

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

**VIETNAM - ASIA
COMMERCIAL JOINT STOCK BANK**



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REPORT OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2018

The Board of General Directors of Vietnam - Asia Commercial Joint Stock Bank has the honor of submitting this report and the audited consolidated financial statements for the fiscal year ended December 31, 2018.

1. Business highlights

Establishment:

Vietnam - Asia Commercial Joint Stock Bank (herein referred to as the "Bank") is established and registered in the Socialist Republic of Vietnam.

The Bank was established on the basis of merger between Sai Gon Financial Joint Stock Company and Da Nang Rural Commercial Joint Stock Bank under Decision No. 440/QĐ/NHNN dated May 09, 2003 issued by the State Bank of Vietnam ("SBV"). The Bank operates under Banking License No. 12/NH-GP dated May 09, 2003 issued by the SBV and Business Registration Certificate No. 0302963695 dated June 19, 2003 issued by the Department of Planning and Investment of Ho Chi Minh City and its updates from the 25th amendment dated November 07, 2017 issued by the Department of Planning and Investment of Hanoi. The Banking License of the Bank is valid for 99 years from the issued date.

The Bank's principal activities:

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

Short name: VIETABANK

Head office: No.34A-34B, Han Thuyen Street, Pham Dinh Ho Ward, Hai Ba Trung District, Ha Noi City, Vietnam.

2. Financial position and results of operation:

The Bank's consolidated financial position and results of operation of the year are presented in the attached consolidated financial statements.

3. Board of Management, Board of Supervisors, Board of General Directors and Chief Accountant

Members of the Board of Management, Board of Supervisors, Board of General Directors and Chief Accountant holding office in the year and to the reporting date include:

REPORT OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2018

Board of Management:

The members of the Board of Management in the year and at the reporting date include:

Mr. PHUONG HUU VIET	Chairman
Mr. PHAN VAN TOI	Vice Chairman
Mr. PHUONG XUAN THUY	Vice Chairman (from June 15, 2018)
Ms. PHUONG THANH NHUNG	Vice Chairman (to April 26, 2018)
Mr. NGO TAN DUNG	Vice Chairman (to April 26, 2018)
Mr. NGUYEN VAN HAO	Member (from April 26, 2018)
Mr. TRAN TIEN DUNG	Member (from April 26, 2018)
Ms. NGUYEN THI LAN HUONG	Member (from April 26, 2018)
Mr. LE DAC CU	Member (to April 26, 2018)

Board of Supervisors

The members of the Board of Supervisors in the year and at the reporting date include:

Ms. NGUYEN KIM PHUONG	Chief Supervisor
Ms. NGUYEN THI HOAN	Member
Mr. PHUONG MINH TUAN	Member (to April 26, 2018)
Mr. HOANG VU TUNG	Member (from April 26, 2018)

Board of General Directors and Chief Accountant:

The members of the Board of General Directors and Chief Accountant in the year and at the reporting date include:

Mr. NGUYEN VAN HAO	General Director
Mr. PHAM LINH	Deputy General Director
Mr. TRAN TIEN DUNG	Deputy General Director (from June 26, 2018)
Mr. PHUONG XUAN THUY	Deputy General Director (to June 26, 2018)
Mr. LA QUANG TRUNG	Chief Accountant

Legal representatives of the Bank

Legal representative of the Bank in the year and to the reporting date is Mr. PHUONG HUU VIET

4. Auditor

Auditing and Informatic Services Company Limited (AISC) has been appointed as an independent auditor for the fiscal year ended December 31, 2018.

5. Statement of the Responsibility of the Board of General Directors

The Board of General Directors of the Bank is responsible for the preparation of the consolidated financial statements which give a true and fair view of the financial position of the Bank as of December 31, 2018 as well as its results of operation and cash flows for the year then ended. In order to prepare these consolidated financial statements, the Board of General Directors has considered and complied with the following matters:

REPORT OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2018

- Selected appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- The consolidated financial statements of the Bank are prepared on a going concern basis unless it is inappropriate to presume that the Bank will continue in business.

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Bank and that the consolidated financial statements are prepared in compliance with the accounting policies stated in the Notes to the Consolidated Financial Statements. The Board of General Directors is also responsible for safeguarding the assets of the Bank and thus taking reasonable steps for the prevention and detection of fraud and other irregularities.

6. Approval of the Financial Statements

In the Board of General Director's opinion, the consolidated financial statements consisting of Consolidated Balance Sheet as at December 31, 2018, Consolidated Income Statement, Consolidated Cash Flow Statement and Notes to the Consolidated Financial Statements enclosed with this report give a true and fair view of the financial position of the Bank as well as its operating results and cash flows for the fiscal year ended December 31, 2018.

The consolidated financial statements are prepared in compliance with Vietnamese Accounting Standards and the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam.

Ha Noi City, April 16, 2019

For and on behalf of the Board of General Directors



NGUYEN VAN HAO

General Director



CÔNG TY TNHH KIỂM TOÁN VÀ DỊCH VỤ TIN HỌC TP.HCM
Auditing And Informatic Services Company Limited

Office: 389A Điện Biên Phủ, Phường 4, Quận 3, TP.Hồ Chí Minh
Tel: (84.28) 3832 9129 (10 Lines) Fax: (84.28) 3834 2957
Email: info@aisc.com.vn Website: www.aisc.com.vn

No.: A0718257-HN/AISC-DN6

INDEPENDENT AUDITOR'S REPORT

To:

**The Shareholders, Board of Management and Board of General Directors
VIETNAM - ASIA COMMERCIAL JOINT STOCK BANK**

We have audited the consolidated financial statements of VIETNAM - ASIA COMMERCIAL JOINT STOCK BANK ("the Bank") consisting of Consolidated Balance Sheet as at December 31, 2018, Consolidated Income Statement, Consolidated Cash Flows Statement for the year then ended and Notes to the Consolidated Financial Statements as set out on Page 05 to Page 55, which were prepared on April 16, 2019.

Responsibility of the Board of General Directors

The Board of General Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and prevailing regulations applicable to the preparation and presentation of the consolidated financial statements and also for the internal control that the Board of General Directors considers necessary for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Auditor

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 Board of General Directors as well as evaluating the overall presentation of the consolidated financial statements.

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

Auditor's opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of VIETNAM - ASIA COMMERCIAL JOINT STOCK BANK as at December 31, 2018 as well as the consolidated results of its operation and its cash flows for the year then ended. The consolidated financial statements are prepared in compliance with the prevailing Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and other statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

GENERAL DIRECTOR
HỒ CHÍ MINH CITY, April 16, 2019
(Signature)

PHAM VAN VINH
Certificate of Audit Practice Registration
No. 0112-2018-005-1
Issued by the Ministry of Finance

AUDITOR

(Signature)
PHAM THI THANH MAI

Certificate of Audit Practice Registration
No. 1044-2018-005-1
Issued by the Ministry of Finance

Branch in Ho Nai: 6 Floor, 36 Hoa Binh 4 Street, Minh Khai Ward, Hai Ba Trung Dist., Ho Nai City

Branch in Da Nang: 350 Hai Phong St., Thanh Khe Dist., Da Nang City

Representative in Can Tho: 99019 - A 200 Nguyen Hien St., Ninh Kieu Dist., Can Tho City

Representative in Hai Phong: 18 Hoang Van Thu St., Hong Bang Dist., Hai Phong

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CONSOLIDATED BALANCE SHEET*As at December 31, 2018**Unit: VND*

ITEMS	Notes	Dec. 31, 2018	Jan. 01, 2018
A. ASSETS			
I. Cash on hand, gold and gemstones	V.01	318.618.212.910	271.566.347.145
II. Balances with the State Bank of Vietnam	V.02	440.947.678.293	243.616.552.330
III. Deposits with and loans to other credit institutions	V.03	15.267.644.813.949	12.353.454.916.824
1. Deposits with other credit institutions		15.267.644.813.949	11.353.454.916.824
2. Loans to other credit institutions		-	1.000.000.000.000
3. Provisions for losses		-	-
IV. Held-for-trading securities		-	-
1. Held-for-trading securities		-	-
2. Provisions for losses of held-for-trading securities		-	-
V. Derivative financial instruments and other financial assets		883.750.000	1.561.550.000
VI. Loans to customers		37.522.475.137.691	33.898.537.148.139
1. Loans to customers	V.4.1	37.916.118.452.171	34.226.235.570.361
2. Provisions for credit losses of loans to customers	V.4.2	(393.643.314.480)	(327.698.422.222)
VII. Debts purchasing activities	V.05	1.518.946.560	1.900.946.560
1. Debts purchasing		1.518.946.560	1.900.946.560
2. Provisions for losses of debts purchasing activities		-	-
VIII. Investment securities	V.06	12.095.661.282.116	12.521.682.278.812
1. Available-for-sale securities		8.455.196.627.744	9.987.502.744.571
2. Held-to-maturity securities		4.287.647.188.025	3.068.937.094.700
3. Provisions for impairment of investment securities		(647.182.533.653)	(534.757.560.459)
IX. Long-term investments	V.07	313.373.630.000	313.373.630.000
1. Investments in subsidiaries		-	-
2. Investments in joint-ventures		-	-
3. Investments in associates		-	-
4. Investments in equity of other entities		313.373.630.000	313.373.630.000
5. Provision for decline in the value of long-term investments		-	-

CONSOLIDATED BALANCE SHEET*As at December 31, 2018**Unit: VND*

ITEMS	Notes	Dec. 31, 2018	Jan. 01, 2018
X. Fixed assets		195.390.392.874	216.895.851.497
1. Tangible fixed assets	V.8	80.794.186.991	96.480.384.720
<i>a. Cost</i>		<i>292.199.054.004</i>	<i>295.531.486.002</i>
<i>b. Accumulated depreciation</i>		<i>(211.404.867.013)</i>	<i>(199.051.101.282)</i>
2. Finance lease assets		-	-
<i>a. Cost</i>		-	-
<i>b. Accumulated depreciation</i>		-	-
3. Intangible fixed assets	V.9	114.596.205.883	120.415.466.777
<i>a. Cost</i>		<i>212.717.049.940</i>	<i>212.717.049.940</i>
<i>b. Accumulated amortisation</i>		<i>(98.120.844.057)</i>	<i>(92.301.583.163)</i>
XI. Investment Properties		-	-
<i>a. Cost</i>		-	-
<i>b. Accumulated depreciation</i>		-	-
XII. Other assets	V.10	5.134.801.875.476	4.611.571.120.505
1. Receivables		1.453.910.813.032	1.334.734.663.075
2. Accrued interest and fees receivable		2.454.018.413.535	2.890.789.678.106
3. Deferred income tax assets		-	-
4. Other assets		1.228.412.648.909	483.451.505.065
- In which: Goodwill		-	-
5. Provisions for impairment of other balance sheet assets		(1.540.000.000)	(97.404.725.741)
TOTAL ASSETS		71.291.315.719.869	64.434.160.341.812

CONSOLIDATED BALANCE SHEET*As at December 31, 2018**Unit: VND*

ITEMS	Notes	Dec. 31, 2018	Jan. 01, 2018
B. LIABILITIES AND EQUITY			
I. Borrowings from the Government and the State Bank of Vietnam	V.11	10.171.722.067	-
II. Deposits and borrowings from other credit institutions	V.12	22.714.461.659.651	22.770.280.624.565
1. Deposits from other credit institutions		16.100.806.728.273	13.654.988.390.756
2. Borrowings from other credit institutions		6.613.654.931.378	9.115.292.233.809
III. Deposits from customers	V.13	41.367.098.156.574	34.402.402.943.369
IV. Derivative financial instruments and other financial liabilities		-	-
V. Grants, trusted funds and borrowings at risk of the credit institution	V.14	14.258.508.000	24.852.998.000
VI. Valuable papers issued	V.15	1.682.143.421.968	2.163.574.657.610
VII. Other liabilities	V.16	1.268.313.342.289	956.595.858.997
1. Accrued interest and fees payable		1.010.318.361.845	855.113.198.660
2. Deferred income tax liabilities		-	-
3. Other liabilities		257.994.980.444	101.482.660.337
4. Provisions for other risk (Provisions for contingent liabilities)		-	-
TOTAL LIABILITIES		67.056.446.810.549	60.317.707.082.541

CONSOLIDATED BALANCE SHEET*As at December 31, 2018**Unit: VND*

ITEMS	Notes	Dec. 31, 2018	Jan. 01, 2018
VIII. Capital and reserves	V.17	4.234.868.909.320	4.116.453.259.271
1. Contributed capital		3.500.102.540.351	3.500.102.540.351
a. Charter capital		3.499.990.470.000	3.499.990.470.000
b. Investment reserve for basic construction, purchases of fixed assets		-	-
c. Share premium		98.600.000	98.600.000
d. Treasury shares		-	-
e. Preferred shares		-	-
f. Other capital		13.470.351	13.470.351
2. Reserves		195.942.439.682	178.180.092.175
3. Foreign exchange differences		-	-
4. Difference upon assets revaluation		-	-
5. Undistributed earnings/Accumulated losses		538.823.929.287	438.170.626.745
TOTAL LIABILITIES AND OWNERS' EQUITY		71.291.315.719.869	64.434.160.341.812

OFF-BALANCE SHEET ITEMS

ITEMS	Notes	Dec. 31, 2018	Jan. 01, 2018
1. Credit guarantees		-	-
2. Commitments on foreign exchange	VIII.33	2.713.815.000.000	4.081.350.000.000
2.1 Commitments on purchase of foreign currencies		162.365.000.000	-
2.2 Commitments on sale of foreign currencies		-	-
2.3 Cross currency swap contracts		2.551.450.000.000	4.081.350.000.000
2.4 Cross currency futures contracts		-	-
3. Undisputed loan commitment		-	-
4. Letters of credit	VIII.33	29.437.822.914	21.036.457.455
5. Other guarantees	VIII.33	550.276.757.476	218.895.113.140
6. Other commitments		-	-

Ha Noi City, April 16, 2019

PREPARED BY



NGUYEN HUU CUONG

CHIEF ACCOUNTANT



LA QUANG TRUNG

GENERAL DIRECTOR

**NGUYEN VAN HAO**

CONSOLIDATED INCOME STATEMENT*For the fiscal year ended December 31, 2018**Unit: VND*

ITEMS	Notes	Year 2018	Year 2017
1. Interest and similar income	VI.18	4,244,311,073,392	4,130,321,144,978
2. Interest and similar expenses	VI.19	3,134,387,962,456	2,986,215,394,763
I. Net interest income		1,109,923,110,936	1,144,105,750,215
3. Income from services		15,379,982,197	12,180,813,803
4. Expenses on services		22,858,834,639	19,181,086,473
II. Net gain/(loss) from services	VI.20	(7,478,852,442)	(7,000,272,670)
III. Net gain/(loss) from trading foreign currencies	VI.21	(978,600,810)	(42,857,915,296)
IV. Net gain/(loss) from trading securities	VI.22	2,856,913,757	(82,522,834,271)
V. Net gain/(loss) from investment securities	VI.23	1,650,194,010	35,866,441,053
5. Other operating income		73,991,388,358	22,419,251,775
6. Other operating expenses		2,079,768,665	95,674,211,987
VI. Net gain/(loss) from other activities	VI.24	71,911,619,693	(73,254,960,212)
VII. Income from investments in other entities	VI.25	1,412,328,500	14,319,981,560
VIII. Operating expenses	VI.26	564,180,912,736	558,703,451,758
IX. Net profit from operating activities before credit provision expenses		615,115,800,908	429,952,738,621
X.1 Provision expenses for credit losses	VI.27	464,588,074,298	308,121,692,935
XI. Profit before tax		150,527,726,610	121,831,045,686
7. Current corporate income tax expense		32,112,076,561	23,029,273,534
8. Deferred corporate income tax expense		-	-
XII. Total income tax expense	VI.28	32,112,076,561	23,029,273,534
XIII. Profit after tax		118,415,650,049	98,801,772,152
XIV. Minority interests		-	-
XV. Earnings per share	V.17.2	338	282

Ha Noi City, April 16, 2019

PREPARED BY



NGUYEN HUU CUONG

CHIEF ACCOUNTANT



LA QUANG TRUNG

GENERAL DIRECTOR



NGUYEN VAN HAO

CONSOLIDATED CASH FLOW STATEMENT

(Under direct method)

For the fiscal year ended December 31, 2018

Unit: VND

ITEMS	Notes	Year 2018	Year 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
01. Interest and similar income received		4.681.082.337.963	4.044.640.334.148
02. Interest and similar expenses paid		(2.979.182.799.271)	(2.871.294.825.603)
03. Net fee and commission (expenses paid)/income received		(7.478.852.442)	(7.000.272.670)
04. Net (payments for)/receipts from trading activities (foreign currencies, gold and securities)		3.528.506.957	(89.514.308.514)
05. (Other expenses paid)/ other income received		(327.363.380.529)	(463.748.962.064)
06. Receipts from debts written - off or paid off by risk fund		-	-
07. Salaries and operating expenses paid		(535.256.999.248)	(521.792.194.903)
08. Corporate income tax paid during the year		(45.825.426.973)	(6.480.163.768)
<i>Cash flows from operating activities before changes in operating assets and liabilities</i>		789.503.386.457	84.809.606.626
<i>Changes in operating assets</i>			
09. (Increase)/Decrease in deposits with and loans to other credit institutions		900.000.000.000	(711.933.000.000)
10. (Increase)/Decrease in held-for-trading securities		426.020.996.696	2.664.057.932.366
11. (Increase)/Decrease in derivatives and other financial assets		677.800.000	(1.561.550.000)
12. (Increase)/Decrease in loans and advances to customers		(3.689.500.881.810)	(3.809.495.975.499)
13. Utilisations of allowance for credit losses		-	-
14. (Increase)/Decrease in other operating assets		(1.101.491.029.510)	286.766.139.474

CONSOLIDATED CASH FLOW STATEMENT

(Under direct method)

*For the fiscal year ended December 31, 2018**Unit: VND*

ITEMS	Notes	Year 2018	Year 2017
<i>Changes in operating liabilities</i>			
15. Increase/(Decrease) in borrowings from the State Bank of Vietnam		10.171.722.067	-
16. Increase/(Decrease) in deposits and borrowings from other credit institutions		(55.818.964.914)	(1.056.998.316.332)
17. Increase/(Decrease) in deposits from customers (including State Treasury)		6.964.695.213.205	2.212.686.944.240
18. Increase/(Decrease) in issued valuable papers (excluding issued valuable papers charged to financial activities)		(481.431.235.642)	1.488.225.254.167
19. Increase/(Decrease) in grants, trusted funds and borrowing at risk of the credit institution		(10.594.490.000)	(18.620.182.000)
20. Increase/(Decrease) in derivatives and other financial liabilities		-	-
21. Increase/(Decrease) in other operating liabilities		311.717.483.292	244.872.685.206
22. Cash outflows from reserves of the credit institution		-	-
I. Net cash flows from operating activities		4.063.949.999.841	1.382.809.538.248
CASH FLOWS FROM INVESTING ACTIVITIES			
01. Payments for purchases of fixed assets		(7.421.257.670)	(8.790.693.659)
02. Proceeds from disposals of fixed assets		631.818.182	-
03. Expenses on disposals of fixed assets		-	-
04. Payments for purchases of investment properties		-	-
05. Proceeds from disposals of investment properties		-	-
06. Expenses on disposals of investment properties		-	-
07. Investments in other entities		-	(65.940.000.000)
08. Proceeds from divestment in other entities		-	-
09. Receipts of dividends and profit distributions from capital contribution, long-term investment		1.412.328.500	14.319.981.560
II. Net cash flows from investing activities		(5.377.110.988)	(60.410.712.099)

CONSOLIDATED CASH FLOW STATEMENT

(Under direct method)

For the fiscal year ended December 31, 2018

Unit: VND

ITEMS	Notes	Year 2018	Year 2017
CASH FLOWS FROM FINANCING ACTIVITIES			
01. Proceeds from share capital issued		-	-
02. Proceeds from long-term valuable papers issued that are eligible into equity and other long-term loans		-	-
03. Expenses on long-term valuable papers paid that are eligible into equity and other long-term loans		-	-
04. Dividends paid		-	-
05. Payments for purchases of treasury shares		-	-
06. Proceeds from purchases of treasury shares		-	-
III. Net cash flows from financing activities		-	-
IV. Net cash flows during the year		4.058.572.888.853	1.322.398.826.149
V. Cash and cash equivalents at the beginning of the year		11.868.637.816.299	10.546.238.990.150
VI. Effects of changes in foreign exchange rates		-	-
VII. Cash and cash equivalents at the end of the year	VII.29	15.927.210.705.152	11.868.637.816.299

Ha Noi City, April 16, 2019

PREPARED BY


 NGUYEN HUU CUONG

CHIEF ACCOUNTANT


 LA QUANG TRUNG

GENERAL DIRECTOR



 NGUYEN VAN HAO

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2018**Unit: VND***I. Business highlights of credit institution****1. License for establishment and operation, validity term**

The Vietnam - Asia Commercial Joint Stock Bank was established under Business Registration Certificate No. 0302963695 dated June 19, 2003 issued by the Department of Planning and Investment of Ho Chi Minh City and its updates from the 25th amendment dated November 07, 2017 issued by the Department of Planning and Investment of Hanoi. The Bank operates under Banking License No. 12/NH-GP dated May 09, 2003 issued by the SBV. The Banking License of the Bank is valid for 99 years from the issued date.

2. Structure of ownership: Joint -Stock.**3. The Bank's principal activities**

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

4. Head office

No.34A-34B, Han Thuyen Street, Pham Dinh Ho Ward, Hai Ba Trung District, Ha Noi City, Vietnam.

Number of branches: 21 (twenty one)

5. Subsidiary

As at December 31, 2018, the Bank had one (01) directly owned company as follows:

<i>Company's name and address</i>	<i>Operation License</i>	<i>Principal activities</i>	<i>Chartered capital</i>	<i>Percentage of equity owned and voting rights</i>
Vietnam Asia Commercial Bank Asset Management One Member Limited Company	2764/QD-NHNN dated November 18, 2010	Debt Management And Asset Exploitation	500.000.000.000	100%

6. Total employees to Dec. 31, 2018: 1.337 persons (Dec. 31, 2017: 1.347 persons).**II. Annual accounting period, accounting and presentation currency**

1. Annual accounting period: is begun on January 01 and ended December 31 annually.
2. Accounting and presentation currency: Vietnam Dong (VND).

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2018**Unit: VND***III. Applicable Accounting Standards and Regimes****Disclosure of compliance with Vietnamese Accounting Standards (VAS) or prevailing regulations:**

The accompanying financial statements are prepared under the historical cost and in compliance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to Credit Institutions issued by SBV and relevant regulations applicable to Banks and other Credit Institutions operating in the Socialist Republic of Vietnam. Therefore, the accompanying financial statements are not intended to present the financial position, results of operations and cash flows of the Bank in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. The accounting principles and practices used in Socialist Republic of Vietnam may differ from practices in other countries.

Regimes and accounting system applied

The Bank applies Vietnamese Accounting System applicable to Credit Institutions under Decision No. 479/2004/QĐ-NHNN dated April 29, 2004, the Regime on financial statements applicable to credit institutions under Decision No. 16/2007/QĐ-NHNN dated April 18, 2007, Circular No. 10/2014/TT-NHNN dated March 20, 2014, Circular No. 49/2014/TT-NHNN dated December 31, 2014 and Circular No. 22/2017/TT-NHNN dated December 29, 2017 were issued by State Bank of Vietnam and relevant accounting standards.

IV. Applicable accounting policies**1. Changes in accounting policies**

On December 29, 2017, the SBV issued Circular No. 22/2017/TT-NHNN (will take effect on April 01, 2018) amending and supplementing: Clause 20, 25, 28, 29, 46 and 50 Article 2 Circular 10/2014/TT-NHNN dated March 20, 2014 by SBV on amending and supplementing a number of articles of Chart of account system applicable to credit institutions issued in connection with Decision No. 479/2004/QĐ-NHNN dated April 29, 2004; Clause 3 Article 1, Clause 2, 3 Article 2 Circular 49/2014/TT-NHNN dated December 31, 2014 by SBV on amending and supplementing a number of articles of the financial reporting regime applicable to credit institutions required under Decision No. 16/2007/QĐ-NHNN dated April 18, 2007 by the Governor of the SBV and Chart of account system applicable to credit institutions issued in connection with Decision No. 479/2004/QĐ-NHNN dated April 29, 2004.

2. Principles for consolidating the financial statements:

The consolidated financial statements include the financial statements of Vietnam - Asia Commercial Joint Stock Bank and its subsidiaries - Vietnam Asia Commercial Joint Stock Bank Asset Management One Member Limited Company (hereinafter referred to as "the Group") for the year ended December 31, 2018.

The subsidiary's financial statements are consolidated into the Bank's since the date of acquisition, when the Bank holds control over the subsidiary and no longer be consolidated since the Bank ceases its control right.

The financial statements of the subsidiary are prepared for the same accounting period as Vietnam - Asia Commercial Joint Stock Bank according to the accounting policies consistent with the accounting policies of the Bank. Adjustment entries have been made for any accounting policies that differ to ensure consistency between the subsidiary and the Bank.

All intra-group balances and amounts of revenues, income and expenses arising from intra-group transactions, including unrealized profits arising from internal transactions the "Group" is included in the value of the property is excluded altogether.

3. Translation currency

Transactions in trading foreign currencies/gold which arise during the period are converted at the actual exchange rates ruling as of the transaction dates.

Other transactions denominated in foreign currencies which arise during the period are converted at the spot bank transfer weighted average exchange rates ruling as of the transaction dates.

Closing balance of monetary items denominated in foreign currencies will be revaluated at the spot exchange rate ruling as of the balance sheet date if this rate is 1% lower than the average of the bid price and ask price on that date, or at the rate of the average of the bid price and ask price in the other case.

Foreign exchange differences, which arise from foreign currency transactions during the period and from the revaluation of ending balances of the monetary items in foreign currencies shall be included in the income statement.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2018**Unit: VND*

Exchange rate at December 31, 2018:

VND/USD : 23.195	VND/JPY: 210,31	VND/Thread: 3.650.000
VND/CAD: 17.013	VND/AUD: 16.344	
VND/EUR: 26.535	VND/SGD: 16.968	
VND/GBP: 29.481	VND/CHF: 23.561	

4. Accounting for interest income, interest expenses and termination of interest accruals

The Group records interest income and interest expenses by accrued method. Interests on overdue loans are not recorded on accrual basis, but actual receipt. When a loan becomes overdue, the accrued interest will be recorded in the off-balance sheet. These interests will be recorded in the income statement once they are collected.

5. Fees and commissions income

Income from fee and commission including income from settlement service, treasury service, fee of guarantee, fee of providing brokerage service and other services. Income from fee of guarantee and providing brokerage service will be recorded by accrued method. Income from fee and commission from settlement service, treasury service and other service will be recorded when they are actually received.

6. Accounting for loans granted to customers, debts purchasing activities**Recognition and measurement of loans to customers**

Loans granted to customers are stated at the balance of loan (principal) less provision for loss.

Short-term loans are those with a repayment date within one year, medium-term loans are those with a final repayment date between one and five years and long-term loans are those with a repayment date of more than five years.

Classifying loans and provision for credit losses

Principles for classifying loans and revaluating provision for credit risks are in compliance with Circular No. 02/2013/TT-NHNN dated January 21, 2013 issued by SBV, providing for classification of assets, level, method of making risk provisioning and use of provision to deal with risks in operation of credit institutions, foreign bank branches and Circular No. 09/2014/TT-NHNN dated March 18, 2014 issued by SBV amending and supplementing a number of articles of Circular No. 02.

The Bank implemented the classification of loans in accordance with the quantitative method as stipulated in Article 10 of Circular 02. Accordingly, loans to customers are classified according to level of risk as follows: Current debts, Special mentioned debts, Sub-standard debts, Doubtful debts and Bad debts based on overdue status and other qualitative determinants of the loans.

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 outstanding syndicated loan) of the customer into a higher risk group of debts as determined by the lead bank, participating banks and the Bank.

Provision for credit losses

Provision for credit losses includes specific provision and general provision.

Specific provision is made for the losses that may be incurred in respect of each specific debt, in proportion to each of the following:

Group	Debts classification	Percentage of specific provision
Group 1	Current debts	0%
Group 2	Special mentioned debts	5%
Group 3	Sub-standard debts	20%
Group 4	Doubtful debts	50%
Group 5	Bad debts	100%

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2018**Unit: VND*

Specific provision is calculated based on the loan balance for each customer classified as credit risk at the end of the quarter (in fourth quarter, specific provision is calculated based on the loan balance for each customer classified as credit risk at the last working day of November) minus the value of the collateral that has been discounted at the rates specified in Circular 02.

General provision is made at 0,75% of the outstanding balance of debts classified from group 1 to group 4, except for:

- Deposits (except deposit payment) at domestic credit institutions, branches of foreign banks in Vietnam in accordance with law and deposits at foreign credit institutions.
- Loans, purchasing term - valuable papers to credit institutions and other branches of foreign banks in Vietnam.

Handling credit risk

According to Circular 02, the Bank must establish Risk Management Council to decide on the use of reserves to handle risks in the following cases:

- Borrowers have been declared bankrupt or dissolved (for borrowers being organisations and enterprises) or borrowers are deceased or missing (for borrowers being individuals).
- Debts have been classified to Group 5.

Selling the loans to Vietnam Asset Management Company ("VAMC")

The Bank sells debts to VAMC under Decree No. 53/2013/ND-CP dated May 18, 2013; Decree 34/2015/ND-CP of the Government dated March 31, 2015, amending and supplementing a number of articles of Decree 53; Circular 19/2013/TT-NHNN of the SBV dated September 06, 2013 providing for the purchase, sale and handling of non-performing loans by VAMC; and debts sold to VAMC are discharged from the balance sheet in accordance with the guidance in Official Letter No. 8499/NHNN-TCKT issued by the SBV dated November 14, 2013 providing guidance for accounting trading bad debts of VAMC and credit institutions, and Official Letter No. 925/NHNN-TCKT issued by the SBV dated February 19, 2014.

Special bonds issued by VAMC correspond to the bad debt that the Bank sells are recognized as held-to-maturity debt securities.

After completing the procedures of selling, the Bank uses specific provisions that have not been used to account for the reduction of the bad debt value and written-off off-balance sheet accounts that tracking unrealized gain of that bad debt.

7. Accounting trading and investment securities**7.1. Held-for-trading securities**

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

Principle for recording trading securities: Trading securities are initially recognized at cost of acquisition (original cost), including buying price (+) buying cost (if any). Subsequently, these securities are recognized at original cost less provision for impairment.

Gains or losses from trading securities are recognized in the income statement on net value.

Provision for impairments of held-for-trading securities shall be made when the net value realizable (market price) is lower than the book value.

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

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

For unlisted held-for-trading equity securities and have not been registered on the UPCOM market but have been actively traded on the market, the market price is the average of the transaction prices quoted by three securities companies at the reporting date.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2018**Unit: VND*

For listed trading debt securities, market prices are determined based on the rates of return listed on the Hanoi Stock Exchange (HNX) at the end of the fiscal year.

For securities not allowed actively traded on the market or where the market price of those securities cannot be determined reliably, no allowance is made and such securities are stated at cost.

Income earned while holding held-for-trading securities is recognized in the income statement based on cash basis.

7.2. Investment securities

Investment securities include available-for-sale securities and held-to-maturity securities.

Held-to-maturity securities

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

The unlisted corporate bonds held to maturity are recorded at original cost less provision for credit losses. The classification of debt and provision for credit losses of unlisted corporate bonds are carried out in accordance with the policy applicable to loans to customers as explained in item 5.

Other held-to-maturity securities are recorded at original cost less provision for impairment. Provision for impairment is made when the market price is lower than book value or signs of decline in value as assessed by the Board of General Directors.

The additional value and the discounted value arising from the purchase of held-to-maturity securities are allocated to income statement of the Bank in accordance with the straight line method from buying date to maturity date.

Interest income on the purchase of held-to-maturity securities is recognized in income statement based on accruals basis.

Special bonds issued by VAMC

Special bonds issued by VAMC are valuable papers issued by VAMC to purchase the Bank's bad debts and recognized as held-to-maturity debt securities.

Special bonds are recorded at par value at the transaction date and subsequently measured at par value less the specific provision in the holding period.

Par value of the special bond is equal to the carrying value of bad debt sold net off specific allowance which was made but not yet utilised.

Periodically, the Bank shall determine and make provision for impairment of those special bonds in accordance with the regulations stipulated in Decree No. 53/2013/ND-CP dated May 18, 2013 of the Government and Circular No. 19/2013/TT-NHNN dated September 06, 2013 of SBV. Accordingly, from year 2015 backwards, the Bank has made provision for special bonds into operating expenses, minimum equivalent to 20% of par value of each special bond. According to Official Letter No. 895/NHNN.TTGSNH.m dated September 10, 2015 and Official Letter No.1045/NHNN-TTGSNH.m dated December 29, 2016, the SBV allowed the Bank to make provision for losses for special bonds for a period of 10 years, and does not apply retroactively.

Banks do not have to make general provision for special bonds.

Upon receiving back the debt sold to VAMC, the bank uses specific provisions that have been deducted annually for special bonds to handle bad debt. The difference between the provision that has been appropriated and the uncollected principal will be reversed and recorded in income statement.

Available-for-sale securities

Available-for-sale securities are debt securities or equity securities held for an indefinite period of time that can be sold at any time.

- Equity Securities

Equity securities are recorded at historical cost less provision for impairment of securities.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2018**Unit: VND*

Provision for diminution in value of investment securities is made when net realizable value (market value) is lower than the book value. Provision for available-for-sale equity securities is similar to trading securities as disclosed in Note 5.1.

Gains or losses from available-for-sale securities are recognized in the income statement on net value. Interest income after the purchase of held-to-maturity securities is recorded in the statement of income on an accruals basis. Interest earned before the Bank's holding is deducted from the original cost at the time of acquisition.

- Debts Securities

The unlisted available-for-sale corporate bonds are recorded at original cost less provision for credit losses. The classification of debt and provision for credit losses of unlisted corporate bonds are carried out in accordance with the policy applicable to loans to customers as explained in item 5.

For listed debt securities, market prices are determined based on the rates of return listed on the Hanoi Stock Exchange (HNX) at the end of the fiscal year.

The overhead value and the discount value arising from the acquisition of available-for-sale securities are amortized to the income statement on a straight-line basis from the date of acquisition to the maturity date of that stock. If the securities are sold before the maturity date, the unamortized discount value and the overhead value are fully recorded in the statement of income at selling date.

Gain from available-for-sale securities is recorded in the income statement on accrual basis.

8. Capital contribution, long-term investments**8.1. Accounting investments in subsidiaries**

Investments in subsidiaries are recorded when the Bank holds more than 50% of voting rights and has the power to govern the financial and operating policies so as to obtain benefits from the Company. When the Bank no longer holds control of a subsidiary, the investment in the subsidiary is written-off. Investments in subsidiaries are reflected in the financial statements using the historical cost method.

Investments in subsidiaries are initially recorded at historical cost method, subsequently not adjusted for changes in the shareholdings of the investors in the net assets of the investee. Cost includes the buying price and any directly attributable costs of investing in it. Where investments by non-monetary assets are made, the cost of the investment is recognized at the fair value of the non-monetary assets at the time of acquisition.

8.2. Accounting other long-term investments

Other long-term investments are investments at a rate lower than or equal to 11% of the equity of the economic organizations in which the Bank is a founding shareholder, or the strategic partner or the most determine dominant the process of establishing and deciding the financial and operating policies of the business through agreements on the assignment of members of the Board of Management. Long-term investments are initially recorded at historical cost method.

8.3. Provision for decline in the value of long-term investments

Provision for loss of long-term financial investments is made when the Bank recognizes that economic institutions it invests in suffer from loss (except for the loss as planned in the business plan). As stipulated in Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on December 07, 2009 and Circular No. 89/2013/TT-BTC issued by the Ministry of Finance dated June 28, 2013 amending and supplementing Circular 228/2009/TT-BTC, the providing level for loss of long-term financial investments is the difference between the actual contributed capital of the parties in the economic institution and the real owner's equity multiplied by (x) at ratio of the invested capital of the Bank and the actual contributed capital in the economic institution.

9. Accounting for tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises all expenditures of bringing the asset to its working condition and location for its intended use. The expenditures incurred beyond their originally assessed standard of performance are capitalised as an additional cost of tangible fixed assets when they have resulted in an increase in the future economic benefits expected to be obtained from the use of those tangible fixed assets. The expenditures which do not meet the above conditions are charged to the expenses in the year.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2018**Unit: VND*

When the assets are sold or disposed, their original costs and the accumulated depreciation which have been written off and any gain or loss from disposal of assets are recorded in the income statement in period.

Determination of original costs of tangible fixed assets:

Tangible fixed assets purchased

The original cost of purchased tangible fixed assets shall consist of the actual purchase price less (-) trade discounts or reduction plus (+) taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed assets are put into operation such as fees for installation and trial operation of fixed assets; specialists and other direct costs.

The original cost of a tangible fixed asset formed from capital construction under the mode of tendering shall be the finalisation price of the construction project, other relevant fees plus (+) registration fee (if any).

Fixed assets which are buildings, structures attached to land use right, the value of land use right is computed separately and recorded as intangible fixed assets.

Tangible fixed assets constructed or produced by the Group itself:

The original cost of a tangible fixed asset which is constructed or produced by the Company itself shall include the actual production cost of the fixed asset plus (+) expenses for installation and trial operation. In case where the Company transfers its self-produced products to fixed assets, the original costs will be the production costs plus (+) other relevant expenses calculated to the time when such fixed asset is put into operation. In such case, all internal gains will not be recorded in the original costs of those fixed assets.

Tangible fixed assets purchased in the form of an exchange:

The original cost of a tangible fixed asset purchased in the form of exchange for a dissimilar tangible fixed asset or other assets shall be determined according to the reasonable value of the received tangible fixed assets, or that of the exchanged ones, after adjusting the cash amounts or cash equivalents which are additionally paid or received.

The original cost of a tangible fixed asset purchased in the form of exchange for similar one, or possibly formed through its sale in exchange for the right to own similar ones. In both cases no profit or loss is recognized in the exchange process.

Tangible fixed assets augmented from other sources:

The original cost of a tangible fixed asset which is donated or presented shall be initially recognized according to the initial reasonable value. Where it is not recognized according to the initial reasonable value, the enterprises may recognize it according to the nominal value plus (+) the expenditures directly related to the putting of the assets into the ready-for-use state.

10. Principles for recording intangible fixed assets:

Intangible fixed assets are stated at cost less accumulated amortization. The original cost of a intangible fixed asset comprises all costs of owning the asset to the date it is put into operation as expected.

Determination of original costs of intangible fixed assets:

Purchase of separate intangible fixed assets

The original cost of purchased intangible fixed assets shall consist of the actual purchase price payable less (-) trade discounts or reduction plus (+) taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed assets are put into operation. The land use rights which are purchased together with buildings, structures will be determined separately and recorded as intangible fixed assets.

Land use right

The original cost of an intangible fixed asset which is the land use right shall be the payment made to obtain the lawful land use right plus (+) compensatory payments for clearance of site, expenses for leveling the ground, registration fee...

Computer software

The original cost of a in tangible fixed asset which is the computer software shall be the total of actual expenses incurred by the Bank to obtain the computer software.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2018**Unit: VND***11. Method of depreciating and amortizing fixed assets**

Depreciation is charged to write off the cost of fixed assets on a straight line basis over their estimated useful lives. Useful life means the duration in which the tangible fixed assets produce their effect on production and business.

The estimated useful life for assets is as follows:

<i>Buildings and structures</i>	<i>25 - 50 years</i>
<i>Machinery and equipment</i>	<i>3 - 8 years</i>
<i>Transportation and facilities</i>	<i>6 - 7 years</i>
<i>Accounting software</i>	<i>3 - 5 years</i>
<i>Other assets</i>	<i>4 - 25 năm</i>

Land use rights which are granted for a definite term are amortized in conformity with the term stated in the certificate of land use right.

Land use rights which are granted for an indefinite term are carried at cost and not amortised.

12. Accounting for leasing asset transactions

Operating leases: Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

13. Cash and cash equivalents

In the statement of cash flows: cash and cash equivalents includes cash, payment deposits at the State Bank of Vietnam, demand deposits and deposits with the term of less than 90 days since deposit date at other credit institutions, government bond and other short-term valuable paper qualified to be discounted, securities with recoverable or maturity term of less than 3 months since purchase date.

14. Provisions

Provisions are recorded when: the Bank has present obligations as a result of past events; It is probable that an outflow of resources will be required to settle the obligation; The obligation is estimated reliably; Provision is not recorded for the operating loss in the future.

When there are similar obligations, the possibility of outflow of resources due to the settlement of obligations is determined by considering the whole group in general. Provision will be made through the outflow due to obligation settlement is very small.

Provision is calculated at present value of estimated expenses for settling debts at the discount interest rate before tax and reflects the assessment based on present market of the market price of currency and specific risk of those debts. The increase of provision throughout time will be recorded as interest expense.

Provision for severance allowances: Under the Vietnamese Labor Law, employees of the Bank are entitled to a severance allowance based on their years of service, calculated from the date started working to December 31, 2008. This support is paid once when the employee leaves the Bank. The Bank is made provision for severance allowance based on Circular No.180/2012/TT-BTC dated October 24, 2012 of the Ministry of Finance.

15. Principles and methods of recording corporate income tax expense - current, corporate income tax expense - deferred :

Corporate income tax includes current corporate income tax and deferred corporate income tax incurred in the year and set basis for determining operating result after tax in current fiscal year.

Current tax: is the tax payable (or recoverable) on the taxable income and tax rate enacted in current year in accordance with the law on corporate income tax.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2018**Unit: VND*

Deferred tax: is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax liability is provided for all temporary differences, deferred income tax asset is only provided when there is enough taxable profit in the future for deducting the temporary differences.

The carrying amount of deferred tax assets must be reassessed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax assets to be utilized. The unrecognized deferred tax assets will be reassessed at each balance sheet date and recognized to the extent that it has become probable future taxable profit will allow the deferred tax asset to be utilized.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred income tax assets and deferred income tax liabilities are offset when the Bank has the legal right to offset current income tax assets against current income tax liabilities and the deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority of the same subject to corporate income tax and the Bank has intention to pay current income tax liabilities and current income tax assets on a net basis.

The tax amounts payable to the State budget will be finalized with the tax office. Differences between the tax amounts payable specified in the book and the tax amounts under finalization will be adjusted when the tax finalization has been issued by the tax office.

16. Accounting for borrowing, issuance of debt securities, equity instruments

Principles for recording borrowing costs: Borrowing costs are loan interest and other costs incurred in direct relation to borrowings of an enterprise; Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs related to borrowings in respect of the construction or production of uncompleted assets, in which case the borrowing costs incurred during the period of construction are computed in those assets' value (capitalised) as part of the cost of the assets concerned when they satisfy conditions stipulated in the VAS No. 16 "Borrowing costs".

Capitalized rate: In case of joint capital borrowings, which are used for the purpose of investment in construction or production of an uncompleted asset, the borrowing costs eligible for capitalization in each accounting period shall be determined according to the capitalization rate for weighted average accumulated costs incurred to the investment in construction or production of such asset. The capitalization rate shall be calculated according to the weighted average interest rate applicable to the enterprises borrowings unrepaid in the period, except for particular borrowings for purpose of obtaining an uncompleted asset. The amount of borrowing costs capitalized during a period must not exceed the amount of borrowing costs arising during that period.

17. Owners' equity

The owners' paid-in capital is the amount that is initially contributed or supplemented by shareholders, supplemented from profit after tax in accordance with the resolution of the General Meeting of Shareholders or in accordance with the Charter of the Bank's operation. The owners' paid-in capital will be recorded at the actual contributed capital by cash or assets calculated according to the par value of issued shares in the early establishment period or additional mobilization to expand Bank's operation.

Share premium is the difference between the cost over and above the nominal value of the first issued, additionally issued share or reissued treasury share. In case where shares are bought to cancel immediately at the purchase date, shares' value for business capital written down at purchase date is the actual repurchase price and the business resource should be written down in details according to the par value and share premium of the repurchased shares.

Other owners' capital: Business resource which is added from the operating result, assets revaluation and residual value of the fair value of the offered, sponsored assets after deducting taxes payable (if any) related to these assets.

Principles for recognising undistributed profit:

Principle for recognising undistributed profit: the undistributed profit is recorded as the profit (loss) from the Bank's result of operation after deducting the current year corporate income tax and the adjusted items due to the retroactive application of changes in accounting policy and adjustments for material misstatement of the previous year.

The distribution of profit and allocation of funds is based on the charter of the Bank and report to the Board of Management that adopted by General Meeting of Shareholders annually.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

18. Entrusted operations at the risk of credit institutions

The Bank carries out entrusting activities for investment, lending,... on behalf of individuals, economic organizations or other credit institutions.

The value of investment capital by entrusted and trust funds is recognized when the trust contract has been entered into and the trust fund has been executed. The rights and obligations of the trustee and the entrustor with respect to profit, distribution of profits, entrustment fees and other rights and obligations stipulated in the entrustment contract.

Entrusted operations of the Bank are including:

Entrusted operations of the Bank is not at risk

Assets held for the purpose of entrusted trust management, trusteeship and lending are not considered assets of the Bank and therefore not included in the Bank's financial statements.

Entrusted operations of the Bank is at risk

The bank performs entrusted lending activities to re-lend to customers. The Bank recognizes outstanding loans from entrusted funds to loans to customers. The accounting policy for re-lending to customers is in accordance with the regulations of the SBV, as mentioned in explanatory note No. 5.

19. Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Bank. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Bank and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

20. Principles for recording earnings per share

Basic earnings per share is calculated by dividing net income available to common shareholders after appropriating to Bonus and Welfare Fund by the weighted-average number of common shares outstanding during the period.

V. Additional information for items presented in the Consolidated Balance Sheet**1. Cash, gold, silver, gemstones**

	Dec. 31, 2018	Jan. 01, 2018
Cash in VND	243.042.695.700	200.292.366.800
Cash in foreign currencies	32.912.200.210	38.293.469.145
Monetary gold	42.663.317.000	32.980.511.200
Total	318.618.212.910	271.566.347.145

2. Balances with the State Bank of Vietnam

	Dec. 31, 2018	Jan. 01, 2018
Payment deposits at the SBV	440.947.678.293	243.616.552.330
<i>VND</i>	430.813.666.354	212.622.315.111
<i>Gold and Foreign currencies</i>	10.134.011.939	30.994.237.219
Total	440.947.678.293	243.616.552.330

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

3. Cash at other credit institutions and loans granted to other credit institutions

3.1. Deposits at other institutions	Dec. 31, 2018	Jan. 01, 2018
Demand deposits	10.628.474.813.949	7.809.329.916.824
VND	10.572.813.621.458	7.739.027.969.669
Foreign currencies	55.661.192.491	70.301.947.155
Term deposits	4.639.170.000.000	3.544.125.000.000
VND (*)	4.500.000.000.000	2.848.950.000.000
Foreign currencies(**)	139.170.000.000	695.175.000.000
Total	15.267.644.813.949	11.353.454.916.824

(*) Details of VND term deposits at credit

	Amount	Maturity date
Lien Viet Post Joint Stock Commercial Bank	100.000.000.000	January 2, 2019
Vietnam Public Joint Stock Commercial Bank	500.000.000.000	January 2, 2019
National Citizen Commercial Joint Stock Bank	150.000.000.000	January 2, 2019
Viet Capital Commercial Joint Stock Bank	120.000.000.000	January 4, 2019
Viet Capital Commercial Joint Stock Bank	50.000.000.000	January 7, 2019
Viet Capital Commercial Joint Stock Bank	150.000.000.000	January 8, 2019
Viet Capital Commercial Joint Stock Bank	180.000.000.000	January 9, 2019
Viet Capital Commercial Joint Stock Bank	160.000.000.000	January 14, 2019
Viet Capital Commercial Joint Stock Bank	80.000.000.000	January 16, 2019
Viet Capital Commercial Joint Stock Bank	20.000.000.000	January 17, 2019
Viet Capital Commercial Joint Stock Bank	100.000.000.000	January 18, 2019
Viet Capital Commercial Joint Stock Bank	140.000.000.000	January 21, 2019
An Binh Commercial Joint Stock Bank	100.000.000.000	January 2, 2019
North Asia Commercial Joint Stock Bank	100.000.000.000	January 2, 2019
North Asia Commercial Joint Stock Bank	500.000.000.000	January 4, 2019
Vietnam Joint Stock Commercial Bank for Industry and Trade	1.200.000.000.000	February 19, 2019
Vietnam Maritime Commercial Joint Stock Bank	150.000.000.000	January 2, 2019
Vietnam Maritime Commercial Joint Stock Bank	500.000.000.000	January 18, 2019
EVN Finance	200.000.000.000	January 2, 2019
Total	4.500.000.000.000	

(**) Details of USD term deposits at credit institutions are as follows:

	Amount (USD)	Converted to VND	Maturity date
Southeast Asia Commercial Joint Stock Bank	6.000.000	139.170.000.000	January 2, 2019
Total		139.170.000.000	

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

	Dec. 31, 2018	Jan. 01, 2018
3.2. Loans granted to other credit institutions		
VND	-	1.000.000.000.000
Total	-	1.000.000.000.000
Total of deposits with and loans to other credit institutions	15.267.644.813.949	12.353.454.916.824
Analysis quality loan portfolio, deposits with other credit institutions		
	Dec. 31, 2018	Jan. 01, 2018
- Current debts	4.639.170.000.000	4.544.125.000.000
Total	4.639.170.000.000	4.544.125.000.000
4. Loans granted to customers		
4.1 Loans granted to customers		
	Dec. 31, 2018	Jan. 01, 2018
Loans granted to local economic institutions, individuals	37.874.436.573.271	34.161.823.288.136
Commercial paper discount and valuable documents	41.681.878.900	59.142.282.225
Capital financed, entrusted for investment	-	5.270.000.000
Total	37.916.118.452.171	34.226.235.570.361
- Analysis by loan quality		
	Dec. 31, 2018	Jan. 01, 2018
Current debts	37.372.224.509.134	33.165.579.838.461
Special mentioned debts	23.828.791.636	144.932.035.158
Sub-standard debts	17.460.399.722	17.919.573.008
Doubtful debts	43.130.722.562	22.724.257.699
Bad debts	459.474.029.117	875.079.866.035
Total	37.916.118.452.171	34.226.235.570.361
- Analysis by loan term		
	Dec. 31, 2018	Jan. 01, 2018
Short-term	18.599.191.592.692	8.285.141.796.884
Medium	6.014.556.460.955	6.193.116.432.534
Long-term	13.302.370.398.524	19.747.977.340.943
Total	37.916.118.452.171	34.226.235.570.361
- Analysis by type of customer and form of business		
	Dec. 31, 2018	Jan. 01, 2018
State-owned company	120.000.000.000	-
Limited liability company	16.741.593.432.230	6.081.213.163.213
Joint-stock company	17.936.857.213.939	23.446.934.941.124
Individuals and others	3.117.667.806.002	4.698.087.466.024
Total	37.916.118.452.171	34.226.235.570.361

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

4.1 Loans granted to customers (cont.)

- Analysis by industry

	Dec. 31, 2018	Jan. 01, 2018
Construction	9,467,471,670.524	5,557,886,455.475
Trade, production and processing	16,839,624,412.055	4,764,964,120.322
Warehousing, transportation and communications	151,997,031.035	426,339,111.992
Agriculture and forestry	54,453,942.538	389,180,837.579
Individuals and others	11,402,571,396.019	23,087,865,044.994
Total	37,916,118,452.171	34,226,235,570.361

4.2 Movements (increase / decrease) in provision for loan losses

	General provision	Specific provision
Current year		
Opening balance	235,548,643.334	92,149,778.888
Provisions made (reversed)	32,396,506.455	72,660,173.141
Use of provision for credit loss in the year	-	(39,111,787.338)
Closing balance	267,945,149.789	125,698,164.691
Prior year		
Opening balance	210,920,259.777	199,150,471.362
Provisions made (reversed)	24,628,383.557	36,338,448.778
Use of provision for credit loss in the year	-	(143,339,141.252)
Closing balance	235,548,643.334	92,149,778.888
Details of provisions	Dec. 31, 2018	Jan. 01, 2018
Provisions for credit losses of loans and advances to customers	393,643,314.480	327,698,422.222
+ General provision	267,945,149.789	235,548,643.334
+ Specific provision	125,698,164.691	92,149,778.888
Total	393,643,314.480	327,698,422.222

5. Debts purchasing activities

- Purchased debts in VND

	Dec. 31, 2018	Jan. 01, 2018
Total	1,518,946.560	1,900,946.560
Value of principal and interests of purchased debts as follows:	Dec. 31, 2018	Jan. 01, 2018
- Principal of purchased debts	1,518,946.560	1,900,946.560
Total	1,518,946.560	1,900,946.560

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

6. Investment securities

	Dec. 31, 2018	Jan. 01, 2018
6.1. Available-for-sale securities		
a. Debt securities	8.381.121.666.018	9.913.427.782.845
- Government Securities, local government securities	2.278.458.922.268	2.350.566.144.147
- Debt securities issued by domestic economic organizations	6.102.662.743.750	7.562.861.638.698
b. Equity securities	74.074.961.726	74.074.961.726
- Equity securities issued by domestic economic organizations	74.074.961.726	74.074.961.726
c. Allowance for available-for-sale securities	(16.092.223.538)	(15.740.223.538)
Total	8.439.104.404.206	9.971.762.521.033

6.2. Held-to-maturity securities

(excluding special bonds issued by VAMC)	Dec. 31, 2018	Jan. 01, 2018
- Debt securities issued by domestic credit institutions entities(*)	950.000.000.000	-
- Debt securities issued by domestic economic entities (**)	600.000.000.000	400.000.000.000
Total	1.550.000.000.000	400.000.000.000

(*) Investments in bonds by credit institutions as following:

Issuers	Maturity date	Interest rate	Number of bonds	Value of investment
National Citizen Commercial Joint Stock Bank	February 9, 2026	8,60%	450	450.000.000.000
Military Commercial Joint Stock Bank	December 25, 2023	8,33%	5.000	500.000.000.000
Total				950.000.000.000

(**) Investments in bond companies as following:

Issuers	Maturity date	Interest rate	Number of bonds	Value of investment
Dien Bien Song Hong Energy Joint Stock Company	108 months	11.5% in the first 12 months; float = mobilizing interest rate + 4% for the rest of the time	400	400.000.000.000
Dongnai Plastic Joint Stock Company	November 21, 2019	11,00%	200	200.000.000.000
Total				600.000.000.000

6.3. Special bonds issued by VAMC

	Dec. 31, 2018	Jan. 01, 2018
- Special bonds' par value	2.737.647.188.025	2.668.937.094.700
- Provision for special bonds	(631.090.310.115)	(519.017.336.921)
Total	2.106.556.877.910	2.149.919.757.779

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the fiscal year ended December 31, 2018**Unit: VND*

7. Capital contribution, long-term investments

	Dec. 31, 2018	Jan. 01, 2018
- Analyze the value of investment by type		
Other long-term investments	<u>313.373.630.000</u>	<u>313.373.630.000</u>
Total	<u><u>313.373.630.000</u></u>	<u><u>313.373.630.000</u></u>

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

7. Capital contribution, long-term investments (cont.)

Name	Dec. 31, 2018			Jan. 01, 2018		
	Original cost	Current value	Shareholding (%)	Original cost	Current value	Shareholding (%)
Equity investments in other entities	313.373.630.000	313.373.630.000		313.373.630.000	313.373.630.000	
<i>Hung Vuong Insurance Joint Stock Company (1)</i>	33.000.000.000	33.000.000.000	11,00%	33.000.000.000	33.000.000.000	11,00%
<i>Son Tra Joint Stock Company</i>	49.500.000.000	49.500.000.000	8,25%	49.500.000.000	49.500.000.000	8,25%
<i>Yenbaol VPG Mineral Joint Stock Company (2)</i>	41.850.000.000	41.850.000.000	10,92%	41.850.000.000	41.850.000.000	10,92%
<i>Vinh Hao Mineral Water Joint Stock Company (3)</i>	15.565.380.000	15.565.380.000	4,23%	15.565.380.000	15.565.380.000	4,23%
<i>Saigon Technologies, Inc.</i>	8.867.910.000	8.867.910.000	6,81%	8.867.910.000	8.867.910.000	6,81%
<i>Saigon Engineering Construction Investment Corporation (ECI SAIGON) (4)</i>	10.183.620.000	10.183.620.000	11,00%	10.183.620.000	10.183.620.000	11,00%
<i>National Payment Corporation of Vietnam (Napos)</i>	2.000.000.000	2.000.000.000	5,00%	2.000.000.000	2.000.000.000	5,00%
<i>International Trading Joint Stock Company</i>	904.720.000	904.720.000	10,00%	904.720.000	904.720.000	10,00%
<i>Saigon Jewelry Joint Stock Company</i>	672.000.000	672.000.000	8,00%	672.000.000	672.000.000	8,00%
<i>The Ho Chi Minh City Credit Guarantee Fund For Small - Medium Enterprises</i>	500.000.000	500.000.000	1,00%	500.000.000	500.000.000	1,00%
<i>LCL, JSC</i>	330.000.000	330.000.000	0,11%	330.000.000	330.000.000	0,11%
<i>Petrolimex Group Commercial Joint Stock Bank (PG Bank) (5)</i>	150.000.000.000	150.000.000.000	4,16%	150.000.000.000	150.000.000.000	4,16%
Provision for decline in the value of long-term investments	-	-	-	-	-	-
Total	313.373.630.000	313.373.630.000		313.373.630.000	313.373.630.000	

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2018**Unit: VND***7. Capital contribution, long-term investments (cont.)***- Summary of operating status of other long-term investments:**(1) Hung Vuong Insurance Joint Stock Company*

Hung Vuong Insurance Joint Stock Company was established on May 19, 2008 and has operated under a Certificate of standards and conditions for operating insurance No. 50 GP/KDBH issued by Ministry of Finance. Vietabank invested in this company by owning 11% of charter capital, equivalent to 33 billion VND. This company is in operation currently and distributes dividend annually.

(2) Yenbai VPG Mineral Joint Stock Company

Yenbai VPG Mineral Joint Stock Company (YVG) was transformed from a State-Owned Company since 2001. YVG is principally engaged in mining, quarrying and processing minerals, with main products being ceramic, graphite and white marble. Vietabank invested in YVG by owning 10,92% of charter capital, equivalent to 9,3 billion VND. This company is in operation currently and distributes dividend annually.

(3) Vinh Hao Mineral Water Joint Stock Company

In 1995, Vinh Hao Mineral Water Joint Stock Company was established by 02 shareholders, the People's Committee of Binh Thuan Province and Sai Gon Finance JSC (currently is Vietabank), under Business license No. 000965GP/TLDN-03 dated January 14, 1995 issued by the People's Committee of Binh Thuan Province. Vietabank invested in this company by owning 4,23% of charter capital, equivalent to 5,535,970,000 VND. This company is in operation currently and distributes dividend annually.

(4) Saigon Engineering Construction Investment Corporation (ECI SAIGON)

Saigon Engineering Construction Investment Corporation (ECI SAIGON), formerly Industry Construction Company (SA&E) and Construction 7 (SA&E7) which was established on April 1976, and then was transformed on February 12, 2004 operating under Business Registration Certificate No. 4103002097 issued by HCMC Department of Planning and Investment. Vietabank invested in ECI Saigon by owning 11 % of charter capital, equivalent to 9,46 billion VND. This company is in operation currently and distributes dividend annually.

(5) Petrofinex Group Commercial Joint Stock Bank (PG Bank)

Petrofinex Group Commercial Joint Stock Bank (PG Bank), formerly is Dong Thap Agricultural Commercial Joint Stock Bank which was established on November 13, 1993 with the original capital of 700 million VND. This bank changed its operating structure from 2007, was increased its capital to 500 billion VND on October 10, 2007 and to 3,000 billion VND on August 02, 2012. Vietabank invested in PG Bank by owning 4,16 % of charter capital, equivalent to 125 billion VND.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

8. Tangible fixed assets	Items	Buildings & structures	Machinery & equipment	Transportation & facilities	Others	Total
- Increase/decrease of tangible fixed assets in this year:						
Original cost						
Opening balance		86.118.057.874	136.650.630.484	66.675.686.020	6.087.111.624	295.531.486.002
- New purchases		-	7.421.257.670	-	-	7.421.257.670
- Disposal, sale		-	(8.750.825.885)	(1.350.150.052)	(652.713.731)	(10.753.689.668)
Closing balance		86.118.057.874	135.321.062.269	65.325.535.968	5.434.397.893	292.199.054.004
Accumulated depreciation						
Opening balance		31.541.127.007	116.915.911.559	47.847.390.759	2.746.671.957	199.051.101.282
- Charge for the year		2.845.866.564	27.545.264.646	5.879.417.372	442.326.612	36.712.875.194
- Disposal, sale		-	(9.757.196.813)	(1.899.545.088)	(652.713.731)	(12.309.455.632)
- Other decreases		-	(10.151.524.965)	(615.313.731)	(1.282.815.135)	(12.049.653.831)
Closing balance		34.386.993.571	124.552.454.427	51.211.949.312	1.253.469.703	211.404.867.013
Net book value						
As at beginning of the year		54.576.930.867	19.734.718.925	18.828.295.261	3.340.439.667	96.480.384.720
As at the end of the year		51.731.064.303	10.768.607.842	14.113.586.656	4.180.928.190	80.794.186.991

* Ending original costs of tangible fixed assets—fully depreciated but still in use: 115.308.022.127 VND

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

9. Intangible fixed assets

- Increase/decrease of intangible fixed assets in this year:

Items	Land use rights which are indefinite term	Computer software	Others	Total
Original cost				
Opening balance	112.001.521.341	94.584.293.214	6.131.235.385	212.717.049.940
Closing balance	112.001.521.341	94.584.293.214	6.131.235.385	212.717.049.940
Accumulated depreciation				
Opening balance	-	86.735.347.776	5.566.235.387	92.301.583.163
- Charge for the year	-	5.569.260.898	249.999.996	5.819.260.894
Closing balance	-	92.304.608.674	5.816.235.383	98.120.844.057
Net book value				
As at beginning of the year	112.001.521.341	7.848.945.438	564.999.998	120.415.466.777
As at the end of the year	112.001.521.341	2.279.684.540	315.000.002	114.596.205.883

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

10. Other assets

	Dec. 31, 2018	Jan. 01, 2018
1. Capital construction in progress	4.005.278.500	4.005.278.500
2. Receivables	1.449.905.534.532	1.330.729.384.575
3. Accrued interest and fees receivable	2.454.018.413.535	2.890.789.678.106
4. Other assets	1.228.412.648.909	483.451.505.065
5. Allowance for other assets	(1.540.000.000)	(97.404.725.741)
Total	5.134.801.875.476	4.611.571.120.505
10.1 Capital construction in progress	Dec. 31, 2018	Jan. 01, 2018
In which: Great construction:		
+ Nadara Credit Software	3.028.144.000	3.028.144.000
+ Internal credit rating system	977.134.500	977.134.500
Total	4.005.278.500	4.005.278.500
10.2 Receivables	Dec. 31, 2018	Jan. 01, 2018
- External receivables	1.449.905.534.532	1.330.729.384.575
+ Receivables from trading of valuable papers, securities with National Securities Joint Stock Company ("NSI")	563.016.384.998	661.261.098.231
+ Advance for business cooperation contract	450.000.000.000	450.000.000.000
+ Advances for court fees	7.470.449.125	-
+ Advances to staff	16.693.703.118	13.663.842.715
+ Deposit for the headquarters rental	10.668.395.060	-
+ Deposit at EXIMBANK	13.221.150.000	12.967.500.000
+ Deductible value added tax	-	993.599.956
+ Receivable from supporting interest	901.829.156	901.826.244
+ Taxes and other receivables from the State Budget	2.174.047.933	3.392.795.459
+ Receivable from Huy Hoang Mineral Joint Stock Company	2.200.000.000	2.200.000.000
+ Deposit for real estate purchasing contract	143.328.730.200	148.530.930.793
+ Deposit for receivables purchasing contract from Vietinbank, BIDV, VCB	5.000.000.000	11.000.000.000
+ Receivable from Hanoi MHD Joint Stock Company	25.000.000.000	-
+ Receivable from Le Van Khoa	166.358.260.000	-
+ Others	43.872.584.942	25.817.791.177
Total	1.449.905.534.532	1.330.729.384.575
10.3 Accrued interest and fees receivable	Dec. 31, 2018	Jan. 01, 2018
- Interest receivable from loans and advances to customers	1.832.520.579.250	1.978.497.260.268
- Interest receivable from investment securities	516.072.190.675	487.442.944.486
- Interest receivable from deposits	61.040.836.489	369.987.869.017
- Interest receivable from advance capital for business cooperation contract	42.750.000.000	52.750.000.000
- Interest receivable from derivative financial instruments	1.634.807.121	2.111.604.335
Total	2.454.018.413.535	2.890.789.678.106

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

	Dec. 31, 2018	Jan. 01, 2018
10.4 Other assets		
- Pending foreclosed assets	399.891.241.700	177.434.743.454
- Foreclosed assets of Vietnam National General Export - Import Joint Stock Company No.1	12.000.000.000	12.000.000.000
- Foreclosed assets of Lan Anh Co., Ltd	-	147.755.100.000
- Foreclosed assets of Le Van Tang	-	6.898.590.014
- Foreclosed assets of Le Hai Tung	-	7.500.000.000
- Foreclosed assets of Hal Toan Construction Services Trading Co., Ltd	-	3.281.053.440
- HFC Vietnam Investment Trading and Import Export JSC	387.891.241.700	-
- Foreclosed assets	766.440.338.183	252.281.034.411
- Received from Phu An Thanh Co., Ltd	191.838.581.589	210.474.274.589
- Received from Dong Phuong Hong JSC	25.141.258.357	25.141.258.357
- Received from Truong Thanh Furniture Corporation	342.460.498.237	-
- Received from Vietnam National General Export - Import Joint Stock Company No.1	207.000.000.000	-
- Received from individual customers	-	16.665.501.465
- Expenses awaiting allocation	50.524.563.137	34.859.131.071
- Receivables related to futures trading contract	-	14.280.000.000
- Deposit book, blank bill, check	5.299.936.942	3.179.617.584
- Other receivables	6.256.568.947	1.416.978.545
Total	1.228.412.648.909	483.451.505.065
11. Borrowings from the Government and the State Bank of Vietnam		
	Dec. 31, 2018	Jan. 01, 2018
11.1. Borrowings from the State Bank of Vietnam		
Discount borrowing, re-discounted valuable papers	10.171.722.067	-
Total	10.171.722.067	-
Total Borrowings from the Government and the State Bank of Vietnam	10.171.722.067	-
12. Deposits and borrowings from other credit institutions		
12.1. Deposits from other credit institutions	Dec. 31, 2018	Jan. 01, 2018
a. Demand deposits	10.570.435.143.978	7.740.680.042.721
- VND	10.570.435.143.978	7.740.680.042.721
b. Term deposits	5.530.371.584.295	5.914.308.348.035
- VND	5.530.371.584.295	5.465.808.348.035
- Foreign currencies	-	448.500.000.000
Total	16.100.806.728.273	13.654.988.390.756
12.2. Borrowings from other credit institutions	Dec. 31, 2018	Jan. 01, 2018
- VND	6.613.524.639.264	9.115.157.869.264
- Foreign currencies	130.292.114	134.364.545
Total	6.613.654.931.378	9.115.292.233.809
Total of deposits and borrowings from other credit institutions	22.714.461.659.651	22.770.280.624.565

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

13. Deposits from customers

- Analysis by type

	Dec. 31, 2018	Jan. 01, 2018
Demand deposits, gold	2.222.509.238.177	807.058.490.380
- VND	2.213.770.881.654	789.638.382.822
- Gold and foreign currencies	8.738.356.523	17.420.107.558
Term deposits, gold	38.675.728.505.289	33.233.393.643.125
- VND	38.242.830.356.142	32.629.585.178.929
- Gold and foreign currencies	432.898.149.147	603.808.464.196
Deposits for special purposes	5.596.361	5.525.713
Deposits	468.854.816.747	361.945.284.151
- VND	468.719.953.168	361.814.552.138
- Gold and foreign currencies	134.863.579	130.732.013
Total	41.367.098.156.574	34.402.402.943.369

- Analysis by type of customer and form of business

	Dec. 31, 2018	Jan. 01, 2018
Deposits from economic institutions	5.842.652.691.675	4.139.441.090.014
State-Owned enterprise	690.199.519.249	329.468.869.988
Joint stock companies, limited liability companies and private companies	4.980.606.470.739	3.707.240.552.815
Foreign invested companies	171.846.701.687	102.731.667.211
Individuals and others	35.524.445.464.899	30.262.961.853.355
Total	41.367.098.156.574	34.402.402.943.369

14. Grants, trusted funds and borrowings at risk of the credit institution

	Dec. 31, 2018	Jan. 01, 2018
Grants, trusted funds and loans in VND	14.258.508.000	24.852.998.000
Total	14.258.508.000	24.852.998.000

15. Valuable papers issued

	Dec. 31, 2018	Jan. 01, 2018
Certificates of deposit	1.682.143.421.968	2.163.574.657.610
- Certificates of deposits with terms of less than 12 months in VND	374.235.216.000	209.009.102.000
- Certificate of deposits with term from 12 months to 5 years in VND	1.307.908.205.968	1.954.565.555.610
Total	1.682.143.421.968	2.163.574.657.610

16. Other liabilities

	Dec. 31, 2018	Jan. 01, 2018
External payables (*)	249.783.238.445	91.589.618.338
Accrued interest and fees payable	1.010.318.361.845	855.113.198.660
Bonus and welfare fund	8.211.741.999	9.893.041.999
Total	1.268.313.342.289	956.595.858.997

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

16. Other liabilities (cont.)

	Dec. 31, 2018	Jan. 01, 2018
(*): External payables include:		
- Taxes and other payables to the State Budget	10.816.015.131	19.577.072.161
- Remittances payable	15.134.208.103	17.137.216.290
- Amounts awaiting for settlement	194.271.891.165	17.047.769.029
- Periodical interest for deposits	11.706.348.276	13.776.723.974
- Money awaiting payment to customers	-	4.000.000.000
- Property assessment fee	44.213.075	64.768.845
- Deposit for rental	373.360.000	242.560.000
- Deposit for searching information on real estate in District I	11.000.000.000	11.000.000.000
- Unearned revenue	-	1.426.308
- Other payables	6.437.202.695	6.742.081.731
Total	249.783.238.445	91.589.618.338

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

17. Capital and funds of credit institutions

17.1. Statement of changes in equity

Items	Paid-in capital	Share premium	Owners' other capital	Investment and development fund	Financial reserve	Reserve to supplement share capital	Undistributed earnings/ Accumulated losses	Total
Balance at January 01, 2017	3,499,990,470,000	98,600,000	13,328,945	141,406	151,695,207,646	11,664,618,706	354,189,405,031	4,017,651,771,734
- Net profit for the year	-	-	-	-	-	-	98,801,772,152	98,801,772,152
- Appropriations to reserves and funds	-	-	-	-	9,880,177,215	4,940,088,608	(14,820,265,823)	-
- Other increases	-	-	141,406	-	-	-	-	141,406
- Other decreases	-	-	-	(141,406)	-	-	(284,615)	(426,021)
Balance at December 31, 2017	3,499,990,470,000	98,600,000	13,470,351	-	161,575,384,861	16,604,707,314	438,170,626,745	4,116,453,259,271
Balance at January 01, 2018	3,499,990,470,000	98,600,000	13,470,351	-	161,575,384,861	16,604,707,314	438,170,626,745	4,116,453,259,271
- Net profit for the year	-	-	-	-	-	-	118,415,650,049	118,415,650,049
- Appropriations to reserves and funds	-	-	-	-	11,841,565,005	5,920,782,502	(17,762,347,507)	-
Balance at December 31, 2018	3,499,990,470,000	98,600,000	13,470,351	-	173,416,949,866	22,525,489,816	538,823,929,287	4,234,868,909,320

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

Funds of credit institutions (cont.)

According to Decree No. 93/2017/NĐ-CP dated August 07, 2017 issued by the Government, Commercial Joint Stock Bank has to set up funds before dividends and after distributing profit to associate members under the provisions of the contract (if any), to offset the losses of the previous years has expired to deducted from profit before corporate income tax as follows:

- Set up reserve fund for supplementing the chartered capital at 5% of the profit after tax. The maximum balance of this fund has to equal the chartered capital of the credit institutions. This fund will be transferred to the charter capital upon the approval of the State Bank of Vietnam and State Security Commission of Vietnam.
- Charge 10% for finance reserve fund; the maximum balance of this fund is not allowed to exceed 25% of the charter capital of credit institutions. This fund is used to compensate for the remaining portion of losses, damages of assets in the business course after the organizations, individuals causing the loss, damage, insurance organizations have made compensation and provision has been used.
- Set up other funds like construction investment fund, bonus and welfare fund.... suggested by the Bank's Management and approved by the Shareholders' meeting.

17.2. Earnings per share

	Year 2018	Year 2017
- Profit or loss to calculate basic earnings per share	118.415.650.049	98.801.772.152
- Weighted average number of ordinary shares to calculate basic earnings per share	349.999.047	349.999.047
- Earnings per share	338	282

17.3. Details of share capital of credit institutions

	Dec. 31, 2018		Jan. 01, 2018	
	Amount	Ordinary share capital	Preferred share capital	Ordinary share capital
- Charter capital	3.499.990.470.000	3.499.990.470.000	-	3.499.990.470.000
- Share premium	98.600.000	98.600.000	-	98.600.000
- Other capital	13.470.351	13.470.351	-	13.470.351
Total	3.500.102.540.351	3.500.102.540.351	-	3.500.102.540.351

17.4. Dividends

- Dividends disclosed after the balance sheet date:

	Year 2018	Year 2017
Not yet declared		Undeclared

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

17.5. Shares

	Year 2018	Year 2017
- Number of shares registered to be issued	-	-
- Number of shares sold out to the public	349.999.047	349.999.047
+ Ordinary share	349.999.047	349.999.047
+ Preferred share	-	-
- Number of shares repurchased	-	-
+ Ordinary share	-	-
+ Preferred share	-	-
- Number of existing shares in issue	349.999.047	349.999.047
+ Ordinary share	349.999.047	349.999.047
+ Preferred share	-	-

* Par value: VND 10,000/share.

VI. Additional Information for Items Presented in the Consolidated Income Statement

18. Interest income and similar incomes

	Year 2018	Year 2017
Interest income from deposits	83.737.388.851	162.437.301.741
Interest income from loans granted to customers	3.336.917.400.786	3.224.618.853.581
Interest income from debt securities trading and investment	667.472.977.944	688.624.217.051
- Interest income from trading securities	687.795.085	419.535.225
- Interest income from investment securities	666.785.182.859	688.204.681.826
Income from guarantee activities	8.732.739.123	3.943.859.384
Other income from credit activities	147.450.566.688	50.696.913.221
Total	4.244.311.073.392	4.130.321.144.978

19. Interest expenses and similar expenses

	Year 2018	Year 2017
Deposits	2.725.472.688.320	2.468.254.022.770
Loan interests	247.031.468.429	367.506.973.719
Issuing valuable papers interests	156.009.410.389	145.559.901.739
Other credit activities' expenses	5.874.395.318	4.894.496.535
Total	3.134.387.962.456	2.986.215.394.763

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

20. Net gain/loss from services:

	Year 2018	Year 2017
Gains from services	15.379.982.197	12.180.813.803
Payment service	7.667.711.418	8.671.125.172
Treasury service	445.410.307	458.778.546
Other services	7.266.860.472	3.050.910.085
Expenses of services	22.858.834.639	19.181.086.473
Payment service	5.969.475.774	5.875.913.502
Treasury service	221.698.596	301.581.043
Other services	16.667.660.269	13.003.591.928
Net gain/loss from services	(7.478.852.442)	(7.000.272.670)

21. Net gain/loss from dealing in foreign currencies

	Year 2018	Year 2017
Gains from dealing in foreign currencies	26.808.484.683	33.157.633.162
Foreign currency for immediate delivery	5.551.600.582	21.941.067.945
Gold trading	753.320.682	1.372.384.024
Currency derivative financial instruments	20.503.563.419	9.844.181.193
Expenses of dealing in foreign currencies	27.787.085.493	76.015.548.458
Foreign currency for immediate delivery	5.843.866.847	45.461.332.851
Gold trading	300.162.532	24.665.144.942
Currency derivative financial instruments	21.643.056.114	5.889.070.665
Net gain/loss from dealing in foreign currencies	(978.600.810)	(42.857.915.296)

22. Net gain/(loss) from trading securities

	Year 2018	Year 2017
Income from dealing trading securities	3.271.937.316	4.317.080.954
Expenses of dealing trading securities	63.023.559	86.886.955.225
Provision for losses of trading securities expenses	352.000.000	1.035.665.188
Reversal of provision for losses of trading securities	-	1.082.705.188
Net gain/(loss) from trading securities	2.856.913.757	(82.522.834.271)

23. Net gain/(loss) from investment securities

	Year 2018	Year 2017
Income from dealing investment securities	1.650.194.010	140.618.916.877
Expenses of dealing investment securities	-	104.752.475.824
Net gain/(loss) from investment securities	1.650.194.010	35.866.441.053

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

	Year 2018	Year 2017
24. Net gain/(loss) from other activities		
Income from other activities	73.991.388.358	22.419.251.775
<i>Disposal and sale of fixed assets</i>	631.818.182	-
<i>Interest from debts sold to VAMC</i>	-	10.705.606.983
<i>Other income</i>	73.359.570.176	11.713.644.790
Expenses of other activities	2.079.768.665	95.674.211.987
<i>Fine amount for breaching contract</i>	-	300.000.000
<i>Other expenses</i>	2.079.768.665	95.374.211.987
Net gain/(loss) from other activities	71.911.619.693	-73.254.960.212
	Year 2018	Year 2017
25. Income from capital contribution and purchase of shares		
Dividends from capital contribution and purchase of shares	1.412.328.500	14.319.981.560
Long-term capital contribution, investments	1.412.328.500	14.319.981.560
Total	1.412.328.500	14.319.981.560
	Year 2018	Year 2017
26. Operating expenses		
1. Tax, duties and fees	686.076.744	1.510.840.965
2. Expenses for employees	248.466.566.040	246.239.948.861
In which:		
<i>Salaries and allowances</i>	222.036.928.262	219.288.243.224
<i>Salary related contributions</i>	20.467.701.553	21.194.048.526
<i>Others</i>	5.961.936.225	5.757.657.111
3. Expenses on assets	114.165.191.296	117.372.297.413
In which:		
<i>Depreciation and amortisation expenses</i>	28.926.716.293	36.911.256.855
<i>Office rental</i>	61.444.114.009	60.174.737.900
<i>Asset maintenance expenses</i>	23.794.360.994	20.286.302.658
4. Administration expenses	153.659.483.656	153.315.662.519
In which:		
<i>Marketing, promotion and printing expenses</i>	5.976.865.250	7.945.715.339
<i>Non-deductible value added tax</i>	10.093.371.102	9.564.626.189
<i>Utilities expenses</i>	9.253.238.100	9.453.195.247
<i>Telecommunication expenses</i>	2.640.440.784	3.086.703.426
<i>Others</i>	125.695.568.420	123.265.422.318
5. Insurance expenses for customers' deposit	47.203.595.000	40.264.702.000
Total	564.180.912.736	558.703.451.758

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

27. Allowance expenses for credit losses

	Year 2018	Year 2017
General allowance for credit losses on loans and advances to customers		
Addition	83.126.390.363	67.799.256.447
Reversal	(50.729.883.908)	(43.170.872.964)
Specific allowance for credit losses on loans and advances to customers		
Addition	130.657.458.798	107.719.031.053
Reversal	(35.689.890.879)	(71.380.582.275)
Allowance for special bonds of VAMC		
Addition	240.757.421.173	192.482.745.232
Reversal	(128.684.447.979)	(42.732.610.299)
Other allowances		
Addition	225.151.026.730	97.404.725.741
Reversal	-	-
Total	464.588.074.298	308.121.692.935

28. Corporate income tax

	Year 2018	Year 2017
1. Profit before tax	150.527.726.610	121.831.045.686
2. Adjustments to taxable income:		
Less income under CIT:	2.100.123.585	14.739.516.785
<i>Income from joint-venture, shares acquisition</i>	<i>2.100.123.585</i>	<i>14.739.516.785</i>
Plus undeductible expenses in determining taxable income:	7.915.768.659	8.054.838.763
Plus loss from operating activities of AMC:	4.217.011.123	-
3. Taxable income	160.560.382.807	115.146.367.664
<i>In which: Taxable income from production and business activities</i>	<i>95.008.553.087</i>	<i>100.013.317.300</i>
<i>Taxable income from the transfer of real estate</i>	<i>65.551.829.720</i>	<i>-</i>
4. CIT calculated on taxable income	32.112.076.561	23.029.273.534
5. Adjustment of Corporate income tax of prior years to that of current year	-	-
6. Total current corporate income tax	32.112.076.561	23.029.273.534

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

VII. Additional Information for Items Presented in the Consolidated Statement of Cash Flows

29. Cash and cash equivalents	Dec. 31, 2018	Jan. 01, 2018
Cash and cash equivalents on hand	318.618.212.910	271.566.347.145
Deposits at State Bank of Vietnam	440.947.678.293	243.616.552.330
Cash, foreign currencies deposited at other credit institutions (Demand deposits and term deposits are not exceeding 3 months)	15.167.644.813.949	11.353.454.916.824
Securities have a maturity or a maturity date not exceeding 3 months from date of purchase	-	-
Total	15.927.210.705.152	11.868.637.816.299

VIII. Other information

30. Personnel Income	Year 2018	Year 2017
I. Total employees	1.337	1.501
II. Income		
1. Total salaries	217.568.018.673	218.401.422.521
2. Bonus	1.854.600.000	1.556.460.523
3. Other income	-	-
4. Total income (1+2+3)	219.422.618.673	219.957.883.044
5. Average annual salary/employee	162.728.511	145.503.946
6. Average annual income/employee	164.115.646	146.540.895

31. Clearance of obligations to the State Budget

Items	Opening balance	Movements during the year		Closing balance
		To be paid	Paid	
1a. Value added tax (VAB)	94.656.951	13.101.440.014	8.277.047.724	4.919.049.241
1b. Value added tax (AMC)	(2.367.391.180)	1.338.724.052	119.976.526	(1.148.643.654)
2a. Corporate income tax (VAB)	18.523.589.084	30.435.052.608	44.148.403.020	4.810.238.672
2b. Corporate income tax (AMC)	(1.025.404.279)	1.677.023.953	1.677.023.953	(1.025.404.279)
3. Personal income tax	957.722.393	9.145.043.701	9.054.145.035	1.048.621.059
4. Withholding tax	1.103.733	487.760.704	450.758.278	38.106.159
Total	16.184.276.702	56.185.045.032	63.727.354.536	8.641.967.198

32. Type and value of collaterals received from customers

Assets, valuable papers for mortgage, pledge and discount, rediscount	To Dec. 31, 2018	To Jan. 01, 2018
Assets, valuable papers for mortgage, pledge and discount, rediscount		
Real estates	22.130.066.395.977	21.001.989.391.896
Shares and valuable papers	10.308.038.503.855	8.925.613.573.525
Inventories	1.496.108.099.132	2.099.885.960.420
Machinery and equipment	572.530.453.665	632.064.253.665
Others	93.708.631.959.129	80.180.042.645.491
Total	128.215.375.411.758	112.839.595.824.997

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

33. Contingencies and commitments

Items	Dec. 31, 2018	Jan. 01, 2018
Payment guarantees	-	-
Commitments on foreign currency transactions	2.713.815.000.000	4.081.350.000.000
<i>Commitments on purchase of foreign currencies</i>	162.365.000.000	-
<i>Cross currency swap contracts</i>	2.551.450.000.000	4.081.350.000.000
Letters of credit	29.437.822.914	21.036.457.455
<i>Commitment on payment in L/C transactions</i>	29.437.822.914	21.036.457.455
Other guarantees	550.276.757.476	218.895.113.140
<i>Payment</i>	71.730.577.047	13.275.000.000
<i>Contract performance</i>	130.440.291.918	93.073.240.997
<i>Bidding</i>	4.423.794.000	6.719.033.000
<i>Others</i>	343.682.094.511	105.827.839.143
Total	3.293.529.580.390	4.321.281.570.595

34. Related party transactions

Key transactions and balances with related parties:

Related parties	Relationship	Transactions	Movement	Closing Balance as at Dec. 31, 2018 Receivables/ (Payables)
Hoa Binh Investment and Development Joint Stock Company	Shareholders	Interest on deposits	294.635	
		Balance of deposits		5.835.841
CuChi Commercial And Industrial Developing Investment Joint Stock Company	Shareholders	Interest on deposits	17.391.776.540	
		Balance of deposits		(270.877.287.717)
Members of the Board of Management	Related parties	Interest on deposits	22.245.301	
		Balance of deposits		844.302.064
		Remuneration	4.981.500.000	(4.981.500.000)
Members of the Board of Supervisors	Related parties	Interest on deposits	164.305.877	
		Balance of deposits		2.412.859.727
		Remuneration	1.525.000.000	(1.525.000.000)
Members of the Board of General Directors	Related parties	Interest on deposits	15.224.966	
		Balance of deposits		1.002.201.448
		Salary and bonus	7.103.991.727	(7.103.991.727)

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

35. Subsequent events

The Board of General Director said that, there are no significant events since the year end that need to be adjusted or noted in the financial statements.

36. Geographical concentration of assets, liabilities and off-balance sheet items

	Total outstanding of loans	Total deposits	Credit commitments	Derivative instruments (total value by contract)	Securities trading and investing
Local	37.916.118.452.171	15.687.620.424.735	3.293.529.580.390	883.750.000	12.742.843.815.769
Overseas	-	20.972.067.507	-	-	-

37. Segment reporting

A reportable segment includes business segment or a geographical segment.

A business segment is a distinguishable component of the Bank that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Bank that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments. A geographic area does not include activities in the economically environment at risk and economic benefits differ significantly. A geographic area may be a country, two or more countries or one, two or more provinces or cities in the country.

The Bank presents major segment reporting by geographical segment, the minor segment reporting by business sector.

The reportable segment is presented from Page 46 to Page 48.

38. Financial risk management

The financial risks to be incurred by the Bank include credit risk, market risk and operating risk.

38.1 Credit risks

Credit risks are incurred in case the bank's customers and partners do not full fill their obligations causing the financial loss. The credit risks are resulted from loans and guarantee under all form.

The Bank bears credit risks in investments in debt securities and other risks in its transactions ("transaction risk") including assets in the list of transactions outside the owners' equity, derivative instruments and payments outstanding with partners.

The credit risks are the most significant risks in the Bank's business, so the Board of Management manages them carefully. A division for managing credit risks, which is responsible for frequently reporting to the Board of General Directors and the head of each unit are in charge of the management and control of credit risks.

38.1.1 Measurement of credit risk for determining loss and making provision**(a) Loans and guarantee**

The measurement of credit risks are done before and during the lending term.

The Bank has built the model for supporting the measurement of credit risk. The scaling model is used in all material items and set a foundation for measuring the risks of violation on payment provision before and during the lending term.

Based on the above measurement, the Bank classifies loans and makes provision in compliance with Circular No. 02/2013/TT-NHNN dated January 21, 2013 and Circular 09/2014/TT-NHNN dated March 18, 2014 of the State Bank to measure and classify loans and guarantees as presented in Note V.5.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2018**Unit: VND***(b) Debt securities**

Investments of the Bank in debt securities are debts instruments issued by the Government and prestigious credit, economic institutions. Credit risks are estimated by each specific debt in case the Bank assumes that there is change in credit risk of its partners. These investments are considered as a way to ensure a better credit plan and maintain available credit sources for meeting requirements of capital supply.

38.1.2 Policies to control and minimize credit risks

The Bank controls credit risks by applying the credit limit to risks (in and off-balance sheet) relating to each customer or group of customers as stipulated by the State Bank of Vietnam. Besides, credit risks are controlled by periodically reviewing groups of mortgaged assets and analyzing the capacity to pay interest and principal portion of the loans of existing and potential customers.

The Bank issues some policies and practices to minimize credit risks. A traditional and popular method is to hold secured assets for capital advances. Types of assets pledged as security for loan and advances include:

- Property: house;
- Right towards operating assets: head office, machinery and equipment, inventory, receivables;
- Right towards financial instruments: equity securities and debt securities.

As to loan with security, mortgaged assets are valued independently by the Bank with the application of specific discount rate for determining maximum lending value. The discount rate for each mortgaged asset is specified in Circular No. 02/2013/TT-NHNN dated January 21, 2013 and Circular No. 09/2014/TT-NHNN dated March 18, 2014 of the State Bank of Vietnam and be adjusted by each specific case. When the fair value of the mortgaged assets decreases, the Bank will request the customers to mortgage more assets for maintaining the safety for risks of the loans.

The credit risks of commitments including letter of credit, financial guarantee contract are the same with credit risks of loan. L/C together with vouchers and commercial L/C is a the Bank's written commitment to pay to third party with the amount stipulated by specific terms and conditions on behalf of its customers from guarantee by goods of customers and so risk is less than direct loans. The issuance of credit letter and financial guarantee contract follows the process of assessing and approving the credit for loans and advances to customers except when the customers deposit 100% for relevant commitments.

38.2 Market risk

Market risks are incurred when the fair value of future cash flows of certain financial instrument fluctuate following the change of the market value. The market risks are resulted from the open status of interest rate, monetary products and equity instruments. All of these products are under the impact of the fluctuation of the market in general and each type of market as well as the change in fluctuation level of the market: interest rate risk, currency risk and other risks.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

37. Segment reporting

Primary segment reporting

- The reports segment information by geographical segment

	For the fiscal year ended December 31, 2018	The Northern	The Central	The Southern	Adjustments	Total
I. Income						
1. Interest income	8,681,965,119,029	1,307,585,435,848	2,544,831,050,222	(8,167,556,216,643)	4,366,825,388,456	
<i>External interest income</i>	8,581,027,316,355	1,304,705,200,613	2,526,134,773,067	(8,167,556,216,643)	4,244,311,073,392	
<i>Internal interest income</i>	3,098,584,988,959	463,363,701,367	682,362,383,066	-	4,244,311,073,392	
2. Income from services	5,482,442,327,396	841,341,499,246	1,843,772,390,001	(8,167,556,216,643)	-	
3. Income from other activities	5,254,868,117	2,455,276,870	7,669,837,210	-	15,379,982,197	
3. Income from other activities	95,682,934,557	424,958,365	11,026,439,945	-	107,134,332,867	
II. Expenses						
1. Interest expenses	8,333,736,088,642	1,241,570,427,371	2,343,959,288,178	(8,167,556,216,643)	3,751,709,587,548	
<i>External interest income</i>	7,992,616,941,753	1,159,774,580,252	2,149,552,657,094	(8,167,556,216,643)	3,134,387,962,456	
<i>Internal interest income</i>	1,134,422,931,471	598,508,921,688	1,402,139,981,570	-	3,135,071,834,729	
2. Expenses for depreciation of fixed assets	6,858,194,010,282	561,265,638,564	747,412,675,524	(8,167,556,216,643)	(683,872,273)	
3. Expenses relating to business activities	24,410,038,904	2,727,981,222	1,788,696,167	-	28,926,716,293	
Operating profit before allowance and provision expenses for credit losses	316,709,107,985	79,067,865,897	192,617,934,917	-	588,394,908,799	
Allowance and provision expenses for credit losses	348,229,030,387	66,015,008,477	200,871,762,044	-	615,115,800,908	
Segment results	397,131,063,148	(1,000,606,328)	68,457,617,478	-	464,588,074,298	
III. Assets						
1. Cash on hand	57,735,999,392,218	4,281,665,764,796	9,273,650,562,855	-	71,291,315,719,869	
2. Fixed assets	63,479,351,530	62,097,824,515	193,041,036,865	-	318,618,212,910	
3. Other assets	105,380,961,994	32,797,014,767	57,212,416,113	-	195,390,392,874	
IV. Liabilities						
1. External liabilities	57,567,139,078,694	4,186,770,925,514	9,023,397,109,877	-	70,777,307,114,085	
2. Internal liabilities	32,859,447,374,086	9,662,846,027,998	24,534,153,408,465	-	67,056,446,810,549	
3. Other liabilities	32,625,825,372,816	9,658,279,626,268	24,514,346,631,021	-	66,798,451,830,105	
	233,621,801,270	4,566,401,730	19,806,777,444	-	257,994,980,444	

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

37. Segment reporting (cont.)

Primary segment reporting (cont.)

- The reports segment information by geographical segment (cont.)

	For the fiscal year ended December 31, 2017	The Northern	The Central	The Southern	Adjustments	Total
I. Income						
1. Interest income	8,281,194,707.613	1,280,283,452,006	2,243,052,084,923	(7,446,112,716,245)	4,358,417,528,297	
<i>External interest income</i>	8,083,426,381,523	1,275,695,270,138	2,217,312,209,562	(7,446,112,716,245)	4,130,321,144,978	
<i>Internal interest income</i>	3,383,320,385,741	190,301,091,958	556,699,467,279	-	4,130,321,144,978	
2. Net gain/loss from services	4,700,105,795,782	1,083,394,178,180	1,660,612,742,283	(7,446,112,716,245)	-	
3. Net gain/(loss) from other activities	2,789,156,916	2,445,464,497	6,946,192,390	-	12,180,813,803	
II. Expenses						
1. Interest expenses	194,979,169,174	2,142,717,371	18,793,682,971	-	215,915,569,516	
<i>External interest income</i>	8,128,488,300,094	1,184,084,807,116	2,062,004,398,711	(7,446,112,716,245)	3,928,464,789,676	
<i>Internal interest income</i>	7,463,848,051,882	1,101,961,691,107	1,866,518,368,019	(7,446,112,716,245)	2,986,215,394,763	
2. Expenses for depreciation of fixed assets	1,217,313,942,174	525,335,850,707	576,625,840,400	(7,446,112,716,245)	2,986,360,566,328	
3. Expenses relating to business activities	6,246,534,109,708	3,091,626,685	1,924,650,145	-	36,911,256,855	
Operating profit before allowance and provision expenses for credit losses	632,745,268,187	79,031,489,324	193,561,380,347	-	905,338,138,058	
Allowance and provision expenses for credit losses	152,706,407,519	96,198,644,890	181,047,686,212	-	429,952,738,621	
Segment results	285,831,213,777	8,010,918,585	14,279,560,573	-	308,121,692,935	
III. Assets	(133,124,806,258)	88,187,726,305	166,768,125,639	-	121,831,045,686	
1. Cash on hand	52,914,579,964,418	4,720,804,534,620	6,798,775,842,774	-	64,434,160,341,812	
2. Fixed assets	56,576,318,375	62,688,778,930	152,301,249,840	-	271,566,347,145	
3. Other assets	123,637,950,932	34,433,637,520	58,824,263,045	-	216,895,851,497	
IV. Liabilities	52,734,365,695,111	4,623,682,118,170	6,587,650,329,889	-	63,945,698,143,170	
1. External liabilities	31,927,325,408,915	8,211,697,711,046	20,178,683,962,580	-	60,317,707,082,541	
2. Internal liabilities	31,859,679,585,882	8,205,210,118,408	20,151,334,717,914	-	60,216,224,422,204	
3. Other liabilities	67,645,823,033	6,487,592,638	27,349,244,666	-	101,482,660,337	

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

37. Segment reporting (cont.)

Secondary segment reporting

- The reports segment information by business segment

	For the fiscal year ended December 31, 2018					For the fiscal year ended December 31, 2017				
	Commercial banking activities	Investment activities	Debt Management And Asset Exploitation Activities	Unallocated activities	Total	Commercial banking activities	Investment activities	Debt Management And Asset Exploitation Activities	Unallocated activities	Total
Segment results	348.416.565.212	353.400.656.129	4.168.108.642	(555.457.603.373)	150.527.726.610	444.690.238.569	225.836.062.255	1.395.601.777	(550.090.856.915)	121.831.045.686
Assets	44.702.996.506.504	24.939.032.538.040	694.330.391.248	954.956.284.077	71.291.315.719.869	39.514.825.042.640	23.490.545.619.962	697.723.186.707	731.066.492.503	64.434.160.341.812
Liabilities	44.319.441.659.193	22.714.461.659.651	22.543.491.705	-	67.056.446.810.549	38.816.368.361.997	21.485.402.433.380	15.936.287.164	-	60.317.707.082.541

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

38.2 Market risks (cont.)

38.2.1 Interest rate risks

Interest rate risk is the risk in which the future cash flows of financial instruments are affected by changes in the market interest rate. The Bank manages the interest rate risks by controlling the differences of interest rate on a monthly basis.

Summary of interest rate risks of the Bank as at December 31, 2018 is as follows:

Items	Overdue	Not subject to interest rate	Up to 1 month	From 1-3 months	From 3 - 12 months	From 1-5 years	Over 5 years	Total
I. Cash, gold, silver and gemstones	-	318.618	-	-	-	-	-	318.618
II. Deposits at the State Bank of Vietnam	-	-	440.948	-	-	-	-	440.948
III. Deposits, gold at other credit institutions and loans granted to other credit institutions (*)	-	-	14.067.645	1.200.000	-	-	-	15.267.645
IV. Trading securities (*)	-	-	-	-	-	-	-	-
V. Derivative financial instruments and other financial assets (*)	-	884	-	-	-	-	-	884
VI. Loans granted to customers (*)	380.901	-	15.167.579	14.217.809	8.147.774	2.055	-	37.916.118
VII. Debt purchasing (*)	-	-	-	-	-	1.519	-	1.519
VIII. Investment securities (*)	-	3.411.722	670.689	816.511	1.627.701	5.394.022	822.198	12.742.844
IX. Capital contribution, long-term investments (*)	-	313.374	-	-	-	-	-	313.374
X. Fixed assets and investment properties	-	195.390	-	-	-	-	-	195.390
XI. Others assets (*)	-	5.134.802	-	-	-	-	-	5.134.802
Total Assets	380.901	9.374.790	30.346.861	16.234.320	9.775.475	5.397.596	822.198	72.332.142
Liabilities								
I. Deposits from SBV and other credit institutions	-	-	17.770.977	4.947.492	-	6.164	-	22.724.633
II. Deposits from customers	-	-	13.154.888	7.676.586	18.691.470	1.844.154	-	41.367.098
III. Derivative financial instruments and other financial liabilities	-	-	-	-	-	-	-	-
IV. Capital financed, entrusted for investment, lent to credit institutions which subject to risks	-	-	-	-	-	-	14.259	14.259
V. Issuance of valuable documents	-	-	312.225	354.561	281.392	283.965	450.000	1.682.143
VI. Other liabilities	-	1.256.670	-	-	11.643	-	-	1.268.313
Total liabilities	-	1.256.670	31,238,090	12,978,640	18,984,504	2,134,283	464,259	67,056,446
The different sensitivity level with the interest rate in the balance sheet	380,901	8,118,120	(891,229)	3,255,681	(9,209,029)	3,263,313	357,940	5,275,695
Off balance sheet commitments affecting the sensitivity level with the interest rate of assets and liabilities (net)	-	-	-	-	-	-	-	-
The different sensitivity level with the interest rate in and off the balance sheet	380,901	8,499,021	7,607,792	10,863,472	1,654,443	4,917,755	5,275,695	-

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

38.2.1 Interest rate risks (cont.)

Summary of interest rate risks of the Bank as at January 1, 2018 is as follows:

Items	Overdue	Not subject to interest rate	Up to 1 month	From 1-3 months	From 3 - 12 months	From 1-5 years	Over 5 years	Total
I. Cash, gold, silver and gemstones	-	271.566	-	-	-	-	-	271.566
II. Deposits at the State Bank of Vietnam	-	-	243.617	-	-	-	-	243.617
III. Deposits, gold at other credit institutions and loans granted to other credit institutions (*)	-	-	11.456.005	897.450	-	-	-	12.353.455
IV. Trading securities (*)	-	-	-	-	-	-	-	-
V. Derivative financial instruments and other financial assets (*)	-	1.562	-	-	-	-	-	1.562
VI. Loans granted to customers (*)	1.060.656	-	9.805.351	14.180.597	9.174.632	5.000	-	34.226.236
VII. Debt purchasing (*)	-	-	-	-	-	1.901	-	1.901
VIII. Investment securities (*)	-	3.143.012	-	50.372	1.334.460	8.528.596	-	13.056.440
IX. Capital contribution, long-term investments (*)	-	313.374	-	-	-	-	-	313.374
X. Fixed assets and investment properties	-	216.896	-	-	-	-	-	216.896
XI. Others assets (*)	-	4.611.571	-	-	-	-	-	4.611.571
Total Assets	1.060.656	8.557.981	21.504.973	15.128.419	10.509.092	8.535.497	-	65.296.618
Liabilities								
I. Deposits from SBV and other credit institutions	-	-	16.083.599	6.680.514	-	6.168	-	22.770.281
II. Deposits from customers	-	-	10.008.505	6,009,916	14,932,094	3,450,948	940	34,402,403
III. Derivative financial instruments and other financial liabilities	-	-	-	-	-	-	-	-
IV. Capital financed, entrusted for investment, lent to credit institutions which subject to risks	-	-	-	-	-	-	24.853	24.853
V. Issuance of valuable documents	-	-	210.523	355.816	876.674	720.562	-	2.163.575
VI. Other liabilities	-	956.596	-	-	-	-	-	956.596
Total liabilities	-	956.596	26,302,627	13,046,246	15,808,768	4,177,678	25,793	60,317,708
The different sensitivity level with the interest rate in the balance sheet	1,060,656	7,601,385	(4,797,654)	2,082,173	(5,299,676)	4,357,819	(25,793)	4,978,910
Off balance sheet commitments affecting the sensitivity level with the interest rate of assets and liabilities (net)	-	-	-	-	-	-	-	-
The different sensitivity level with the interest rate in and off the balance sheet	1,060,656	8,662,041	3,864,387	5,946,560	646,884	5,004,703	4,978,910	-

(*) These items do not include the balance of provision for risks.

These notes form an integral part of the financial statements.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

38.2 Market risks (cont.)

38.2.1 Currency risks

Currency risk is the risk in which the value of financial instrument changes due to the changes in exchange rate. The Bank is established and operates in Vietnam and its reporting currency is VND. The currency the Bank uses for its transactions is also VND. Most of loans and advances to customers of the Bank are in VND and USD. However, some other assets are in currencies other than VND and USD, so the Bank has built the limit for each type of currencies. The monetary status is supervised on daily basis and strategy to prevent risks is applied by the Bank to ensure that the monetary status will be kept in already-built limit.

Presentation of assets and liabilities of the Bank by currencies converted into VND as at December 31, 2018:

Items	VND	Converted USD	Converted EUR	Converted monetary gold	Converted other currencies	Total
Assets						
Cash, gold, silver and gemstones	243.043	30.661	967	42.663	1.284	318.618
Deposits at the State Bank of Vietnam	430.814	10.134	-	-	-	440.948
Cash, gold, deposits at other credit institutions and loans granted to other credit institutions (*)	15.072.814	189.645	558	-	4.628	15.267.645
Trading securities (*)	-	-	-	-	-	-
Derivative financial instruments and other financial assets (*)	884	-	-	-	-	884
Loans granted to customers (*)	37.858.332	51.259	-	6.528	-	37.916.119
Debt purchasing (*)	1.519	-	-	-	-	1.519
Investment securities (*)	12.742.844	-	-	-	-	12.742.844
Capital contribution, long-term investments (*)	313.374	-	-	-	-	313.374
Fixed assets and investment properties	195.390	-	-	-	-	195.390
Others assets (*)	5.116.423	18.378	1	-	-	5.134.802
Total Assets	71.975.437	300.077	1.526	49.191	5.912	72.332.143
Liabilities and owners' equity						
Deposits and borrowings from the State Bank and other credit institutions	22.724.503	130	-	-	-	22.724.633
Deposits from customers	40.925.326	441.657	114	-	1	41.367.098
Derivative financial instruments and other financial liabilities	-	-	-	-	-	-
Capital financed, entrusted for investment, lent to credit institutions which subject to risks	14.259	-	-	-	-	14.259
Issuance of valuable documents	1.682.143	-	-	-	-	1.682.143
Other liabilities	1.267.127	1.187	-	-	-	1.268.314
Equity and funds	4.234.869	-	-	-	-	4.234.869
Total liabilities and owners' equity	70.848.227	442.974	114	-	1	71.291.316
Position of currencies in balance sheet	1.127.210	(142.897)	1.412	49.191	5.911	1.040.827
Position of currencies off balance sheet	-	-	-	-	-	-
Position of currencies in, off balance sheet	1.127.210	(142.897)	1.412	49.191	5.911	1.040.827

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For the fiscal year ended December 31, 2018

Unit: VND

38.2.2 Currency risks (cont.)

Presentation of assets and liabilities of the Bank by currencies converted into VND as at January 1, 2018:

Items	VND	Converted USD	Converted EUR	Converted monetary gold	Converted other currencies	Total
Assets						
Cash, gold, silver and gemstones	200.292	36.298	1.250	32.981	746	271.566
Deposits at the State Bank of Vietnam	212.622	30.994	-	-	-	243.617
Cash, gold, deposits at other credit institutions and loans granted to other credit institutions (*)	11.587.978	755.698	2.813	-	6.967	12.353.455
Trading securities (*)	-	-	-	-	-	-
Derivative financial instruments and other financial assets (*)	-	134.550	-	-	(132.988)	1.562
Loans granted to customers (*)	34.112.706	103.579	-	9.951	-	34.226.236
Debt purchasing (*)	1.901	-	-	-	-	1.901
Investment securities (*)	13.056.440	-	-	-	-	13.056.440
Capital contribution, long-term investments (*)	313.374	-	-	-	-	313.374
Fixed assets and investment properties	216.896	-	-	-	-	216.896
Others assets (*)	4.609.400	2.295	-	0	(124)	4.611.572
Total Assets	64.311.609	1.063.414	4.063	42.931	(125.400)	65.296.617
Liabilities and owners' equity						
Deposits and borrowings from the State Bank and other credit institutions	22.321.646	448.634	-	-	-	22.770.281
Deposits from customers	33.781.043	621.258	99	-	3	34.402.403
Derivative financial instruments and other financial liabilities	132.988	-	-	-	(132.988)	-
Capital financed, entrusted for investment, lent to credit institutions which subject to risks	24.853	-	-	-	-	24.853
Issuance of valuable documents	2.163.575	-	-	-	-	2.163.575
Other liabilities	954.837	1.882	0	-	(124)	956.595
Equity and funds	4.116.453	-	-	-	-	4.116.453
Total liabilities and owners' equity	63.495.395	1.071.774	99	-	(133,109)	64.434.160
Position of currencies in balance sheet	816.213	(8.360)	3.964	42.931	7.709	862.457
Position of currencies off balance sheet	-	-	-	-	-	-
Position of currencies in, off balance sheet	816.213	(8.360)	3.964	42.931	7.709	862.457

(*) These items do not include the balance of provision for risks.

These notes form an integral part of the financial statements.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

38.2 Market risks (cont.)

38.2.3 Liquidity risks

Liquidity risks incurred when the Bank is unable to fulfill its obligations relating to financial liabilities and has no superade resources in case of customers' withdrawal. This possibly results in the failure to pay the customers and perform commitments. The Bank monitors risks by:

- Controlling the capital mobilization and loan on daily basis;
- Maintaining investment portfolio securities that are easily convertible to cash.
- Controlling liquidity indices in the financial status report in compliance with the regulations of the State Bank of Vietnam.

Summary of assets and liabilities of the Bank by term from the period end December 31, 2018 to the matured date:

Items	Overdue		In due					Total
	Over 3 months	For 3 months	For 1 month	From 1-3 months	From 3-12 months	From 1-5 years	Over 5 years	
Cash, gold, silver and gemstones	-	-	318.618	-	-	-	-	318.618
Deposits at the State Bank of Vietnam	-	-	440.948	-	-	-	-	440.948
Cash, gold, deposits at other credit institutions and loans granted to other credit institutions (*)	-	-	14.067.645	1.200.000	-	-	-	15.267.645
Trading securities (*)	-	-	-	-	-	-	-	-
Derivative financial instruments and other financial assets (*)	-	-	884	-	-	-	-	884
Loans granted to customers (*)	23.829	357.072	1.964.460	2.843.844	14.458.446	11.215.238	7.053.230	37.916.118
Debt purchasing (*)	-	-	-	-	-	1.519	-	1.519
Investment securities (*)	-	-	7.123.122	544.000	1.214.000	3.337.647	524.075	12.742.844
Capital contribution, long-term investments (*)	-	-	-	-	-	-	313.374	313.374
Fixed assets and investment properties	-	-	-	-	-	-	195.390	195.390
Others assets (*)	-	-	5.134.802	-	-	-	-	5.134.802
Total Assets	23.829	357.072	29.050.478	4.587.844	15.672.446	14.554.404	8.086.069	72.332.142
Liabilities								
Deposits and borrowings from the State Bank and other credit institutions	-	-	17.770.977	4.947.492	-	6.164	-	22.724.633
Deposits from customers	-	-	13.154.888	7.676.586	18.691.470	1.844.154	-	41.367.098
Derivative financial instruments and other financial liabilities	-	-	-	-	-	-	-	-
Capital finances, entrusted for investment, lent to credit institutions which subject to risks	-	-	-	-	-	-	14.259	14.259
Issuance of valuable documents	-	-	312.225	354.561	281.392	283.965	450.000	1.682.143
Other liabilities	-	-	1.256.670	-	11.643	-	-	1.268.313
Total liabilities	-	-	32.494.761	12.978.640	18.984.504	2.134.283	464.259	67,056,446
Difference of net liquidity	23.829	357.072	(3.444.282)	(8.390.796)	(3.312.059)	12.420.121	7.621.810	5.275.695

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: VND

38.2.3 Liquidity risks (cont.)

Summary of assets and liabilities of the Bank by term from the period end January 1, 2018 to the matured date:

Items	Overdue		In due					Total
	Over 3 months	For 3 months	For 1 month	From 1-3 months	From 3-12 months	From 1-5 years	Over 5 years	
Cash, gold, silver and gemstones	-	-	271.566	-	-	-	-	271.566
Deposits at the State Bank of Vietnam	-	-	243.617	-	-	-	-	243.617
Cash, gold, deposits at other credit institutions and loans granted to other credit institutions (*)	-	-	11.456.005	897.450	-	-	-	12.353.455
Trading securities (*)	-	-	-	-	-	-	-	-
Derivative financial instruments and other financial assets (*)	-	-	1.562	-	-	-	-	1.562
Loans granted to customers (*)	915.724	144.932	2.701.048	1.634.205	8.837.915	7.840.360	12.152.052	34.226.236
Debt purchasing (*)	-	-	-	-	-	1.901	-	1.901
Investment securities (*)	-	-	8.818.428	1.095.000	-	3.068.937	74.075	13.056.440
Capital contribution, long-term investments (*)	-	-	-	-	-	-	813.374	813.374
Fixed assets and investment properties	-	-	-	-	-	-	216.896	216.896
Others assets (*)	-	-	4.611.571	-	-	-	-	4.611.571
Total Assets	915.724	144.932	28.103.797	3,626,655	8,837,915	10,911,198	13,256,397	65,796,618
Liabilities								
Deposits and borrowings from the State Bank and other credit institutions	-	-	16.083.599	6.680.513	-	6.169	-	22.770.281
Deposits from customers	-	-	10.008.505	6.009.916	14.932.094	3.450.948	940	34.402.403
Derivative financial instruments and other financial liabilities	-	-	-	-	-	-	-	-
Capital financed, entrusted for investment, lent to credit institutions which subject to risks	-	-	-	-	-	-	24.853	24.853
Issuance of valuable documents	-	-	210.523	355.816	876.674	720.362	-	2.163.575
Other liabilities	-	-	956.596	-	-	-	-	956.596
Total liabilities	-	-	27,259,223	13,046,245	15,808,768	4,177,679	25,793	60,317,708
Difference of net liquidity	915,724	144,932	844,574	(9,419,590)	(6,970,853)	6,733,519	13,230,604	5,478,910

(*) These items do not include the balance of provision for risks.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2018**Unit: VND***38. Financial risk management (cont.)****38.3 The fair value of financial assets and liabilities**

Financial assets and liabilities are stated at original cost less provision of devaluation of assets. Therefore, the book value of financial assets and liabilities of the Bank may be different from their fair value.

At present, the Bank has not determined the fair value of all financial assets and liabilities. The Bank will present the fair value of those assets and liabilities when the authority has given detailed guidance thereon.

*Ha Noi City, April 16, 2019***PREPARED BY**

NGUYEN HUU CUONG**CHIEF ACCOUNTANT**

LA QUANG TRUNG**GENERAL DIRECTOR**

NGUYEN VAN HAO