
Financial services	4,472,362	1,138,002	97,900	24,178
Electricity, oil and gas supply	4,142,727	18,480,771	90,684	392,642
Training and education	623,719	1,394,300	13,653	29,623
Administration and support services	169,027	-	3,700	-
Telecommunication	116,395	28,785,553	2,548	611,578
Technology, science and specialist industry	46,642	48,056	1,021	1,021
Others	92,265,699	56,641,977	2,019,697	1,203,416
	658,969,567	638,557,928	14,424,844	13,566,801

Loan portfolio by type of borrowers is as follows:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent	Equivalent
			VND million	VND million
			Note 4(a)(ii)	Note 4(a)(ii)
Joint stock companies	198,799,185	155,879,280	4,351,714	3,311,811
Limited liability companies	163,673,402	138,654,283	3,582,811	2,945,849
State owned companies	143,120,360	168,859,704	3,132,905	3,587,593
Foreign invested companies	99,507,157	124,242,187	2,178,212	2,639,649
Individuals	38,853,926	38,773,373	850,512	823,779
Private companies	15,015,537	12,149,101	328,690	258,120
	658,969,567	638,557,928	14,424,844	13,566,801

Loan portfolio by currency is as follows:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent	Equivalent
			VND million	VND million
			Note 4(a)(ii)	Note 4(a)(ii)
In VND	404,685,378	318,817,803	8,858,563	6,773,602
In foreign currencies	254,284,189	319,740,125	5,566,281	6,793,199
	658,969,567	638,557,928	14,424,844	13,566,801

11. Allowance for loans and advances to customers

Allowance for loans and advances to customers consists of:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
General allowance (i)	4,430,145	4,432,418	96,976	94,171
Specific allowance (ii)	10,511,159	609,161	230,089	12,942
	14,941,304	5,041,579	327,065	107,113

Movements in general allowance for credit losses on loans and advances to customers during the year were as follows:

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Opening balance	4,432,418	4,072,176	94,171	85,662
Allowance (reversed)/made during the year	(2,273)	360,242	(50)	7,653
Foreign currency translation difference	-	-	2,855	856
Closing balance	4,430,145	4,432,418	96,976	94,171

Movements in specific allowance for credit losses on loans and advances to customers during the year were as follows:

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Opening balance	609,161	4,955,773	12,942	104,250
Allowance made during the year	10,445,503	2,268,893	228,652	48,205
Allowance utilised during the year	(543,505)	(6,615,505)	(11,897)	(140,553)
Foreign currency translation difference	-	-	392	1,040
Closing balance	10,511,159	609,161	230,089	12,942

12. Investment securities

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Available-for-sale securities				
<i>Debt securities</i>				
▪ Government bonds	101,551,710	72,716,767	2,222,967	1,544,940
<i>Equity securities</i>				
▪ Shares issued by local economic entities	-	652,358	-	13,860
	101,551,710	73,369,125	2,222,967	1,558,800
Held-to-maturity securities				
<i>Debt securities</i>				
▪ Bonds issued by local economic entities (i)	86,797,624	58,834,604	1,900,000	1,250,000
Allowance for investment securities				
▪ General allowance (ii)	(565,327)	(405,959)	(12,375)	(8,625)
	86,232,297	58,428,645	1,887,625	1,241,375

The remaining terms and interest rate of debt securities as at the reporting date were as follows:

	31/12/2015		31/12/2014	
	Term	Interest rate	Term	Interest rate
Available-for-sale securities				
▪ Government bonds in VND	1 - 5 years	5.20% - 11.35%	1 - 5 years	5.20% - 12.40%
Held-to-maturity securities				
▪ Corporate bonds in VND	4 - 5 years	8.00% - 10.50%	3 - 5 years	10.85% - 14.00%

Analysis of credit quality of investment securities by debt group was as follows:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent	Equivalent
			VND million	VND million
			Note 4(a)(ii)	Note 4(a)(ii)
Group 1 - Current debts	86,797,624	58,834,604	1,900,000	1,250,000

- (i) As at 31 December 2015, these bonds were issued by three local companies amounting to USD86,797,624 (equivalent to VND1,900 million) (31/12/2014: USD58,834,604 (equivalent to VND1,250 million)) and secured by shares, land use rights and assets financed by these bonds amounting to USD135,080,050 (equivalent to VND2,956,902 million) (31/12/2014: USD162,764,534 (equivalent to VND3,458,095 million)).
- (ii) Movements in general allowance for credit losses of investment securities during the year were as follows:

	2015	2014	2015	2014
	USD	USD	Equivalent	Equivalent
			VND million	VND million
			Note 4(a)(ii)	Note 4(a)(ii)
Opening balance	405,959	-	8,625	-
Allowance made during the year	159,368	405,959	3,489	8,625
Foreign currency translation difference	-	-	261	-
Closing balance	565,327	405,959	12,375	8,625

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

13. Tangible fixed assets

2015	Buildings and leasehold improvements USD	Office equipment, furniture and fixtures USD	Motor vehicles USD	Total USD
Cost				
Opening balance	10,708,502	5,783,742	2,516,529	19,008,773
Additions	172,093	106,511	39,069	317,673
Transfer from construction in progress	19,313	461,316	36,296	516,925
Disposals	(27,787)	(17,158)	(26,795)	(71,740)
Written-off	-	(5,580)	-	(5,580)
Closing balance	10,872,121	6,328,831	2,565,099	19,766,051
<i>Closing balance – Equivalent VND million (Note 4(a)(ii))</i>	237,991	138,538	56,150	432,679
Accumulated depreciation				
Opening balance	2,171,127	3,946,133	1,431,698	7,548,958
Charge for the year	530,772	647,738	255,601	1,434,111
Disposals	(18,666)	(17,160)	(26,794)	(62,620)
Written-off	-	(5,580)	-	(5,580)
Closing balance	2,683,233	4,571,131	1,660,505	8,914,869
<i>Closing balance – Equivalent VND million (Note 4(a)(ii))</i>	58,736	100,062	36,348	195,146
Net book value				
Opening balance	8,537,375	1,837,609	1,084,831	11,459,815
Closing balance	8,188,888	1,757,700	904,594	10,851,182
<i>Closing balance – Equivalent VND million (Note 4(a)(ii))</i>	179,255	38,476	19,802	237,533

13. Tangible fixed assets (continued)

2014	Buildings and leasehold improvements USD	Office equipment, furniture and fixtures USD	Motor vehicles USD	Total USD
Cost				
Opening balance	9,755,481	4,514,624	1,780,327	16,050,432
Additions	4,826	153,957	81,734	240,517
Transfer from construction in progress	982,053	1,116,993	750,923	2,849,969
Disposals	(33,858)	(1,832)	(96,455)	(132,145)
Closing balance	10,708,502	5,783,742	2,516,529	19,008,773
<i>Closing balance – Equivalent VND million (Note 4(a)(ii))</i>	<i>227,513</i>	<i>122,881</i>	<i>53,466</i>	<i>403,860</i>
Accumulated depreciation				
Opening balance	1,654,998	3,415,085	1,280,558	6,350,641
Charge for the year	541,541	532,880	247,595	1,322,016
Disposals	(25,412)	(1,832)	(96,455)	(123,699)
Closing balance	2,171,127	3,946,133	1,431,698	7,548,958
<i>Closing balance – Equivalent VND million (Note 4(a)(ii))</i>	<i>46,128</i>	<i>83,840</i>	<i>30,417</i>	<i>160,385</i>
Net book value				
Opening balance	8,100,483	1,099,539	499,769	9,699,791
Closing balance	8,537,375	1,837,609	1,084,831	11,459,815
<i>Closing balance – Equivalent VND million (Note 4(a)(ii))</i>	<i>181,385</i>	<i>39,041</i>	<i>23,049</i>	<i>243,475</i>

Included in tangible fixed assets were assets costing USD5,046,657 (equivalent to VND110,471 million) which were fully depreciated as at 31 December 2015 (31/12/2014: USD4,297,925 (equivalent to VND91,314 million)), but which are still in use.

14. Intangible fixed assets

2015	Land use rights USD	Software USD	Total USD
Cost			
Opening balance	12,189,508	1,618,316	13,807,824
Additions	-	26,003	26,003
Transfer from construction in progress	383,737	594,988	978,725
Closing balance	12,573,245	2,239,307	14,812,552
<i>Closing balance Equivalent VND million (Note 4(a)(ii))</i>	275,228	49,019	324,247
Accumulated amortisation			
Opening balance	229,306	1,370,029	1,599,335
Charge for the year	12,599	155,369	167,968
Closing balance	241,905	1,525,398	1,767,303
<i>Closing balance Equivalent VND million (Note 4(a)(ii))</i>	5,295	33,391	38,686
Net book value			
Opening balance	11,960,202	248,287	12,208,489
Closing balance	12,331,340	713,909	13,045,249
<i>Closing balance Equivalent VND million (Note 4(a)(ii))</i>	269,933	15,628	285,561

14. Intangible fixed assets (continued)

2014	Land use rights USD	Software USD	Total USD
Cost			
Opening balance	12,189,508	1,427,948	13,617,456
Additions	-	184,235	184,235
Transfer from construction in progress	-	6,133	6,133
Closing balance	12,189,508	1,618,316	13,807,824
<i>Closing balance Equivalent VND million (Note 4(a)(ii))</i>	258,978	34,383	293,361
Accumulated amortisation			
Opening balance	212,821	1,253,774	1,466,595
Charge for the year	16,485	116,255	132,740
Closing balance	229,306	1,370,029	1,599,335
<i>Closing balance Equivalent VND million (Note 4(a)(ii))</i>	4,872	29,107	33,979
Net book value			
Opening balance	11,976,687	174,174	12,150,861
Closing balance	11,960,202	248,287	12,208,489
<i>Closing balance Equivalent VND million (Note 4(a)(ii))</i>	254,106	5,276	259,382

Included in intangible fixed assets were assets costing USD1,293,437 (equivalent to VND28,313 million) which were fully depreciated as at 31 December 2015 (31/12/2014: USD1,129,514 (equivalent to VND23,998 million)), but which are still in use.

15. Receivables

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Rental deposits	357,559	354,901	7,827	7,540
Receivables from the SBV relating to Interest Subsidy Program	174,426	179,712	3,818	3,818
	531,985	534,613	11,645	11,358

16. Other assets

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Construction in progress (i)	3,580,204	2,622,877	78,371	55,726
Overpaid corporate income tax (Note 32)	1,580,197	-	34,591	-
Prepaid expenses (ii)	1,162,066	1,652,226	25,438	35,103
Prepayments to suppliers	231,277	355,255	5,063	7,548
Office tools and supplies	113,128	99,022	2,476	2,104
Advances for operating activities	2,088	1,795	46	38
Others	172,666	94,979	3,778	2,018
	6,841,626	4,826,154	149,763	102,537

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

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Opening balance	2,622,877	3,800,660	55,726	79,951
Additions during the year	3,039,195	2,400,195	66,528	50,995
Transfer to tangible fixed assets	(516,925)	(2,849,969)	(11,315)	(60,550)
Transfer to intangible fixed assets	(978,725)	(6,133)	(21,424)	(130)
Transfer to prepaid expenses	(586,218)	(721,876)	(12,832)	(15,337)
Foreign currency translation difference	-	-	1,688	797
Closing balance	3,580,204	2,622,877	78,371	55,726

Major construction in progress were as follows:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Buildings	3,462,590	2,162,341	75,796	45,941
Software	117,614	460,536	2,575	9,785
	3,580,204	2,622,877	78,371	55,726

(ii) Movements of prepaid expenses during the year were as follows:

	2015	Tools and instruments 2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Opening balance	1,652,226	885,012	35,103	18,617
Additions	1,933,004	3,384,173	148,831	71,900
Transfer from construction in progress	586,218	721,876	12,832	15,337
Amortisation for the year	(3,009,382)	(3,338,835)	(172,393)	(70,937)
Foreign currency translation difference	-	-	1,065	186
Closing balance	1,162,066	1,652,226	25,438	35,103

17. Deposits and borrowings from other credit institutions

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Deposits from other credit institutions				
Demand deposits				
▪ In VND	1,582,233	74,007	34,635	1,572
▪ In foreign currencies	526,641	648,691	11,528	13,782
Term deposits				
▪ In VND	16,445,866	9,413,537	360,000	200,000
▪ In foreign currencies	53,000,000	19,500,000	1,160,170	414,297
	71,554,740	29,636,235	1,566,333	629,651
Borrowings from other credit institutions				
▪ In foreign currencies	69,663,504	119,903,150	1,524,934	2,547,462
	141,218,244	149,539,385	3,091,267	3,177,113

18. Deposits from customers

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Current accounts				
▪ In VND	168,102,789	143,283,538	3,679,770	3,044,202
▪ In foreign currencies	143,563,538	99,310,460	3,142,606	2,109,950
Term deposits				
▪ In VND	485,360,502	429,948,197	10,624,541	9,134,679
▪ In foreign currencies	65,913,331	75,522,879	1,442,842	1,604,559
Margin deposits				
▪ In VND	1,640,468	532,447	35,910	11,312
▪ In foreign currencies	1,619,668	2,617,321	35,455	55,609
	866,200,296	751,214,842	18,961,124	15,960,311

Deposits from customers by type of customers are as follows:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Economic entities	603,954,324	536,086,314	13,220,560	11,389,690
Individuals	262,245,972	215,128,528	5,740,564	4,570,621
	866,200,296	751,214,842	18,961,124	15,960,311

19. Other liabilities

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Deferred interest income from bonds	1,985,316	-	43,459	-
Remittances payable	1,218,543	520,793	26,674	11,065
Bonus and welfare fund	257,715	241,833	5,641	5,138
Payables to other credit institutions relating to ATM transactions	233,674	116,596	5,115	2,477
Escrow fund	198,587	8,665,369	4,347	184,104
Taxes payable (Note 32)	51,496	761,249	1,127	16,173
Profits distribution payable to investors	-	19,000,000	-	403,674
Others	10,034	35,466	221	755
	3,955,365	29,341,306	86,584	623,386

20. Capital and reserves

(i) Statement of changes in equity

	Contributed capital USD	Reserve to supplement contributed capital USD	Financial reserve USD	Development reserve USD	Bonus and welfare fund USD	Retained profits USD	Total USD
Balance at 1 January 2014	193,000,000	6,350,902	12,124,627	199,380	242,750	12,227,100	224,144,759
Net profit for the year	-	-	-	-	-	15,220,247	15,220,247
Transfer to statutory reserves	-	761,012	1,445,923	-	252,000	(2,458,935)	-
Utilisation of fund	-	-	-	-	(180,868)	-	(180,868)
Reclassification to liabilities	-	-	-	-	(313,882)	-	(313,882)
Profits distribution	-	-	-	-	-	(11,000,000)	(11,000,000)
Balance at 1 January 2015	193,000,000	7,111,914	13,570,550	199,380	-	13,988,412	227,870,256
Net profit for the year	-	-	-	-	-	6,965,299	6,965,299
Transfer to statutory reserves	-	348,265	661,703	-	-	(1,009,968)	-
Transfer to bonus and welfare fund	-	-	-	-	-	(307,000)	(307,000)
Profits distribution	-	-	-	-	-	(13,000,000)	(13,000,000)
Other adjustments	-	-	-	-	-	(6,819)	(6,819)
Other movements	-	-	-	-	-	6,851	6,851
Balance at 31 December 2015	193,000,000	7,460,179	14,232,253	199,380	-	6,636,775	221,528,587

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

	Contributed capital	Reserve to supplement contributed capital	Financial reserve Equivalent VND million (Note 4(a)(ii))	Development reserve	Bonus and welfare fund	Retained profits	Total
Balance at 1 January 2014	4,059,948	133,598	255,055	4,194	5,106	257,208	4,715,109
Net profit for the year	-	-	-	-	-	323,369	323,369
Transfer to statutory reserves	-	16,168	30,720	-	5,354	(52,242)	-
Utilisation of fund	-	-	-	-	(3,971)	-	(3,971)
Reclassification to liabilities	-	-	-	-	(6,540)	-	(6,540)
Profits distribution	-	-	-	-	-	(233,706)	(233,706)
Foreign currency translation difference	40,530	1,333	2,545	43	51	2,569	47,071
Balance at 1 January 2015	4,100,478	151,099	288,320	4,237	-	297,198	4,841,332
Net profit for the year	-	-	-	-	-	152,470	152,470
Transfer to statutory reserves	-	7,624	14,485	-	-	(22,109)	-
Transfer to bonus and welfare fund	-	-	-	-	-	(6,720)	(6,720)
Profits distribution	-	-	-	-	-	(284,570)	(284,570)
Other adjustments	-	-	-	-	-	(149)	(149)
Other movements	-	-	-	-	-	150	150
Foreign currency translation difference	124,292	4,581	8,739	127	-	9,009	146,748
Balance at 31 December 2015	4,224,770	163,304	311,544	4,364	-	145,279	4,849,261

(ii) *Contributed capital*

The Bank's authorised and contributed capital are:

	Authorised and contributed			
	31/12/2015		31/12/2014	
	USD	%	USD	%
Vietinbank	96,500,000	50%	96,500,000	50%
Cathay United Bank	96,500,000	50%	96,500,000	50%
	193,000,000	100%	193,000,000	100%

(iii) *Profits distribution*

The Members' Council Meeting on 8 June 2015 resolved to distribute profit amounting to USD13,000,000 (equivalent to VND284,570 million) (2014: USD11,000,000 (equivalent to VND233,706 million)) to the Bank's investors.

21. **Net interest income**

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
<i>Interest and similar income from</i>				
Deposits with and loans to other credit institutions	7,625,498	13,940,818	166,922	296,186
Loans and advances to customers	42,863,552	39,339,485	938,283	835,807
Investments securities	11,294,440	8,043,954	247,235	170,902
Guarantee services	981,762	992,517	21,491	21,087
Others	10,358	-	227	
	62,775,610	62,316,774	1,374,158	1,323,982
<i>Interest and similar expenses on</i>				
Deposits from other credit institutions and customers	(28,997,723)	(30,500,565)	(634,760)	(648,015)
Borrowings from other credit institutions	(515,259)	(608,605)	(11,279)	(12,930)
	(29,512,982)	(31,109,170)	(646,039)	(660,945)
	33,262,628	31,207,604	728,119	663,037

22. Net fee and commission income

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
<i>Fee and commission income from</i>				
Settlement, cashiering and trade finance services	2,447,839	2,383,739	53,583	50,645
Others	140,246	107,170	3,070	2,277
	2,588,085	2,490,909	56,653	52,922
<i>Fee and commission expenses on</i>				
Settlement, cashiering and trade finance services	(648,002)	(555,335)	(14,185)	(11,799)
Others	(6,760)	(4,616)	(148)	(98)
	(654,762)	(559,951)	(14,333)	(11,897)
	1,933,323	1,930,958	42,320	41,025

23. Net loss from foreign exchange transactions

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Gain from spot foreign exchange contracts	1,813,636	1,328,514	39,700	28,226
Loss from spot foreign exchange contracts	(1,247,494)	(375,522)	(27,308)	(7,978)
Gain from derivatives	880,544	861,000	19,275	18,293
Loss from derivatives	(2,385,759)	(2,370,091)	(52,223)	(50,356)
	(939,073)	(556,099)	(20,556)	(11,815)

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

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Gain from trading of securities held-for-trading	558,525	916,750	12,226	19,477
Reversal of allowance for diminution in value of securities held-for-trading (Note 8)	149,610	128,874	3,275	2,738
Allowance made for credit losses on securities held-for-trading (Note 8)	(129,678)	-	(2,839)	-
	578,457	1,045,624	12,662	22,215

25. Net gain from sales of investment securities

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Gain from sales of investment securities	1,836,169	-	40,194	-
Allowance made for credit losses on investment securities (Note 12)	(159,368)	-	(3,489)	-
	1,676,801	-	36,705	-

26. Net other income

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Other income				
Collection of bad debts previously written off	420,549	970,535	9,206	20,620
Proceeds from disposals of fixed assets	9,674	9,873	212	210
Others	11,439	4,812	250	101
	441,662	985,220	9,668	20,931
Other expenses				
Net book value of fixed assets disposed	(9,120)	(8,446)	(200)	(179)
Others	(9,710)	(1,979)	(212)	(42)
	(18,830)	(10,425)	(412)	(221)
	422,832	974,795	9,256	20,710

27. Income from investments in other entities

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Dividend income from				
▪ Available-for-sale securities	193,774	184,484	4,242	3,920

28. Operating expenses

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
1. Tax, duties and fees	56,350	54,383	1,234	1,155
2. Salaries and related expenses	9,305,773	8,089,944	203,704	171,879
In which:				
▪ <i>Salaries and allowances</i>	5,381,527	4,710,848	117,802	100,087
▪ <i>Bonus</i>	1,840,600	1,610,291	40,291	34,212
▪ <i>Others</i>	2,083,646	1,768,805	45,611	37,580
3. Expenses on assets	4,071,383	3,655,662	89,123	77,669
In which:				
▪ <i>Depreciation and amortisation</i>	1,602,079	1,454,756	35,070	30,908
▪ <i>Asset leasing</i>	1,319,846	1,235,191	28,891	26,243
▪ <i>Office material expenses</i>	47,854	55,379	1,048	1,177
▪ <i>Maintenance and repair of assets</i>	926,365	703,430	20,278	14,945
▪ <i>Tools and equipment expenses</i>	175,239	206,906	3,836	4,396
4. Administration expenses	4,092,223	3,759,836	89,578	79,881
In which:				
▪ <i>Marketing, promotion and printing expenses</i>	1,520,193	1,138,268	33,277	24,184
▪ <i>Travelling expenses</i>	282,903	415,706	6,193	8,832
▪ <i>Non-deductible value added tax</i>	344,751	339,047	7,547	7,203
▪ <i>Telecommunication expenses</i>	325,306	294,377	7,121	6,254
▪ <i>Office materials expenses</i>	641,037	572,206	14,032	12,157
▪ <i>Electric, water and hygiene</i>	329,796	303,598	7,219	6,450
▪ <i>Oil and gas expenses</i>	166,223	201,303	3,639	4,277
▪ <i>Others</i>	482,014	495,331	10,550	10,524
5. Insurance expenses	277,271	229,361	6,069	4,874
	17,803,000	15,789,186	389,708	335,458

29. Income tax

(a) Recognised in the statement of income

	2015 USD	2014 USD	2015 Equivalent VND million Note 4(a)(ii)	2014 Equivalent VND million Note 4(a)(ii)
Current tax expense				
Current year	1,917,213	4,252,584	41,968	90,350
Under provision in prior years	-	592	-	13
	1,917,213	4,253,176	41,968	90,363
Deferred tax expense	-	-	-	-
Total income tax expense	1,917,213	4,253,176	41,968	90,363

(b) Reconciliation of effective tax rate

	2015 USD	2014 USD	2015 Equivalent VND million Note 4(a)(ii)	2014 Equivalent VND million Note 4(a)(ii)
Profit before tax	8,882,512	19,473,423	194,438	413,732
Tax at the Bank's tax rate	1,954,153	4,284,153	42,776	91,021
Adjustments:				
▪ Non-deductible expenses	14,400	10,313	316	219
▪ Non-taxable income	(51,340)	(41,882)	(1,124)	(890)
▪ Under provision in prior years	-	592	-	13
	1,917,213	4,253,176	41,968	90,363

(c) **Applicable tax rate**

The Bank's income tax rate is 22% for 2015 and 2014. The usual income tax rate applicable to enterprises is 22% for 2014 and 2015, and will be reduced to 20% from 2016 due to the change in the Income Tax Law. The income tax computation is subjected to the review and approval of the Tax authorities.

30. Cash and cash equivalents

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Cash on hand	9,542,304	10,390,602	208,881	220,759
Balances with the SBV	34,291,427	36,794,595	750,639	781,738
Deposits with and loans to other credit institutions with original term to maturity of not more than three months	49,042,596	271,440,548	1,073,542	5,767,026
	92,876,327	318,625,745	2,033,062	6,769,523

31. Employees' benefits

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Total number of employees	776	745	776	745
Employees' income				
1. Salaries and allowances	5,381,527	4,710,848	117,802	100,087
2. Bonus	1,840,600	1,610,291	40,291	34,212
3. Others	498,538	342,417	10,913	7,275
4. Total (1+2+3)	7,720,665	6,663,556	169,006	141,574
Average annual salary/employee	6,935	6,323	152	134
Average annual income/employee	9,949	8,944	218	190

32. Obligations to the State Treasury

	Year ended 31 December 2015				
	Opening balance	Movements		Foreign currency translation difference	Closing Balance
	USD	Incurred USD	Paid USD	USD	USD
Value added tax	48,026	229,857	(249,986)	-	27,897
Personal income tax	18,855	303,139	(299,767)	-	22,227
Corporate income tax	689,042	1,917,213	(4,186,452)	-	(1,580,197)
Withholding tax	5,326	37,546	(41,500)	-	1,372
	761,249	2,487,755	(4,777,705)	-	(1,528,701)

Equivalent VND million (Note 4(a)(ii))

Value added tax	1,020	5,032	(5,472)	30	610
Personal income tax	401	6,636	(6,562)	12	487
Corporate income tax	14,639	41,968	(91,641)	443	(34,591)
Withholding tax	113	822	(908)	3	30
	16,173	54,458	(104,583)	488	(33,464)

	Year ended 31 December 2014				
	Opening balance	Movements		Foreign currency translation difference	Closing balance
	USD	Incurred USD	Paid USD	USD	USD
Value added tax	19,262	239,486	(210,722)	-	48,026
Personal income tax	21,194	257,984	(260,323)	-	18,855
Corporate income tax	479,633	4,253,176	(4,043,767)	-	689,042
Withholding tax	917	46,478	(42,069)	-	5,326
	521,006	4,797,124	(4,556,881)	-	761,249

Equivalent VND million (Note 4(a)(ii))

Value added tax	405	5,088	(4,477)	4	1,020
Personal income tax	446	5,481	(5,531)	5	401
Corporate income tax	10,090	90,363	(85,815)	1	14,639
Withholding tax	19	987	(894)	1	113
	10,960	101,919	(96,717)	11	16,173

33. Type and value of collaterals received from customers

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Real estates	552,922,644	561,961,012	12,103,477	11,939,424
Machinery and equipment	330,487,763	346,783,662	7,234,377	7,367,766
Inventories	112,086,608	116,884,982	2,453,576	2,483,338
Shares and valuable papers	94,513,596	235,798,222	2,068,903	5,009,769
Others	137,754,246	126,673,937	3,015,440	2,691,314
	1,227,764,857	1,388,101,815	26,875,773	29,491,611

34. Contingent liabilities and commitments issued

	31/12/2015			31/12/2014		
	Contractual amount – gross	Margin deposits	Contractual amount – net	Contractual amount – gross	Margin deposits	Contractual amount – net
Commitments on swap transactions	46,526,937	-	46,526,937	47,219,299	-	47,219,299
Letters of credit	36,485,410	(1,341,225)	35,144,185	30,408,693	(555,122)	29,853,571
Other guarantees	54,148,020	(1,918,911)	52,229,109	54,462,760	(2,593,381)	51,869,379
	137,160,367	(3,260,136)	133,900,231	132,090,752	(3,148,503)	128,942,249
	Equivalent VND million (Note 4(a)(ii))					
Commitments on swap transactions	1,018,475	-	1,018,475	1,003,221	-	1,003,221
Letters of credit	798,666	(29,360)	769,306	646,063	(11,794)	634,269
Other guarantees	1,185,300	(42,005)	1,143,295	1,157,116	(55,099)	1,102,017
	3,002,441	(71,365)	2,931,076	2,806,400	(66,893)	2,739,507

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

As at 31 December 2015

	Total loan balances USD	Total deposit balances USD	Credit commitments USD	Derivatives USD	Trading and investment securities USD
Domestic	767,658,281	797,871,454	90,633,430	23,685,457	233,765,444
Overseas	5,210	139,883,582	-	-	-
	767,663,491	937,755,036	90,633,430	23,685,457	233,765,444

Equivalent VND million (Note 4(a)(ii))

Domestic	16,804,040	17,465,405	1,983,966	500,000	5,117,126
Overseas	114	3,062,052	-	-	-
	16,804,154	20,527,457	1,983,966	500,000	5,117,126

As at 31 December 2014

	Total loan balances USD	Total deposit balances USD	Credit commitments USD	Derivatives USD	Trading and investment securities USD
Domestic	677,076,029	657,163,473	84,871,453	23,685,457	139,913,017
Overseas	6,895,436	123,687,604	-	-	-
	683,971,465	780,851,077	84,871,453	23,685,457	139,913,017

Equivalent VND million (Note 4(a)(ii))

Domestic	14,385,157	13,962,095	1,803,179	500,000	2,972,592
Overseas	146,500	2,627,867	-	-	-
	14,531,657	16,589,962	1,803,179	500,000	2,972,592

36. Non-cash financing activities

	2015	2014	2015	2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Profits distribution to the investors declared but not yet paid	-	11,000,000	-	233,706

37. Significant transactions with related parties

In the ordinary course of business, the Bank enters into transactions with Vietinbank, CUB, CUB-Chu Lai Branch (“CUB Chu Lai”), CUB-Hong Kong and CUB Representative Office (“CUB RO”). These transactions and the related balances are shown under various accounts in the financial statements.

The related party transactions during the year were as follows:

Related parties	Relationship	Nature	Year ended 31 December		Year ended 31 December	
			2015	2014	2015	2014
			USD	USD	Equivalent VND million Note 4(a)(i)	Equivalent VND million Note 4(a)(ii)
Vietinbank	Investor	Borrowings	568,664,164	778,458,749	12,448,059	16,539,135
		Loans	1,069,865,237	1,212,294,191	23,419,350	25,756,402
		Interest income	4,000,938	6,569,424	87,581	139,574
		Interest expense	2,208,094	5,153,685	48,335	109,495
		Profits distribution	6,500,000	5,500,000	142,285	116,853
CUB	Investor	Borrowings	1,125,000,000	1,325,000,000	24,626,250	28,150,950
		Interest expense	427,439	468,845	9,357	9,961
		Profits distribution	6,500,000	5,500,000	142,285	116,853
CUB Chu Lai	Related party	Interest expense	6,485	2,156	142	46
CUB RO	Related party	Interest expense	18	29	-	1
Key management personnel	Related party	Salaries and other benefits	308,359	301,235	6,750	6,400

The related party balances at the reporting date were as follows:

Related parties	Relationship	Nature	31 December 2015 USD	31 December 2014 USD	31 December 2015 Equivalent VND million Note 4(a)(ii)	31 December 2014 Equivalent VND million Note 4(a)(ii)
Vietinbank	Investor	Deposits	-	1,387,082	-	29,470
		Loans	133,217,556	157,360,915	2,916,132	3,343,290
		Interest receivables	261,556	232,984	5,725	4,950
		Borrowings	-	(9,500,000)	-	(201,837)
		Interest payables	-	(1,425)	-	(30)
		Profits distribution payable	-	(9,500,000)	-	(201,837)
CUB	Investor	Deposits	908,421	477,095	19,885	10,136
		Borrowings	(60,000,000)	(112,000,000)	(1,313,400)	(2,379,552)
		Interest payables	(19,386)	(32,241)	(424)	(685)
		Profits distribution payable	-	(9,500,000)	-	(201,837)
CUB Chu Lai	Related party	Current deposits	(2,014,647)	(661,176)	(44,101)	(14,047)
CUB – RO	Related party	Current deposits	(37,475)	(36,679)	(820)	(779)

38. Financial instruments

(a) Financial risk management

(i) Overview

The Bank 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 Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk.

The Bank's Supervisory Board oversees how Board of Executives monitors compliance with the Bank's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Bank.

(ii) Risk management framework

Board of Executives is responsible for the overall risk management approach and for approving the risk management strategies and principles.

Risk measurement and reporting systems

Monitoring and controlling risks is primarily performed based on limits established by the Bank and regulated by the State Bank of Vietnam. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept.

Information compiled from all the businesses is examined and processed in order to analyse, control and identify early risks. This information is presented and explained to the Board of Executives, the Bank's Management and Head of each Business Division. The report includes aggregate credit exposure and risk profile changes. Senior management assesses the appropriateness of the allowance for credit losses on a quarterly basis. Senior management receives a comprehensive risk report once a month which is designed to provide all the necessary information to assess and conclude on the risks of the Bank. For all levels throughout the Bank, specific tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

(b) Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises mainly from deposits with and loans to credit institutions, loans and advances to customers and investments in debt securities.

Credit risk management policies

Credit risk arises mainly from lending activities relating to loans and advances to customers and investment activities involving investments in debt securities. The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparty, and by monitoring exposures in relation to such limits.

The Bank has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. Counterparty limits are established by the use of a credit risk classification system in accordance with the SBV's regulations. System assigns each counterparty a risk rating. Risk ratings are subject to quarterly review. The credit quality review process allows the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Risk concentrations: maximum exposure to credit risk without taking into account of any collateral and other credit enhancements

The Bank's concentrations of risk are managed by client and by industry.

Collaterals

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters. The main types of collateral obtained are real estate, inventories, machinery and equipment, shares and valuable papers and other assets. Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for loans and advances to customers.

Commitments and guarantees

To meet the financial needs of customers, the Bank 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 Bank.

Not considering collateral assets, the Bank's maximum exposure to credit risk at the reporting date was as follows:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Loans and receivables				
Balances with the SBV	34,291,427	36,794,595	750,639	781,738
Deposits with and loans to other credit institutions	280,884,076	307,440,549	6,148,552	6,531,882
Loans and advances to customers – gross	658,969,567	638,557,928	14,424,844	13,566,801
Receivables	531,985	534,613	11,645	11,358
Accrued interest and fees receivable	9,576,148	8,548,643	209,622	181,624
	984,253,203	991,876,328	21,545,302	21,073,403
Securities held-for-trading				
Securities held-for-trading – gross	42,505,482	4,706,769	930,445	100,000
Investment securities				
Available-for-sale securities	101,551,710	72,716,767	2,222,967	1,544,940
Held-to-maturity securities – gross	86,797,624	58,834,604	1,900,000	1,250,000
	188,349,334	131,551,371	4,122,967	2,794,940
Off-balance sheet commitments				
Letters of credit	36,485,410	30,408,693	798,666	646,063
Other guarantees	54,148,020	54,462,760	1,185,300	1,157,116
	90,633,430	84,871,453	1,983,966	1,803,179
	1,305,741,449	1,213,005,921	28,582,680	25,771,522

An analysis of collaterals against financial assets at the reporting date is as follows:

As at 31 December 2015	Secured USD	Unsecured USD	Total USD
Loans and receivables			
Balances with the SBV	-	34,291,427	34,291,427
Deposits with and loans to other credit institutions (i)	-	280,884,076	280,884,076
Loans and advances to customers – gross (iii)	549,431,855	109,537,712	658,969,567
Receivables	-	531,985	531,985
Accrued interest and fees receivable	-	9,576,148	9,576,148
	<hr/> 549,431,855	434,821,348	984,253,203 <hr/>
Securities held-for-trading (ii)			
Securities held-for-trading – gross	-	42,505,482	42,505,482
Investment securities (ii)			
Available-for-sale securities	-	101,551,710	101,551,710
Held-to-maturity securities – gross	86,797,624	-	86,797,624
	<hr/> 86,797,624	101,551,710	188,349,334 <hr/>
Off-balance sheet commitments			
Letters of credit	12,292,200	24,193,210	36,485,410
Other guarantees	4,151,857	49,996,163	54,148,020
	<hr/> 16,444,057	74,189,373	90,633,430 <hr/>
	<hr/> 652,673,536	653,067,913	1,305,741,449 <hr/> <hr/>

As at 31 December 2015	Secured USD Equivalent VND million (Note 4(a)(ii))	Unsecured USD Equivalent VND million (Note 4(a)(ii))	Total USD Equivalent VND million (Note 4(a)(ii))
Loans and receivables			
Balances with the SBV	-	750,639	750,639
Deposits with and loans to other credit institutions (i)	-	6,148,552	6,148,552
Loans and advances to customers – gross (iii)	12,027,063	2,397,781	14,424,844
Receivables	-	11,645	11,645
Accrued interest and fees receivable	-	209,622	209,622
	12,027,063	9,518,239	21,545,302
Securities held-for-trading (ii)			
Securities held-for-trading – gross	-	930,445	930,445
Investment securities (ii)			
Available-for-sale securities	-	2,222,967	2,222,967
Held-to-maturity securities – gross	1,900,000	-	1,900,000
	1,900,000	2,222,967	4,122,967
Off-balance sheet commitments			
Letters of credit	269,076	529,590	798,666
Other guarantees	90,884	1,094,416	1,185,300
	359,960	1,624,006	1,983,966
	14,287,023	14,295,657	28,582,680

As at 31 December 2014	Secured USD	Unsecured USD	Total USD
Loans and receivables			
Balances with the SBV	-	36,794,595	36,794,595
Deposits with and loans to other credit institutions (i)	-	307,440,549	307,440,549
Loans and advances to customers – gross (iii)	481,110,844	157,447,084	638,557,928
Receivables	-	534,613	534,613
Accrued interest and fees receivable	-	8,548,643	8,548,643
	481,110,844	510,765,484	991,876,328
Securities held-for-trading (ii)			
Securities held-for-trading – gross	-	4,706,769	4,706,769
Investment securities (ii)			
Available-for-sale securities	-	72,716,767	72,716,767
Held-to-maturity securities – gross	58,834,604	-	58,834,604
	58,834,604	72,716,767	131,551,371
Off-balance sheet commitments			
Letters of credit	18,560,196	11,848,497	30,408,693
Other guarantees	11,365,528	43,097,232	54,462,760
	29,925,724	54,945,729	84,871,453
	569,871,172	643,134,749	1,213,005,921

As at 31 December 2014	Secured USD Equivalent VND million (Note 4(a)(ii))	Unsecured USD Equivalent VND million (Note 4(a)(ii))	Total USD Equivalent VND million (Note 4(a)(ii))
Loans and receivables			
Balances with the SBV	-	781,738	781,738
Deposits with and loans to other credit institutions (i)	-	6,531,882	6,531,882
Loans and advances to customers – gross (iii)	10,221,681	3,345,120	13,566,801
Receivables	-	11,358	11,358
Accrued interest and fees receivable	-	181,624	181,624
	10,221,681	10,851,722	21,073,403
Securities held-for-trading (ii)			
Securities held-for-trading – gross	-	100,000	100,000
Investment securities (ii)			
Available-for-sale securities	-	1,544,940	1,544,940
Held-to-maturity securities – gross	1,250,000	-	1,250,000
	1,250,000	1,544,940	2,794,940
Off-balance sheet commitments			
Letters of credit	394,330	251,733	646,063
Other guarantees	241,472	915,644	1,157,116
	635,802	1,167,377	1,803,179
	12,107,483	13,664,039	25,771,522

(i) Deposits with and loans to other credit institutions

Deposits with and loans to other credit institutions of the Bank are mainly held with well-known credit institutions. The Bank's management 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 Bank.

(ii) Securities held-for-trading and investment securities

The Bank's management does not foresee any significant credit risk from these securities and does not expect that the issuers may default and cause losses to the Bank.

(iii) Loans and advances to customers

Loans and advances to customers that are neither past due nor impaired are mostly customers with good collection track records with the Bank.

An aging analysis of past due but not impaired financial assets is as follows:

As at 31 December 2015	From 10 to 90 days USD	From 91 to 180 days USD	Overdue From 181 to 360 days USD	Over 360 days USD	Total USD
Loans and receivables					
Loans and advances to customers – gross	628,638	115,989	239,196	4,248,364	5,232,187

Equivalent VND million (Note 4(a)(ii))

Loans and receivables					
Loans and advances to customers – gross	13,761	2,539	5,236	92,997	114,533

As at 31 December 2014	From 10 to 90 days USD	From 91 to 180 days USD	Overdue From 181 to 360 days USD	Over 360 days USD	Total USD
Loans and receivables					
Loans and advances to customers – gross	5,784,326	-	301,171	5,136,454	11,221,951

Equivalent VND million (Note 4(a)(ii))

Loans and receivables					
Loans and advances to customers – gross	122,894	-	6,399	109,129	238,422

An aging analysis of impaired financial assets is as follows:

As at 31 December 2015	From 10 to 90 days USD	From 91 to 180 days USD	Overdue From 181 to 360 days USD	Over 360 days USD	Total USD
Loans and receivables					
Loans and advances to customers – gross	10,434,784	107,122	10,000,914	11,625,787	32,168,607

Equivalent VND million (Note 4(a)(ii))

Loans and receivables					
Loans and advances to customers – gross	228,417	2,345	218,920	254,488	704,170

As at 31 December 2014	From 10 to 90 days USD	From 91 to 180 days USD	Overdue From 181 to 360 days USD	Over 360 days USD	Total USD
Loans and receivables					
Loans and advances to customers – gross	3,374,128	1,403,735	405,220	412,816	5,595,899

Equivalent VND million (Note 4(a)(ii))

Loans and receivables					
Loans and advances to customers – gross	71,687	29,824	8,609	8,771	118,891

For past due or impaired financial assets, a description and estimation of the fair value of collaterals held by the Bank is required to be disclosed. However, given the lack of guidance on fair value measurement in the case where quoted prices in active market are not available under 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, which is the basis of preparation of the financial statements, the Bank did not disclose the fair values of collaterals for the past due and impaired financial assets. See Note 33 for the type and book value of all collaterals received from customers.

(c) **Liquidity risk**

Liquidity risk is the risk that the Bank will not be able to meet its financial obligations as they fall due.

Management of liquidity risk

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations at normal or difficult time.

Liquidity is managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Bank believes can generate within that period. As part of liquidity risk management, the Bank focuses on a number of components, including tapping available sources of liquidity, preserving necessary funds at reasonable cost.

The Bank's Asset and Liability Management Committee is responsible for overall liquidity risk management. The Bank's liquidity policy focuses on cash flow management, interbank funding capacity and the maintenance of sufficient liquid assets. The Treasury Department is responsible for daily operation and monitoring liquidity of the Bank. Liquidity risk is managed across all classes of assets and liabilities with the objective that, even under stressful conditions, the Bank should have access to the necessary funds at reasonable cost to meet all its financial obligations.

Analysis of assets and liabilities by remaining contractual maturities

The following table provides an analysis of the monetary assets and liabilities of the Bank into relevant maturity groupings based on the remaining period from the reporting date to maturity date. In practice, the actual maturities of monetary assets or liabilities may differ from contractual terms based on addenda to the contracts which may exist.

As at 31 December 2015	Overdue over 3 months USD	Overdue up to 3 months USD	Up to 1 month USD	From over 1 to 3 months USD	Current From over 3 to 12 months USD	From over 1 to 5 years USD	Over 5 years USD	Total USD
Assets								
Cash on hand	-	-	9,542,304	-	-	-	-	9,542,304
Balances with the SBV	-	-	34,291,427	-	-	-	-	34,291,427
Deposits with and loans to other credit institutions	-	-	92,190,152	91,420,740	97,273,184	-	-	280,884,076
Securities held-for-trading - gross	-	-	9,763,072	6,852,444	10,507,081	18,293,513	-	45,416,110
Derivatives and other financial assets	-	-	-	141,812	-	-	-	141,812
Loans and advances to customers - gross	26,337,372	11,063,422	26,749,886	89,737,460	203,176,163	183,842,668	118,062,596	658,969,567
Investment securities - gross	-	-	-	2,288,505	2,295,289	183,765,540	-	188,349,334
Fixed assets	-	-	-	-	-	-	23,896,431	23,896,431
Other assets	-	-	13,899,427	1,637,686	606,739	729,116	76,791	16,949,759
Total assets (1)	26,337,372	11,063,422	186,436,268	192,078,647	313,858,456	386,630,837	142,035,818	1,258,440,820
Liabilities								
Deposits and borrowings from other credit institutions	-	-	63,328,387	68,284,148	284,902	9,031,563	289,244	141,218,244
Deposits from customers	-	-	549,266,848	127,132,578	176,757,804	13,042,785	281	866,200,296
Other liabilities (including allowances of above financial assets)	-	-	25,538,328	1,767,205	257,715	1,930,445	-	29,493,693
Total liabilities (2)	-	-	638,133,563	197,183,931	177,300,421	24,004,793	289,525	1,036,912,233
Net liquidity gap [(3)-(1) - (2)]	26,337,372	11,063,422	(451,697,295)	(5,105,284)	136,558,035	362,626,044	141,746,293	221,528,587

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

As at 31 December 2015	Overdue over 3 months VND million Note 4(a)(ii)	Overdue up to 3 months VND million Note 4(a)(ii)	Up to 1 month VND million Note 4(a)(ii)	From over 1 to 3 months VND million Note 4(a)(ii)	Current From over 3 to 12 months VND million Note 4(a)(ii)	From over 1 to 5 years VND million Note 4(a)(ii)	Over 5 years VND million Note 4(a)(ii)	Total VND million Note 4(a)(ii)
Assets								
Cash on hand	-	208,881	-	-	-	-	-	208,881
Balances with the SBV	-	750,639	-	-	-	-	-	750,639
Deposits with and loans to other credit institutions	-	2,018,042	2,001,200	2,001,200	2,129,310	-	-	6,148,552
Securities held-for-trading – gross	-	213,714	150,000	150,000	230,000	400,445	-	994,159
Derivatives and other financial assets	-	-	3,104	3,104	-	-	-	3,104
Loans and advances to customers – gross	576,525	242,178	585,555	1,964,353	4,447,526	4,024,316	2,584,391	14,424,844
Investment securities -gross	-	-	50,095	50,095	50,244	4,022,628	-	4,122,967
Fixed assets	-	-	-	-	-	-	523,094	523,094
Other assets	-	304,258	35,849	35,849	13,282	15,960	1,681	371,030
Total assets (1)	576,525	4,081,089	4,204,601	4,204,601	6,870,362	8,463,349	3,109,166	27,547,270
Liabilities								
Deposits and borrowings from other credit institutions	-	1,386,258	1,494,740	1,494,740	6,237	197,700	6,332	3,091,267
Deposits from customers	-	12,023,451	2,782,932	2,782,932	3,869,228	285,507	6	18,961,124
Other liabilities (including allowances of above financial assets)	-	559,034	38,684	38,684	5,643	42,257	-	645,618
Total liabilities (2)	-	13,968,743	4,316,356	4,316,356	3,881,108	525,464	6,338	22,698,009
Net liquidity gap [(3)-(1) - (2)]	576,525	242,178	(9,887,654)	(111,755)	2,989,254	7,937,885	3,102,828	4,849,261

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

As at 31 December 2014	Overdue over 3 months USD	Overdue up to 3 months USD	Up to 1 month USD	From over 1 to 3 months USD	Current From over 3 to 12 months USD	From over 1 to 5 years USD	Over 5 years USD	Total USD
Assets								
Cash on hand	-	-	10,390,602	-	-	-	-	10,390,602
Balances with the SBV	-	-	36,794,595	-	-	-	-	36,794,595
Deposits with and loans to other credit institutions	-	-	192,613,476	78,827,073	36,000,000	-	-	307,440,549
Securities held-for-trading – gross	-	-	7,709,288	-	-	-	-	7,709,288
Loans and advances to customers – gross	7,659,396	9,158,454	25,065,190	72,505,358	167,759,225	132,434,153	223,976,152	638,557,928
Investment securities - gross	-	-	-	-	-	132,203,729	-	132,203,729
Fixed assets	-	-	-	-	-	-	23,668,304	23,668,304
Other assets	-	-	9,643,090	1,643,443	696,157	1,926,720	-	13,909,410
Total assets (1)	7,659,396	9,158,454	282,216,241	152,975,874	204,455,382	266,564,602	247,644,456	1,170,674,405
Liabilities								
Deposits and borrowings from other credit institutions	-	-	38,222,698	103,413,537	210,011	7,693,139	-	149,539,385
Deposits from customers	-	-	470,436,737	169,203,562	104,038,985	7,535,558	-	751,214,842
Derivatives and other financial liabilities	-	-	-	696,223	-	-	-	696,223
Other liabilities (including allowances of above financial assets)	-	-	13,446,497	241,833	8,665,369	19,000,000	-	41,353,699
Total liabilities (2)	-	-	522,105,932	273,555,155	112,914,365	34,228,697	-	942,804,149
Net liquidity gap [(3)=(1) - (2)]	7,659,396	9,158,454	(239,889,691)	(120,579,281)	91,541,017	232,335,905	247,644,456	227,870,256

As at 31 December 2014	Overdue over 3 months VND million Note 4(a)(ii)	Overdue up to 3 months VND million Note 4(a)(ii)	Current				Total VND million Note 4(a)(ii)
			Up to 1 month VND million Note 4(a)(ii)	From over 1 to 3 months VND million Note 4(a)(ii)	From over 3 to 12 months VND million Note 4(a)(ii)	From over 1 to 5 years VND million Note 4(a)(ii)	
Assets							
Cash on hand	-	220,759	-	-	-	-	220,759
Balances with the SBV	-	781,738	-	-	-	-	781,738
Deposits with and loans to other credit institutions	-	4,092,266	1,674,760	764,856	-	-	6,531,882
Securities held-for-trading – gross	-	163,792	-	-	-	-	163,792
Loans and advances to customers – gross	162,732	532,534	1,540,449	3,564,212	2,813,696	4,758,597	13,566,801
Investment securities -gross	-	-	-	-	2,808,800	-	2,808,800
Fixed assets	-	-	-	-	-	502,857	502,857
Other assets	-	204,876	34,917	14,791	40,935	-	295,519
Total assets (1)	162,732	5,995,965	3,250,126	4,343,859	5,663,431	5,261,454	24,872,148
Liabilities							
Deposits and borrowings from other credit institutions	-	812,079	2,197,124	4,462	163,448	-	3,177,113
Deposits from customers	-	9,994,900	3,594,899	2,210,412	160,100	-	15,960,311
Derivatives and other financial liabilities	-	-	14,792	-	-	-	14,792
Other liabilities (including allowances of above financial assets)	-	285,684	5,138	184,104	403,674	-	878,600
Total liabilities (2)	-	11,092,663	5,811,953	2,398,978	727,222	-	20,030,816
Net liquidity gap [(3)=(1) - (2)]	162,732	(5,096,698)	(2,561,827)	1,944,881	4,936,209	5,261,454	4,841,332

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Bank'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 parameters, while optimising the return.

Management of market risk

The Treasury Department monitors the market risk by analysis of interest rate risk and currency risk and report to the Bank's Board of Executives for monitoring on a timely basis.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Bank will suffer the interest rate risk when there is a gap between maturity date or repricing interest date of assets, liabilities and off-balance sheet commitments in a certain period. The Bank uses following methods to manage the interest rate risk:

- All loans bear floating interest rates that are reviewed every 1 – 3 months;
- Credit contracts must be included terms relating to interest rate risk prevention and the interest rate must reflect the Bank's actual cost of capital;
- The investment activities are actively spread in different tenors based on observations and forecast of the market trends; and
- Management of interest rate risk by Inter Unit Cost of Fund system. Upon the orientation of the Bank's Board of Executives and market trends, the Head Office may change the fund cost and accordingly the business units has to determine their lending/fund mobilisation rates.

The Bank monitors interest rate risk by maintaining a balance of changing interest date between assets and liabilities (as shown in interest rate analysis below). The Bank also regularly calculates and determines gap between average input and output interest rate to estimate operating result and act as an indicator for adjusting interest rate.

The following table shows the Bank's assets and liabilities categorised by the earlier of contractual repricing 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	Free of interest USD	Up to 1 month USD	From over 1 to 3 months USD	From over 3 to 6 months USD	From over 6 to 12 months USD	From over 1 to 5 years USD	Over 5 years USD	Total USD
Assets								
Cash on hand	9,542,304	-	-	-	-	-	-	9,542,304
Balances with the SBV	18,341,802	15,949,625	-	-	-	-	-	34,291,427
Deposits with and loans to other credit institutions	27,621,836	64,568,296	126,420,740	33,136,592	29,136,612	-	-	280,884,076
Securities held-for-trading – gross	2,910,644	6,852,444	6,852,444	10,507,081	-	18,293,497	-	45,416,110
Derivatives and other financial assets	-	-	141,812	-	-	-	-	141,812
Loans and advances to customers – gross	37,400,794	-	265,752,353	355,080,148	-	-	-	658,969,567
Investment securities – gross	-	736,272	2,288,488	2,295,295	-	183,765,551	-	188,349,334
Fixed assets	-	23,896,431	-	-	-	-	-	23,896,431
Other assets	-	16,949,759	-	-	-	-	-	16,949,759
Total assets (1)	99,262,776	88,106,637	401,455,837	401,019,116	29,136,612	202,059,048	-	1,258,440,820
Liabilities								
Deposits and borrowings from other credit institutions	2,129,420	61,219,507	68,284,148	284,925	9,031,567	268,677	-	141,218,244
Deposits from customers	-	542,067,839	133,899,315	117,158,474	59,827,638	13,246,779	251	866,200,296
Other liabilities (including allowances of above financial assets)	-	29,493,693	-	-	-	-	-	29,493,693
Total liabilities (2)	31,623,113	603,287,346	202,183,463	117,443,399	68,859,205	13,515,456	251	1,036,912,233
Interest sensitivity gap of balance sheet items [(3)-(2)]	67,639,663	(515,180,709)	199,272,374	283,575,717	(39,722,593)	188,543,592	(251)	221,528,587
Interest sensitivity gap of off-balance sheet items (4)	-	-	-	22,841,480	-	-	-	22,841,480
Total interest sensitivity gap [(5)-(3) + (4)]	67,639,663	(515,180,709)	199,272,374	306,417,197	(39,722,593)	188,543,592	(251)	244,370,067

As at 31 December 2015	Free of interest VND million Note 4(a)(ii)	Up to 1 month VND million Note 4(a)(ii)	From over 1 to 3 months VND million Note 4(a)(ii)	From over 3 to 6 months VND million Note 4(a)(ii)	From over 6 to 12 months VND million Note 4(a)(ii)	From over 1 to 5 years VND million Note 4(a)(ii)	Over 5 years VND million Note 4(a)(ii)	Total VND million Note 4(a)(ii)
Assets								
Cash on hand	208,881	-	-	-	-	-	-	208,881
Balances with the SBV	401,502	349,137	-	-	-	-	-	750,639
Deposits with and loans to other credit institutions	604,642	1,413,400	2,767,350	725,360	637,800	400,445	-	6,148,552
Securities held-for-trading – gross	63,714	150,000	150,000	230,000	-	-	-	994,159
Derivatives and other financial assets	-	-	3,104	-	-	-	-	3,104
Loans and advances to customers – gross	818,703	16,117	5,817,319	7,772,705	-	-	-	14,424,844
Investment securities – gross	-	-	50,095	50,244	-	4,022,628	-	4,122,967
Fixed assets	523,094	-	-	-	-	-	-	523,094
Other assets	371,030	-	-	-	-	-	-	371,030
Total assets (1)	2,172,863	1,928,654	8,787,868	8,778,309	637,800	4,423,073	-	27,547,270
Liabilities								
Deposits and borrowings from other credit institutions	46,613	1,340,095	1,494,740	6,237	197,701	5,881	-	3,091,267
Deposits from customers	-	11,865,865	2,931,056	2,564,599	1,309,627	289,972	5	18,961,124
Other liabilities (including allowances of above financial assets)	645,618	-	-	-	-	-	-	645,618
Total liabilities (2)	692,231	13,205,960	4,425,796	2,570,836	1,507,328	295,853	5	22,698,009
Interest sensitivity gap of balance sheet items [(3)-(1)-(2)]	1,480,632	(11,277,306)	4,362,072	6,207,473	(869,528)	4,127,220	(5)	4,849,261
Interest sensitivity gap of off-balance sheet items (4)	-	-	-	500,000	-	-	-	500,000
Total interest sensitivity gap [(5)-(3) + (4)]	1,480,632	(11,277,306)	4,362,072	6,707,473	(869,528)	4,127,220	(5)	5,349,261

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

As at 31 December 2014

	Overdue USD	Free of interest USD	Up to 1 month USD	From over 1 to 3 months USD	From over 3 to 6 months USD	From over 6 to 12 months USD	From over 1 to 5 years USD	Over 5 years USD	Total USD
Assets									
Cash on hand	-	10,390,602	-	-	-	-	-	-	10,390,602
Balances with the SBV	-	21,239,948	15,554,647	-	-	-	-	-	36,794,595
Deposits with and loans to other credit institutions	-	16,649,530	175,963,946	78,827,073	1,000,000	35,000,000	-	-	307,440,549
Securities held-for-trading – gross	-	3,002,519	-	4,706,769	-	-	-	-	7,709,288
Loans and advances to customers – gross	16,817,850	-	-	261,240,497	360,499,581	-	-	-	638,557,928
Investment securities – gross	-	652,358	-	58,834,604	-	-	72,716,767	-	132,203,729
Fixed assets	-	23,668,304	-	-	-	-	-	-	23,668,304
Other assets	-	13,909,410	-	-	-	-	-	-	13,909,410
Total assets (1)	16,817,850	89,512,671	191,518,593	403,608,943	361,499,581	35,000,000	72,716,767	-	1,170,674,405
Liabilities									
Deposits and borrowings from other credit institutions	-	722,699	37,500,000	107,502,965	3,813,721	-	-	-	149,539,385
Deposits from customers	-	-	470,436,737	169,203,562	80,644,271	23,721,412	7,208,860	-	751,214,842
Derivatives and other financial liabilities	-	-	-	696,223	-	-	-	-	696,223
Other liabilities (including allowances of above financial assets)	-	41,353,699	-	-	-	-	-	-	41,353,699
Total liabilities (2)	-	42,076,398	507,936,737	277,402,750	84,457,992	23,721,412	7,208,860	-	942,804,149
Interest sensitivity gap of balance sheet items [(3)-(2)]	16,817,850	47,436,273	(316,418,144)	126,206,193	277,041,589	11,278,588	65,507,907	-	227,870,256
Interest sensitivity gap of off-balance sheet items (4)	-	-	-	-	23,533,842	-	-	-	23,533,842
Total interest sensitivity gap [(5)-(3) + (4)]	16,817,850	47,436,273	(316,418,144)	126,206,193	300,575,431	11,278,588	65,507,907	-	251,404,098

As at 31 December 2014	Free of interest VND million Note 4(a)(ii)	Up to 1 month VND million Note 4(a)(ii)	From over 1 to 3 months VND million Note 4(a)(ii)	From over 3 to 6 months VND million Note 4(a)(ii)	From over 6 to 12 months VND million Note 4(a)(ii)	From over 1 to 5 years VND million Note 4(a)(ii)	Over 5 years VND million Note 4(a)(ii)	Total VND million Note 4(a)(ii)
Assets								
Cash on hand	220,759	-	-	-	-	-	-	220,759
Balances with the SBV	451,264	330,474	-	-	-	-	-	781,738
Deposits with and loans to other credit institutions	353,736	3,738,530	1,674,760	21,246	743,610	-	-	6,531,882
Securities held-for-trading – gross	63,792	-	100,000	-	-	-	-	163,792
Loans and advances to customers – gross	-	-	5,550,314	7,659,174	-	-	-	13,566,801
Investment securities – gross	13,860	-	1,250,000	-	-	1,544,940	-	2,808,800
Fixed assets	502,857	-	-	-	-	-	-	502,857
Other assets	295,519	-	-	-	-	-	-	295,519
Total assets (1)	1,901,787	4,069,004	8,575,074	7,680,420	743,610	1,544,940	-	24,872,148
Liabilities								
Deposits and borrowings from other credit institutions	15,354	796,725	2,284,008	81,026	-	-	-	3,177,113
Deposits from customers	-	9,994,900	3,594,899	1,713,368	503,985	153,159	-	15,960,311
Derivatives and other financial liabilities	-	-	14,792	-	-	-	-	14,792
Other liabilities (including allowances of above financial assets)	878,600	-	-	-	-	-	-	878,600
Total liabilities (2)	893,954	10,791,625	5,893,699	1,794,394	503,985	153,159	-	20,030,816
Interest sensitivity gap of balance sheet items [(3)-(1)-(2)]	1,007,833	(6,722,621)	2,681,375	5,886,026	239,625	1,391,781	-	4,841,332
Interest sensitivity gap of off-balance sheet items (4)	-	-	-	500,000	-	-	-	500,000
Total interest sensitivity gap [(5)-(3) + (4)]	1,007,833	(6,722,621)	2,681,375	6,386,026	239,625	1,391,781	-	5,341,332

The following table shows the average actual 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	5.20%	8.55%	7.50%	8.90%	N/A	N/A
▪ Foreign currencies	N/A	0.35%	N/A	1.36%	2.51%	N/A	N/A
Securities held-for-trading							
▪ VND	N/A	9.92%	9.45%	8.70%	N/A	8.08%	N/A
Loans and advances to customers							
▪ VND	11.91%	7.29%	7.11%	7.43%	N/A	N/A	N/A
▪ Foreign currencies	4.00%	3.38%	3.25%	3.29%	N/A	N/A	N/A
Investment securities							
▪ VND	N/A	N/A	N/A	N/A	6.10%	8.44%	6.60%

Liabilities

Deposits and borrowings from other credit institutions

▪ VND	N/A	5.15%	5.00%	4.20%	N/A	N/A	N/A
▪ Foreign currencies	N/A	N/A	0.63%	N/A	N/A	1.00%	N/A
Deposits from customers							
▪ VND	N/A	4.33%	4.85%	5.61%	6.41%	7.35%	7.00%
▪ Foreign currencies	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	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	3.41%	7.00%	N/A	N/A	N/A	N/A	N/A
▪ Foreign currencies	N/A	1.27%	1.40%	3.02%	3.63%	N/A	N/A	N/A
Securities held-for-trading								
▪ VND	N/A	N/A	13.50%	N/A	N/A	N/A	N/A	N/A
Loans and advances to customers								
▪ VND	12.23%	N/A	7.29%	7.10%	N/A	N/A	N/A	N/A
▪ Foreign currencies	3.72%	N/A	3.94%	3.57%	N/A	N/A	N/A	N/A
Investment securities								
▪ VND	N/A	N/A	11.00%	N/A	N/A	N/A	6.88%	N/A
Liabilities								
Deposits and borrowings from other credit institutions								
▪ VND	N/A	N/A	4.52%	N/A	N/A	N/A	N/A	N/A
▪ Foreign currencies	N/A	0.36%	0.70%	0.92%	N/A	N/A	N/A	N/A
Deposits from customers								
▪ VND	N/A	3.26%	5.78%	6.12%	6.86%	7.18%	7.18%	N/A
▪ Foreign currencies	N/A	0.20%	0.44%	0.84%	0.95%	1.00%	1.00%	N/A

(ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates against USD, the accounting currency of the Bank.

The Bank is exposed to currency risk through transactions in foreign currencies.

The Bank's transactional exposures give rise to foreign exchange gains and losses that are recognised in the statement of income. These exposures comprise the monetary assets and monetary liabilities of the Bank that are not denominated in the accounting currency of the Bank.

The Bank's management has set limits on positions by currency. Currency positions are monitored on a daily basis to ensure positions are maintained within the established limits.

The followings are the major exchange rates applied or forecasted by the Bank at the reporting date:

	31/12/2016	Exchange rate as at	
	Forecasted	31/12/2015	31/12/2014
		Actual	Actual
USD/VND	22,765	21,890	21,246
USD/EUR	0.9771	0.8958	0.8212

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

As at 31 December 2015

	VND USD	USD USD	EUR USD	Other currencies USD	Total USD
Assets					
Cash on hand	6,497,762	3,029,304	15,238	-	9,542,304
Balances with the SBV	18,320,587	15,970,840	-	-	34,291,427
Deposits with and loans to other credit institutions	40,730,653	239,667,708	376,024	109,691	280,884,076
Securities held-for-trading – gross	45,416,110	-	-	-	45,416,110
Derivatives and other financial assets	141,812	-	-	-	141,812
Loans and advances to customers – gross	404,685,391	254,284,176	-	-	658,969,567
Investment securities – gross	188,349,334	-	-	-	188,349,334
Fixed assets	-	23,896,431	-	-	23,896,431
Other assets	11,861,989	5,087,770	-	-	16,949,759
Total assets (1)	716,003,638	541,936,229	391,262	109,691	1,258,440,820
Liabilities and equity					
Deposits and borrowings from other credit institutions	18,028,099	123,190,145	-	-	141,218,244
Deposits from customers	655,103,759	210,681,915	403,032	11,590	866,200,296
Other liabilities (including allowances of above financial assets)	11,563,615	17,925,401	-	4,677	29,493,693
Capital and reserves	-	221,528,587	-	-	221,528,587
Total liabilities and equity (2)	684,695,473	573,326,048	403,032	16,267	1,258,440,820
FX position on balance sheet (3)=(1)-(2)	31,308,165	(31,389,819)	(11,770)	93,424	-
FX position off-balance sheet (4)	(22,841,480)	23,685,457	-	-	843,977
FX position on and off-balance sheet [(5)=(3)+(4)]	8,466,685	(7,704,362)	(11,770)	93,424	843,977

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

As at 31 December 2015

	VND VND million Note 4(a)(ii)	USD VND million Note 4(a)(ii)	EUR VND million Note 4(a)(ii)	Other currencies VND million Note 4(a)(ii)	Total VND million Note 4(a)(ii)
Assets					
Cash on hand	142,236	66,311	334	-	208,881
Balances with the SBV	401,038	349,601	-	-	750,639
Deposits with and loans to other credit institutions	891,594	5,246,326	8,231	2,401	6,148,552
Securities held-for-trading – gross	994,159	-	-	-	994,159
Derivatives and other financial assets	3,104	-	-	-	3,104
Loans and advances to customers – gross	8,858,563	5,566,281	-	-	14,424,844
Investment securities – gross	4,122,967	-	-	-	4,122,967
Fixed assets	-	523,094	-	-	523,094
Other assets	259,659	111,371	-	-	371,030
Total assets (1)	15,673,320	11,862,984	8,565	2,401	27,547,270
Liabilities and equity					
Deposits and borrowings from other credit institutions	394,635	2,696,632	-	-	3,091,267
Deposits from customers	14,340,221	4,611,827	8,822	254	18,961,124
Other liabilities (including allowances of above financial assets)	253,128	392,388	-	102	645,618
Capital and reserves	-	4,849,261	-	-	4,849,261
Total liabilities and equity (2)	14,987,984	12,550,108	8,822	356	27,547,270
FX position on balance sheet [(3)=(1)-(2)]	685,336	(687,124)	(257)	2,045	-
FX position off-balance sheet (4)	(500,000)	518,475	-	-	18,475
FX position on and off-balance sheet [(5)=(3)+(4)]	185,336	(168,649)	(257)	2,045	18,475

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

As at 31 December 2014

	VND USD	USD USD	EUR USD	Other currencies USD	Total USD
Assets					
Cash on hand	7,545,811	2,829,874	14,917	-	10,390,602
Balances with the SBV	22,717,915	14,076,680	-	-	36,794,595
Deposits with and loans to other credit institutions	141,396,634	165,456,075	363,955	223,885	307,440,549
Securities held-for-trading – gross	7,709,288	-	-	-	7,709,288
Loans and advances to customers – gross	318,817,803	319,740,125	-	-	638,557,928
Investment securities – gross	132,203,729	-	-	-	132,203,729
Fixed assets	-	23,668,304	-	-	23,668,304
Other assets	7,221,650	6,687,760	-	-	13,909,410
Total assets (1)	637,612,830	532,458,818	378,872	223,885	1,170,674,405

Liabilities and equity

Deposits and borrowings from other credit institutions	9,487,544	140,051,841	-	-	149,539,385
Deposits from customers	573,764,182	176,943,158	409,573	97,929	751,214,842
Derivatives and other financial liabilities	696,223	-	-	-	696,223
Other liabilities	14,307,029	27,046,093	49	528	41,353,699
(including allowances of above financial assets)	-	227,870,256	-	-	227,870,256
Capital and reserves					
Total liabilities and equity (2)	598,254,978	571,911,348	409,622	98,457	1,170,674,405

FX position on balance sheet [(3)=(1)-(2)]

	39,357,852	(39,452,530)	(30,750)	125,428	-
FX position off-balance sheet (4)	(23,533,842)	23,685,457	-	-	151,615

FX position on and off-balance sheet [(5)=(3)+(4)]

	15,824,010	(15,767,073)	(30,750)	125,428	151,615
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Notes to the financial statements for the year ended 31 December 2015 (continued)

As at 31 December 2014

	VND VND million Note 4(a)(ii)	USD VND million Note 4(a)(ii)	EUR VND million Note 4(a)(ii)	Other currencies VND million Note 4(a)(ii)	Total VND million Note 4(a)(ii)
Assets					
Cash on hand	160,319	60,124	316	-	220,759
Balances with the SBV	482,665	299,073	-	-	781,738
Deposits with and loans to other credit institutions	3,004,113	3,515,280	7,733	4,756	6,531,882
Securities held-for-trading – gross	163,792	-	-	-	163,792
Loans and advances to customers – gross	6,773,602	6,793,199	-	-	13,566,801
Investment securities – gross	2,808,800	-	-	-	2,808,800
Fixed assets	-	502,857	-	-	502,857
Other assets	153,431	142,088	-	-	295,519
Total assets (1)	13,546,722	11,312,621	8,049	4,756	24,872,148
Liabilities and equity					
Deposits and borrowings from other credit institutions	201,572	2,975,541	-	-	3,177,113
Deposits from customers	12,190,193	3,759,334	8,702	2,082	15,960,311
Derivatives and other financial liabilities	14,792	-	-	-	14,792
Other liabilities (including allowances of above financial assets)	303,967	574,621	1	11	878,600
Capital and reserves	-	4,841,332	-	-	4,841,332
Total liabilities (2)	12,710,524	12,150,828	8,703	2,093	24,872,148
FX position on balance sheet (3)=(2)-(1)	836,198	(838,207)	(654)	2,663	-
FX position off-balance sheet (4)	(500,000)	503,221	-	-	3,221
FX position on and off-balance sheet (5)=(3) + (4)	336,198	(334,986)	(654)	2,663	3,221

As at 31 December 2015, assuming that all other variables, in particular interest rates, remain constant, had VND strengthen or weaken against USD by 5%, the increase or decrease respectively in the net profit would have amounted to approximately USD330,201 (equivalent to VND7,228 million) (31/12/2014: the decrease or increase respectively in the net profit would have amounted to approximately USD123,427 (equivalent to VND2,622 million)).

(e) **Fair values**

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 value of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	31/12/2015		31/12/2014	
	Carrying amount USD	Fair value USD	Carrying amount USD	Fair value USD
<i>Categorised as financial assets/(liabilities) at fair value through profit or loss:</i>				
▪ Equity securities held-for-trading	2,112,415	(*)	2,054,696	(*)
▪ Debt securities held-for-trading	42,358,154	(*)	4,689,119	(*)
▪ Derivatives and other financial assets/(liabilities)	141,812	(*)	(696,223)	(*)
<i>Categorised as held-to-maturity investments:</i>				
▪ Held-to-maturity securities	86,232,297	(*)	58,428,645	(*)
<i>Categorised as loans and receivables:</i>				
▪ Balances with the SBV	34,291,427	34,291,427	36,794,595	36,794,595
▪ Deposits with and loans to other credit institutions	280,884,076	(*)	307,440,549	(*)
▪ Loans and advances to customers	644,028,263	(*)	633,516,349	(*)
▪ Receivables	531,985	(*)	534,613	(*)
▪ Accrued interest and fees receivable	9,576,148	(*)	8,548,643	(*)
<i>Categorised as available-for-sale:</i>				
▪ Available-for-sale equity securities	-	(*)	652,358	(*)
▪ Available-for-sale debt securities	101,551,710	(*)	72,716,767	(*)
<i>Categorised as liabilities at amortised cost:</i>				
▪ Deposits and borrowings from other credit institutions	(141,218,244)	(*)	(149,539,385)	(*)
▪ Deposits from customers	(866,200,296)	(*)	(751,214,842)	(*)
▪ Accrued interest and fees payable	(9,086,156)	(*)	(5,599,382)	(*)
▪ Other financial liabilities	(1,898,485)	(*)	(28,580,057)	(*)

	Equivalent VND million (Note 4(a)(ii))			
	31/12/2015		31/12/2014	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>Categorised as financial assets/(liabilities) at fair value through profit or loss:</i>				
▪ Equity securities held-for-trading	46,241	(*)	43,654	(*)
▪ Debt securities held-for-trading	927,220	(*)	99,625	(*)
▪ Derivatives and other financial assets/(liabilities)	3,104	(*)	(14,792)	(*)
<i>Categorised as held-to-maturity investments:</i>				
▪ Held-to-maturity securities	1,887,625	(*)	1,241,375	(*)
<i>Categorised as loans and receivables:</i>				
▪ Balances with the SBV	750,639	750,639	781,738	781,738
▪ Deposits with and loans to other credit institutions	6,148,552	(*)	6,531,882	(*)
▪ Loans and advances to customers	14,097,779	(*)	13,459,688	(*)
▪ Receivables	11,645	(*)	11,358	(*)
▪ Accrued interest and fees receivable	209,622	(*)	181,624	(*)
<i>Categorised as available-for-sale:</i>				
▪ Available-for-sale equity securities	-	(*)	13,860	(*)
▪ Available-for-sale debt securities	2,222,967	(*)	1,544,940	(*)
<i>Categorised as liabilities at amortised cost:</i>				
▪ Deposits and borrowings from other credit institutions	(3,091,267)	(*)	(3,177,113)	(*)
▪ Deposits from customers	(18,961,124)	(*)	(15,960,311)	(*)
▪ Accrued interest and fees payable	(198,896)	(*)	(118,964)	(*)
▪ Other financial liabilities	(41,558)	(*)	(607,213)	(*)

(*) The Bank has not determined fair values of these financial instruments for disclosure in the 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, the Vietnamese Accounting System for Credit Institutions stipulated by the SBV and the relevant statutory requirements applicable to financial reporting. The fair values of these financial instruments may differ from their carrying amounts.

39. Lease commitments

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

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	USD	USD	Equivalent VND million Note 4(a)(ii)	Equivalent VND million Note 4(a)(ii)
Within 1 year	1,295,820	1,222,914	28,365	25,982
From 2 to 5 years	3,380,155	2,518,153	73,992	53,501
Over 5 years	1,009,033	1,329,744	22,088	28,252
	5,685,008	5,070,811	124,445	107,735

40. Corresponding figures

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

Statement of income

	2014 (as reclassified) USD	2014 (as previously reported) USD	2014 (as reclassified) Equivalent VND million Note 4(a)(ii)	2014 (as previously reported) Equivalent VND million Note 4(a)(ii)
Other income	-	475,243	-	10,098
Allowance (expenses)/income for credit losses	475,243	-	10,098	-

30 March 2016

Prepared by:



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 Deputy Head of
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Reviewed by:



Tran Le Thuy
 Chief Accountant

Approved by:



