

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**
For the fiscal year ended December 31, 2019

**VIETNAM - ASIA
COMMERCIAL JOINT STOCK BANK**



CONTENTS

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	Pages
1- REPORT OF THE BOARD OF GENERAL DIRECTORS	01 - 03
2- INDEPENDENT AUDITOR'S REPORT	04
3- CONSOLIDATED BALANCE SHEET	05 - 08
4- CONSOLIDATED INCOME STATEMENT	09
5- CONSOLIDATED CASH FLOWS STATEMENT	10 - 12
6- NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	13 - 55

REPORT OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2019

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, 2019.

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 State Bank of Vietnam ("SBV") issued Banking License No. 55/GP-NHNN on May 31, 2019 for establishment and operation of Vietnam - Asia Commercial Joint Stock Bank. This license replaced Banking License No. 12/NH-GP dated May 09, 2003 and Decision No. 440/QD/NHNN dated May 09, 2003 issued by SBV. The Bank has been operating for 99 years from May 9, 2003.

The Bank's principal activities:

- Receiving demand deposits, term deposits, savings deposits and other types of deposits.
- Providing credit in the following forms:
 - + Loan;
 - + Discount, rediscount negotiable instruments and other valuable papers;
 - + Bank guarantee;
 - + Credit card issuance;
 - + Domestic factoring.
- Opening payment accounts for customers
- Providing domestic payment services:
 - + Supply of payment facilities;
 - + Providing check payment services, payment orders, payment orders, collection orders, collection orders, letters of credit, bank cards, collection and payment services.
- Open an account
 - + Opening an account at the State Bank of Vietnam;
 - + Opening accounts at other credit institutions and branches of foreign banks.
- Organize internal payment, join the national inter-bank payment system
- Cash management, banking and financial advisory services; services of managing, preserving assets, leasing safety cabinets and deposit boxes.
- Consulting on corporate finance, merger and acquisition, investment.
- Participate in bidding, buying and selling Treasury bills, negotiable instruments, Government bonds, State Bank bills and other valuable papers on the money market.
- Buying and selling government bonds, corporate bonds.
- Monetary brokerage service.
- Issuing deposit certificates, promissory notes, treasury bills and bonds to raise capital in accordance with the Law on Credit Institutions, the Law on Securities, the Government's regulations and the guidance of the State
- Borrowing capital from the State Bank in the form of refinancing in accordance with the Law on the State Bank of Vietnam and the guidance of the State Bank of Vietnam.
- Borrow, lend, deposit and receive deposits of credit institutions, foreign bank branches, domestic and foreign financial institutions in accordance with the laws and guidelines of the State Bank of Vietnam.

REPORT OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2019

- Contributing capital, buying shares in accordance with the law and the guidance of the State Bank of Vietnam.
- Entrusting, accepting trustees and acting as agents in banking-related activities, insurance business and asset management according to the provisions of law and the guidance of the State Bank of Vietnam.
- Trading and providing foreign exchange services on the domestic market and on the international market within the scope prescribed by the State Bank of Vietnam.
- Trading in buying and selling gold bars.
- Buying debt.
- Investing in government bond futures contracts.
- Electronic wallet.

Short name: VIETABANK

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

2. Consolidated 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:

Board of Management:

Mr. PHUONG HUU VIET	Chairman
Mr. PHAN VAN TOI	Vice Chairman
Mr. PHUONG XUAN THUY	Vice Chairman
Mr. NGUYEN VAN HAO	Member
Mr. TRAN TIEN DUNG	Member
Ms. NGUYEN THI LAN HUONG	Member

Board of Supervisors

Ms. NGUYEN KIM PHUONG	Chief Supervisor
Ms. NGUYEN THI HOAN	Member
Mr. HOANG VU TUNG	Member

Board of General Directors and Chief Accountant

Mr. NGUYEN VAN HAO	General Director
Mr. PHAM LINH	Deputy General Director
Mr. TRAN TIEN DUNG	Deputy General Director
Mr. VU DUC HUNG	Deputy General Director (appointed on October 17, 2019)
Mr. LE MINH HUAN	Deputy General Director (appointed on December 02, 2019)
Mr. LA QUANG TRUNG	Chief Accountant

REPORT OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2019

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, 2019.

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, 2019 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:

- 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, 2019, 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, 2019.

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, March 30, 2020

For and on behalf of the Board of General Directors



NGUYEN VAN HAO

General Director



No.: A0619260-HN/AISC-DNG

CÔNG TY TNHH KIỂM TOÁN VÀ DỊCH VỤ TIN HỌC TP.HCM

Auditing And Informatic Services Company Limited

Head Office: 389A Dien Bien Phu Str., Ward 4, Dist.3, Ho Chi Minh City

Tel: (84.28) 3832 9129 (10 Lines)

Fax: (84.28) 3834 2957

Email: info@aisc.com.vn

Website: www.aisc.com.vn

INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS, BOARD OF MANAGEMENT AND BOARD OF GENERAL DIRECTORS

VIETNAM - ASIA COMMERCIAL JOINT STOCK BANK

To:

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, 2019, 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 March 30, 2020.

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, 2019 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.

Ho Chi Minh City, March 30, 2020

**PE. GENERAL DIRECTOR
DEPUTY GENERAL DIRECTOR**


Duong Thi Phuong Anh

*Certificate of Audit Practice Registration
No.0321-2018-005-1
Issued by the Ministry of Finance*

AUDITOR



Ta Van Gioi
*Certificate of Audit Practice Registration
No.3497-2016-005-1
Issued by the Ministry of Finance*

CONSOLIDATED BALANCE SHEET*As at December 31, 2019**Unit: VND*

ITEMS	Notes	Dec. 31, 2019	Jan. 01, 2019
A. ASSETS			
I. Cash on hand, gold and gemstones	V.01	266,475,949,276	318,618,212,910
II. Balances with the State Bank of Vietnam	V.02	2,941,222,700,590	440,947,678,293
III. Deposits with and loans to other credit institutions	V.03	11,627,382,764,646	15,267,644,813,949
1. Deposits with other credit institutions		11,627,382,764,646	15,267,644,813,949
2. Loans to other credit institutions		-	-
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	V.04	49,127,120,000	883,750,000
VI. Loans to customers		42,158,036,315,716	37,522,475,137,691
1. Loans to customers	V.5.1	42,623,753,622,624	37,916,118,452,171
2. Provisions for credit losses of loans to customers	V.5.2	(465,717,306,908)	(393,643,314,480)
VII. Debts purchasing activities	V.06	1,518,946,560	1,518,946,560
1. Debts purchasing		1,518,946,560	1,518,946,560
2. Provisions for losses of debts purchasing activities		-	-
VIII. Investment securities	V.07	13,442,438,356,158	12,095,661,282,116
1. Available-for-sale securities		10,218,379,052,113	8,455,196,627,744
2. Held-to-maturity securities		4,062,797,278,819	4,287,647,188,025
3. Provisions for impairment of investment securities		(838,737,974,774)	(647,182,533,653)
IX. Long-term investments	V.08	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, 2019**Unit: VND*

ITEMS	Notes	Dec. 31, 2019	Jan. 01, 2019
X. Fixed assets		196,517,738,805	195,390,392,874
1. Tangible fixed assets	V.9	80,444,595,262	80,794,186,991
<i>a. Cost</i>		<i>309,541,716,472</i>	<i>292,199,054,004</i>
<i>b. Accumulated depreciation</i>		<i>(229,097,121,210)</i>	<i>(211,404,867,013)</i>
2. Finance lease assets		-	-
<i>a. Cost</i>		-	-
<i>b. Accumulated depreciation</i>		-	-
3. Intangible fixed assets	V.10	116,073,143,543	114,596,205,883
<i>a. Cost</i>		<i>216,317,193,940</i>	<i>212,717,049,940</i>
<i>b. Accumulated amortisation</i>		<i>(100,244,050,397)</i>	<i>(98,120,844,057)</i>
XI. Investment Properties	V.11	3,034,540,000	-
<i>a. Cost</i>		<i>3,034,540,000</i>	-
<i>b. Accumulated depreciation</i>		-	-
XII. Other assets	V.12	5,447,635,577,054	5,134,801,875,476
1. Receivables		1,198,378,832,013	1,453,910,813,032
2. Accrued interest and fees receivable		3,111,601,728,533	2,454,018,413,535
3. Deferred income tax assets		-	-
4. Other assets		1,187,355,016,508	1,228,412,648,909
- In which: Goodwill		-	-
5. Provisions for impairment of other balance sheet assets		(49,700,000,000)	(1,540,000,000)
TOTAL ASSETS		76,446,763,638,805	71,291,315,719,869

CONSOLIDATED BALANCE SHEET*As at December 31, 2019**Unit: VND*

ITEMS	Notes	Dec. 31, 2019	Jan. 01, 2019
B. LIABILITIES AND EQUITY			
I. Borrowings from the Government and the State Bank of Vietnam	V.13	-	10,171,722,067
II. Deposits and borrowings from other credit institutions	V.14	21,416,475,700,130	22,714,461,659,651
1. Deposits from other credit institutions		12,748,638,300,157	16,100,806,728,273
2. Borrowings from other credit institutions		8,667,837,399,973	6,613,654,931,378
III. Deposits from customers	V.15	47,428,710,471,366	41,367,098,156,574
IV. Derivative financial instruments and other financial liabilities		-	-
V. Grants, trusted funds and borrowings at risk of the credit institution	V.16	6,546,256,000	14,258,508,000
VI. Valuable papers issued	V.17	1,249,345,128,315	1,682,143,421,968
VII. Other liabilities	V.18	1,903,419,629,782	1,268,313,342,289
1. Accrued interest and fees payable		1,373,901,578,799	1,010,318,361,845
2. Deferred income tax liabilities		-	-
3. Other liabilities		529,518,050,983	257,994,980,444
4. Provisions for other risk (Provisions for contingent liabilities)		-	-
TOTAL LIABILITIES		72,004,497,185,593	67,056,446,810,549

CONSOLIDATED BALANCE SHEET

As at December 31, 2019

Unit: VND

ITEMS	Notes	Dec. 31, 2019	Jan. 01, 2019
VIII. Capital and reserves	V.19	4,442,266,453,212	4,234,868,909,320
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		227,052,071,266	195,942,439,682
3. Foreign exchange differences		-	-
4. Difference upon assets revaluation		-	-
5. Undistributed earnings/Accumulated losses		715,111,841,595	538,823,929,287
TOTAL LIABILITIES AND OWNERS' EQUITY		76,446,763,638,805	71,291,315,719,869

OFF-BALANCE SHEET ITEMS

ITEMS	Notes	Dec. 31, 2019	Jan. 01, 2019
1. Credit guarantees		-	-
2. Commitments on foreign exchange	VIII.35	11,921,835,076,420	2,713,815,000,000
2.1 Commitments on purchase of foreign currencies		231,730,000,000	162,365,000,000
2.2 Commitments on sale of foreign currencies		-	-
2.3 Cross currency swap contracts		11,690,105,076,420	2,551,450,000,000
2.4 Cross currency futures contracts		-	-
3. Undisputed loan commitment		-	-
4. Letters of credit	VIII.35	158,276,346,490	29,437,822,914
5. Other guarantees	VIII.35	548,756,050,446	550,276,757,476
6. Other commitments		-	-

Ha Noi City, March 30, 2020

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, 2019

Unit: VND

ITEMS	Notes	Year 2019	Year 2018
1. Interest and similar income	VL20	4,918,276,257,643	4,244,311,073,392
2. Interest and similar expenses	VL21	3,899,112,159,152	3,134,387,962,456
I. Net interest income		1,019,164,098,491	1,109,923,110,936
3. Income from services		22,992,606,611	15,379,982,197
4. Expenses on services		36,136,649,589	22,858,834,639
II. Net gain/(loss) from services	VL22	(13,144,042,978)	(7,478,852,442)
III. Net gain/(loss) from trading foreign currencies	VL23	9,619,206,443	(978,600,810)
IV. Net gain/(loss) from trading securities	VL24	2,280,537,636	2,856,913,757
V. Net gain/(loss) from investment securities	VL25	1,819,467,837	1,650,194,010
5. Other operating income		229,944,657,669	73,991,388,358
6. Other operating expenses		7,764,518,553	2,079,768,665
VI. Net gain/(loss) from other activities	VL26	222,180,139,116	71,911,619,693
VII. Income from investments in other entities	VL27	1,165,328,500	1,412,328,500
VIII. Operating expenses	VL28	601,331,722,462	564,180,912,736
IX. Net profit from operating activities before credit provision expenses		641,753,012,583	615,115,800,908
X.1 Provision expenses for credit losses	VL29	365,935,334,805	464,588,074,298
XI. Profit before tax		275,817,677,778	150,527,726,610
7. Current corporate income tax expense		68,420,133,886	32,112,076,561
8. Deferred corporate income tax expense		-	-
XII. Total income tax expense	VL30	68,420,133,886	32,112,076,561
XIII. Profit after tax		207,397,543,892	118,415,650,049
XIV. Minority interests		-	-
XV. Earnings per share	V.19.2	593	338

Ha Noi City, March 30, 2020

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, 2019

Unit: VND

ITEMS	Notes	Year 2019	Year 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
01. Interest and similar income received		4,260,692,942,645	4,681,082,337,963
02. Interest and similar expenses paid		(3,535,528,942,198)	(2,979,182,799,271)
03. Net fee and commission (expenses paid)/income received		(13,144,042,978)	(7,478,852,442)
04. Net (payments for)/receipts from trading activities (foreign currencies, gold and securities)		13,719,211,916	3,528,506,957
05. (Other expenses paid)/ other income received		(71,681,203,261)	(327,363,380,529)
06. Receipts from debts written - off or paid off by risk fund		-	-
07. Salaries and operating expenses paid		(581,397,082,857)	(535,256,999,248)
08. Corporate income tax paid during the year		(33,986,816,408)	(45,825,426,973)
<i>Cash flows from operating activities before changes in operating assets and liabilities</i>		38,674,066,859	789,503,386,457
<i>Changes in operating assets</i>			
09. (Increase)/Decrease in deposits with and loans to other credit institutions		(50,000,000,000)	900,000,000,000
10. (Increase)/Decrease in held-for-trading securities		(1,346,777,074,042)	426,020,996,696
11. (Increase)/Decrease in derivatives and other financial assets		(48,243,370,000)	677,800,000
12. (Increase)/Decrease in loans and advances to customers		(4,707,635,170,453)	(3,689,500,881,810)
13. Utilisations of allowance for credit losses		-	-
14. (Increase)/Decrease in other operating assets		(56,261,431,352)	(1,101,491,029,510)

CONSOLIDATED CASH FLOW STATEMENT

(Under direct method)

For the fiscal year ended December 31, 2019

Unit: VND

ITEMS	Notes	Year 2019	Year 2018
<i>Changes in operating liabilities</i>			
15. Increase/(Decrease) in borrowings from the State Bank of Vietnam		(10,171,722,067)	10,171,722,067
16. Increase/(Decrease) in deposits and borrowings from other credit institutions		(1,297,985,959,521)	(55,818,964,914)
17. Increase/(Decrease) in deposits from customers (including State Treasury)		6,061,612,314,792	6,964,695,213,205
18. Increase/(Decrease) in issued valuable papers (excluding issued valuable papers charged to financial activities)		(432,798,293,653)	(481,431,235,642)
19. Increase/(Decrease) in grants, trusted funds and borrowing at risk of the credit institution		(7,712,252,000)	(10,594,490,000)
20. Increase/(Decrease) in derivatives and other financial liabilities		-	-
21. Increase/(Decrease) in other operating liabilities		635,106,287,493	311,717,483,292
22. Cash outflows from reserves of the credit institution			
I. Net cash flows from operating activities		(1,222,192,603,944)	4,063,949,999,841
CASH FLOWS FROM INVESTING ACTIVITIES			
01. Payments for purchases of fixed assets		(18,067,475,196)	(7,421,257,670)
02. Proceeds from disposals of fixed assets		-	631,818,182
03. Expenses on disposals of fixed assets		-	-
04. Payments for purchases of investment properties		(3,034,540,000)	-
05. Proceeds from disposals of investment properties		-	-
06. Expenses on disposals of investment properties		-	-
07. Investments in other entities		-	-
08. Proceeds from divestment in other entities		-	-
09. Receipts of dividends and profit distributions from capital contribution, long-term investment		1,165,328,500	1,412,328,500
II. Net cash flows from investing activities		(19,936,686,696)	(5,377,110,988)

CONSOLIDATED CASH FLOW STATEMENT

(Under direct method)

For the fiscal year ended December 31, 2019

Unit: VND

ITEMS	Notes	Year 2019	Year 2018
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		(1,242,129,290,640)	4,058,572,888,853
V. Cash and cash equivalents at the beginning of the year		15,927,210,705,152	11,868,637,816,299
VI. Effects of changes in foreign exchange rates		-	-
VII. Cash and cash equivalents at the end of the year	VII.31	14,685,081,414,512	15,927,210,705,152

Ha Noi City, March 30, 2020

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, 2019**Unit: VND***I. Business highlights of credit institution****1. License for establishment and operation, validity term**

The State Bank of Vietnam ("SBV") issued Banking License No. 55/GP-NHNN on May 31, 2019 for establishment and operation of Vietnam - Asia Commercial Joint Stock Bank. This license replaced Banking License No. 12/NH-GP dated May 09, 2003 and Decision No. 440/QD/NHNN dated May 09, 2003 issued by SBV. The Bank has been operating for 99 years from May 9, 2003.

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

- Receiving demand deposits, term deposits, savings deposits and other types of deposits.
- Providing credit in the following forms:
 - + Loan;
 - + Discount, rediscount negotiable instruments and other valuable papers;
 - + Bank guarantee;
 - + Credit card issuance;
 - + Domestic factoring.
- Opening payment accounts for customers
- Providing domestic payment services:
 - + Supply of payment facilities;
 - + Providing check payment services, payment orders, payment orders, collection orders, collection orders, letters of credit, bank cards, collection and payment services.
- Open an account
 - + Opening an account at the State Bank of Vietnam;
 - + Opening accounts at other credit institutions and branches of foreign banks.
- Organize internal payment, join the national inter-bank payment system
- Cash management, banking and financial advisory services; services of managing, preserving assets, leasing
- Consulting on corporate finance, merger and acquisition, investment.
- Participate in bidding, buying and selling Treasury bills, negotiable instruments, Government bonds, State Bank bills and other valuable papers on the money market.
- Buying and selling government bonds, corporate bonds.
- Monetary brokerage service.
- Issuing deposit certificates, promissory notes, treasury bills and bonds to raise capital in accordance with the Law on Credit Institutions, the Law on Securities, the Government's regulations and the guidance of the State Bank of Vietnam
- Borrowing capital from the State Bank in the form of refinancing in accordance with the Law on the State Bank of Vietnam and the guidance of the State Bank of Vietnam.
- Borrow, lend, deposit and receive deposits of credit institutions, foreign bank branches, domestic and foreign financial institutions in accordance with the laws and guidelines of the State Bank of Vietnam.
- Contributing capital, buying shares in accordance with the law and the guidance of the State Bank of Vietnam.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: VND*

- Entrusting, accepting trustees and acting as agents in banking-related activities, insurance business and asset management according to the provisions of law and the guidance of the State Bank of Vietnam.
- Trading and providing foreign exchange services on the domestic market and on the international market within the scope prescribed by the State Bank of Vietnam.
- Trading in buying and selling gold bars.
- Buying debt.
- Investing in government bond futures contracts.
- Electronic wallet.

4. Head office

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

Number of branches: 22 (twenty two)

5. Subsidiary

As at December 31, 2019, 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, 2019: 1,432 persons (Dec. 31, 2018: 1,337 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).

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/QD-NHNN dated April 29, 2004, the Regime on financial statements applicable to credit institutions under Decision No. 16/2007/QD-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.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: VND***IV. Applicable accounting policies****1. 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, 2019.

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.

2. 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.

Exchange rate at December 31, 2019:

23,173 VND/USD	213.35 VND/JPY	4,200,000 VND/1 THREAD
17,764 VND/CAD	16,248 VND/AUD	
25,985 VND/EUR	17,204 VND/SGD	
30,424 VND/GBP	23,936 VND/CHF	

3. 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.

4. 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.

5. 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.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: VND****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%

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.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: VND****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.

6. Accounting trading and investment securities**6.1. 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.

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.

6.2. 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 hold 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.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: VND*

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.

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.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

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.

7. Capital contribution, long-term investments

7.1. 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.

7.2. 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.

7.3. 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 48/2019/TT-BTC dated August 08, 2019 issued by the Ministry of Finance. Accordingly, the amount of provision 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.

8. 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.

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.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: VND**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.

9. 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.

10. 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 years</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.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: VND***11. 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.

12. 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, having the ability to convert into a certain amount of money, not having much risk of value changes, and held for the purpose of meeting short-term payment commitments rather than for investments or other purposes.

13. 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.

14. 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.

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 of 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.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: VND***15. 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.

16. Owners' equity

The owners' equity 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' equity 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.

17. 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.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

18. 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.

19. 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, 2019	Jan. 01, 2019
Cash in VND	205,799,369,700	243,042,695,700
Cash in foreign currencies	37,922,743,576	32,912,200,210
Monetary gold	22,753,836,000	42,663,317,000
Total	266,475,949,276	318,618,212,910

2. Balances with the State Bank of Vietnam

	Dec. 31, 2019	Jan. 01, 2019
Payment deposits at the SBV	2,941,222,700,590	440,947,678,293
VND	2,924,090,052,400	430,813,666,354
Gold and Foreign currencies	17,132,648,190	10,134,011,939
Total	2,941,222,700,590	440,947,678,293

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

Deposits at other institutions	Dec. 31, 2019	Jan. 01, 2019
Demand deposits	8,625,265,264,646	10,628,474,813,949
VND	7,962,512,581,096	10,572,813,621,458
Foreign currencies	662,752,683,550	55,661,192,491
Term deposits	3,002,117,500,000	4,639,170,000,000
VND (*)	1,901,400,000,000	4,500,000,000,000
Foreign currencies(**)	1,100,717,500,000	139,170,000,000
Total	11,627,382,764,646	15,267,644,813,949

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

3. Cash at other credit institutions and loans granted to other credit institutions (cont.)

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

	Amount	Maturity date
National Citizen Commercial Joint Stock Bank	278,100,000,000	January 6, 2020
National Citizen Commercial Joint Stock Bank	278,100,000,000	January 17, 2020
Vietnam Public Joint Stock Commercial Bank	500,000,000,000	January 2, 2020
Vietnam Thuong Tin Commercial Joint Stock Bank	100,000,000,000	January 2, 2020
Viet Capital Commercial Joint Stock Bank	185,600,000,000	January 8, 2020
Viet Capital Commercial Joint Stock Bank	162,400,000,000	January 13, 2020
Viet Capital Commercial Joint Stock Bank	197,200,000,000	January 17, 2020
Viet Capital Commercial Joint Stock Bank	100,000,000,000	February 10, 2020
Vietcredit Finance Joint Stock Company	50,000,000,000	February 7, 2020
Vietcredit Finance Joint Stock Company	50,000,000,000	March 4, 2020
Total	<u>1,901,400,000,000</u>	

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

	Amount (USD)	Converted to VND	Maturity date
Vietnam Thuong Tin Commercial Joint Stock Bank	8,000,000.00	185,384,000,000	January 8, 2020
Vietnam Thuong Tin Commercial Joint Stock Bank	7,000,000.00	162,211,000,000	January 13, 2020
Vietnam Thuong Tin Commercial Joint Stock Bank	8,500,000.00	196,970,500,000	January 17, 2020
National Citizen Commercial Joint Stock Bank	12,000,000.00	278,076,000,000	January 6, 2020
National Citizen Commercial Joint Stock Bank	12,000,000.00	278,076,000,000	January 17, 2020
Total		<u>1,100,717,500,000</u>	

4. Derivative financial instruments and other financial assets

	Total value of the contract (according to the exchange rate at the effective	Total book value (according to the exchange rate at the reporting date)	
		Assets	Liabilities
As at December 31, 2019		49,127,120,000	-
+ Monetary derivative financial instruments		49,127,120,000	-
- Currency forward transaction	1,160,100,000,000	-	-
- Currency swap transaction	11,287,926,364,428	49,127,120,000	-

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

5. Loans granted to customers

5.1 Loans granted to customers

	Dec. 31, 2019	Jan. 01, 2019
Loans granted to local economic institutions, individuals	42,578,902,281,124	37,874,436,573,271
Commercial paper discount and valuable documents	44,851,341,500	41,681,878,900
Total	42,623,753,622,624	37,916,118,452,171
- Analysis by loan quality		
	Dec. 31, 2019	Jan. 01, 2019
Current debts	41,919,816,076,720	37,372,224,509,134
Special mentioned debts	199,234,669,113	23,828,791,636
Sub-standard debts	86,548,858,120	17,460,399,722
Doubtful debts	46,653,079,178	43,130,722,562
Bad debts	371,500,939,493	459,474,029,117
Total	42,623,753,622,624	37,916,118,452,171
- Analysis by loan term		
	Dec. 31, 2019	Jan. 01, 2019
Short-term	25,112,419,787,458	18,599,191,592,692
Medium	8,987,729,422,651	6,014,556,460,955
Long-term	8,523,604,412,515	13,302,370,398,524
Total	42,623,753,622,624	37,916,118,452,171
- Analysis by type of customer and form of business		
	Dec. 31, 2019	Jan. 01, 2019
State-owned company	-	120,000,000,000
Limited liability company	22,885,422,375,052	16,741,593,432,230
Joint-stock company	15,885,515,459,445	17,936,857,213,939
Individuals and others	3,852,815,788,127	3,117,667,806,002
Total	42,623,753,622,624	37,916,118,452,171
- Analysis by industry		
	Dec. 31, 2019	Jan. 01, 2019
Construction	8,278,046,009,873	9,467,471,670,524
Trade, production and processing	14,169,570,876,097	16,839,624,412,055
Warehousing, transportation and communications	92,713,413,523	151,997,031,035
Agriculture and forestry	198,528,142,203	54,453,942,538
Individuals and others	19,884,895,180,928	11,402,571,396,019
Total	42,623,753,622,624	37,916,118,452,171

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

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

	<i>General provision</i>	<i>Specific provision</i>
<u>Current year</u>		
Opening balance	267,945,149,789	125,698,164,691
Provisions made (reversed)	46,363,353,690	31,284,760,117
Use of provision for credit loss in the year	-	(5,574,121,379)
Closing balance	<u>314,308,503,479</u>	<u>151,408,803,429</u>
<u>Prior year</u>		
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	<u>267,945,149,789</u>	<u>125,698,164,691</u>
Details of provisions	Dec. 31, 2019	Jan. 01, 2019
Provisions for credit losses of loans and advances to customers	465,717,306,908	393,643,314,480
+ <i>General provision</i>	314,308,503,479	267,945,149,789
+ <i>Specific provision</i>	151,408,803,429	125,698,164,691
Total	<u>465,717,306,908</u>	<u>393,643,314,480</u>
6. Debts purchasing activities	Dec. 31, 2019	Jan. 01, 2019
- Purchased debts in VND	1,518,946,560	1,518,946,560
Total	<u>1,518,946,560</u>	<u>1,518,946,560</u>
Value of principal and interests of purchased debts as follows:	Dec. 31, 2019	Jan. 01, 2019
- Principal of purchased debts	1,518,946,560	1,518,946,560
Total	<u>1,518,946,560</u>	<u>1,518,946,560</u>
7. Investment securities		
7.1. Available-for-sale securities	Dec. 31, 2019	Jan. 01, 2019
a. Debt securities	10,144,304,090,387	8,381,121,666,018
- <i>Government Securities, local government securities</i>	6,760,935,292,225	2,278,458,922,268
- <i>Debt securities issued by domestic economic organizations</i>	3,383,368,798,162	6,102,662,743,750
b. Equity securities	74,074,961,726	74,074,961,726
- <i>Equity securities issued by domestic economic organizations</i>	74,074,961,726	74,074,961,726
c. Allowance for available-for-sale securities	(15,777,023,538)	(16,092,223,538)
<i>In which: - Provision for impairment</i>	(15,777,023,538)	(16,092,223,538)
Total	<u>10,202,602,028,575</u>	<u>8,439,104,404,206</u>
7.2. Held-to-maturity securities (excluding special bonds issued by VAMC)	Dec. 31, 2019	Jan. 01, 2019
- <i>Debt securities issued by domestic credit institutions entities(*)</i>	1,450,954,141,311	950,000,000,000
- <i>Debt securities issued by domestic economic entities (**)</i>	291,000,000,000	600,000,000,000
Total	<u>1,741,954,141,311</u>	<u>1,550,000,000,000</u>

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

7.2. Held-to-maturity securities (excluding special bonds issued by VAMC) (cont.)

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

Issuers	Maturity date	Interest rate	Type of bonds	Value of investment
National Citizen Commercial Joint Stock Bank	February 9, 2026	8.60%	Bonds	450,000,000,000
Military Commercial Joint Stock Bank	December 25, 2023	8.20%	Bonds	500,000,000,000
Vietcredit Finance Joint Stock Company	March 3, 2020	9.90%	Certificate of Deposit	50,000,000,000
Vietcredit Finance Joint Stock Company	March 5, 2020	9.90%	Certificate of Deposit	50,000,000,000
Vietcredit Finance Joint Stock Company	March 9, 2020	9.90%	Certificate of Deposit	50,000,000,000
VPBank Finance Company Limited (FE Credit)	June 4, 2020	8.80%	Certificate of Deposit	100,422,193,743
VPBank Finance Company Limited (FE Credit)	June 29, 2020	9.50%	Certificate of Deposit	50,266,257,032
VPBank Finance Company Limited (FE Credit)	July 6, 2020	9.25%	Certificate of Deposit	50,265,690,536
Saigon-Hanoi Commercial Joint Stock Bank	May 14, 2020	6.80%	Bill	150,000,000,000
Total				1,450,954,141,311

(**) Investments in bond by companies as following:

Issuers	Maturity date	Interest rate	Number of bonds	Value of investment
DNP-Water Joint Stock Company	October 2, 2020	11.50%	291	291,000,000,000
Total				291,000,000,000

7.3. Special bonds issued by VAMC

	Dec. 31, 2019	Jan. 01, 2019
- Special bonds' par value	2,320,843,137,508	2,737,647,188,025
- Provision for special bonds	(822,960,951,236)	(631,090,310,115)
Total	1,497,882,186,272	2,106,556,877,910

8. Capital contribution, long-term investments

	Dec. 31, 2019	Jan. 01, 2019
- Analyze the value of investment by type		
Other long-term investments	313,373,630,000	313,373,630,000
Total	313,373,630,000	313,373,630,000

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

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

Name	Dec. 31, 2019			Jan. 01, 2019		
	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 (2)</i>	49,500,000,000	49,500,000,000	8.25%	49,500,000,000	49,500,000,000	8.25%
<i>Yenbai VPG Mineral Joint Stock Company (3)</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 (4)</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	6.50%	8,867,910,000	8,867,910,000	6.50%
<i>Saigon Engineering Construction Investment Corporation (ECI SAIGON) (5)</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 (Napas)</i>	2,000,000,000	2,000,000,000	0.83%	2,000,000,000	2,000,000,000	0.83%
<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	0.22%	500,000,000	500,000,000	0.22%
<i>LCI, 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) (6)</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	

- 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. The company operates stably and distributes annual dividends to shareholders

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: VND***8. Capital contribution, long-term investments (cont.)***(2) Son Tra Joint Stock Company*

Son Tra Joint Stock Company was established on August 04, 2003 issued by Department of Planning and Investment of Da Nang City with certificate No. 0400451173, operates in restaurant, short-stay services, real estates,... The company's chartered capital is 80 billion VND, Vietabank invested in the company by owning 8.25% of its charter capital.

(3) 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, quarifying 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. The company operates stably and distributes annual dividends to shareholders

(4) 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. The company operates in a stable and profitable business.

(5) 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. The company operates in a stable and profitable business.

(6) Petrolimex Group Commercial Joint Stock Bank (PG Bank)

Petrolimex 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. The Bank operates in a profitable business

As at December 31, 2019, the bank has not determined the fair value of long-term investment in unlisted companies to disclose in the financial statements because there is no listed price in the market and Vietnamese Accounting Standards and no guidance on how to calculate fair value in the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam. Therefore, the bank presents the above investments' fair value at their original cost.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

9. Tangible fixed assets

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

Items	Buildings & structures	Machinery & equipment	Transportation & facilities	Others	Total
Original cost					
Opening balance	86,118,057,874	135,321,062,269	65,325,535,968	5,434,397,893	292,199,054,004
- New purchases	-	8,414,367,396	8,840,966,800	240,141,000	17,495,475,196
- Disposal, sale	-	(33,636,364)	-	-	(33,636,364)
- Other decreases	-	(119,176,364)	-	-	(119,176,364)
Closing balance	86,118,057,874	143,582,616,937	74,166,502,768	5,674,538,893	309,541,716,472
Accumulated depreciation					
Opening balance	34,386,993,571	124,552,454,427	51,211,949,312	1,253,469,703	211,404,867,013
- Charge for the year	2,845,866,522	8,927,242,662	5,934,557,851	137,399,890	17,845,066,925
- Reclassification	(12)	(2,023,545,016)	889,093,838	1,134,451,190	-
- Disposal, sale	-	(33,636,364)	-	-	(33,636,364)
- Other decreases	-	(119,176,364)	-	-	(119,176,364)
Closing balance	37,232,860,081	131,303,339,345	58,035,601,001	2,525,320,783	229,097,121,210
Net book value					
As at beginning of the year	51,731,064,303	10,768,607,842	14,113,586,656	4,180,928,190	80,794,186,991
As at the end of the year	48,885,197,793	12,279,277,592	16,130,901,767	3,149,218,110	80,444,595,262

* Ending original costs of tangible fixed assets—fully depreciated but still in use: 146,547,923,553

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

10. 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
- Mua trong năm	-	572,000,000	-	572,000,000
- Other increases	-	3,028,144,000	-	3,028,144,000
Closing balance	112,001,521,341	98,184,437,214	6,131,235,385	216,317,193,940
Accumulated depreciation				
Opening balance	-	92,304,608,674	5,816,235,383	98,120,844,057
- Charge for the year	-	2,123,206,340	-	2,123,206,340
- Reclassification	-	124,999,998	(124,999,998)	-
Closing balance	-	94,552,815,012	5,691,235,385	100,244,050,397
Net book value				
As at beginning of the year	112,001,521,341	2,279,684,540	315,000,002	114,596,205,883
As at the end of the year	112,001,521,341	3,631,622,202	440,000,000	116,073,143,543

11. Investment properties

Items	Opening balance	Increase	Decrease	Closing balance
Original cost				
Housing and land use right	-	3,034,540,000	-	3,034,540,000
Accumulated depreciation				
Housing and land use right	-	-	-	-

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

12. Other assets

	Dec. 31, 2019	Jan. 01, 2019
1. Capital construction in progress	5,789,410,750	4,005,278,500
2. Receivables	1,192,589,421,263	1,449,905,534,532
3. Accrued interest and fees receivable	3,111,601,728,533	2,454,018,413,535
4. Other assets	1,187,355,016,508	1,228,412,648,909
5. Allowance for other assets	(49,700,000,000)	(1,540,000,000)
Total	5,447,635,577,054	5,134,801,875,476

12.1 Capital construction in progress

	Dec. 31, 2019	Jan. 01, 2019
In which: Great construction:		
+ Nadara Credit Software	-	3,028,144,000
+ Internal credit rating system	977,134,500	977,134,500
+ Management Software The Way 4	3,622,276,250	-
+ Specialized cars	1,190,000,000	-
Total	5,789,410,750	4,005,278,500

12.2 Receivables

	Dec. 31, 2019	Jan. 01, 2019
- External receivables	1,192,589,421,263	1,449,905,534,532
+ Receivables from trading of valuable papers, securities with National Securities Joint Stock Company ("NSI")	14,398,453	563,016,384,998
+ Capital contribute for Business Cooperation Contract (*)	200,000,000,000	200,000,000,000
+ Advance for Business Cooperation Contract (**)	250,000,000,000	250,000,000,000
+ Advances for court fees	7,243,863,330	7,470,449,125
+ Advances to staff	13,138,180,274	16,693,703,118
+ Deposit for guaranteeing contract (CASA)	13,208,494,135	-
+ Deposit for the headquarters rental	11,441,215,060	10,668,395,060
+ Deposit at Eximbank	-	13,221,150,000
+ Receivable from supporting interest	901,829,156	901,829,156
+ Taxes and other receivables from the State Budget (VAB)	1,999,801,545	-
+ Taxes and other receivables from the State Budget (AMC)	718,936,937	2,174,047,933
+ 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	143,328,730,200
+ Deposit for real estate purchasing contract Phu My Phuong Company	42,105,780,000	-
+ Deposit for receivables purchasing contract from Vietinbank, BIDV, VCB	-	5,000,000,000
+ Receivable from Hanoi MHD Joint Stock Company	25,000,000,000	25,000,000,000
+ Receivable from Le Van Khoa	-	166,358,260,000
+ Receivables NHT Real estate Development and Investment JSC (relating to Contract of selling debt of Asian Smart JSC.)	188,530,000,000	-
+ Receivable Truong Thanh Furniture Corporation	9,106,634,509	-
+ Receivables customers	11,552,337,419	-
+ Receivables awaiting settlement regarding to affairs at Dong Do transaction office (**)	232,581,174,274	-
+ Others	39,518,045,971	43,872,584,942
Total	1,192,589,421,263	1,449,905,534,532

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

(*) Capital contribute for Business Cooperation Contract between Vietnam Asia Commercial Bank Asset Management One Member Limited Company ("AMC") and International Trading Development and Financial Investment JSC ("Investco") to implement projects of restaurants, hotels, commercial centers, apartments and offices for rent at 166 Truong Chinh, Dong Da District, Hanoi. Total investment capital is VND 924.7 billion, in which, each party contribute 50%, equivalent to VND 462.35 billion. After the project is completed, AMC will receive 55% of the total revenue earned from the project. On May 25, 2012, AMC transferred VND 200 billion to Investco to contribute to the project. At the date of this report, the project has not been implemented, the Bank's Board of Management issued Resolution No. 206/NQ-HDQT/19 date December 31, 2019 to allow AMC to extend the contract for 36 months from August 19, 2019. However, for prudence, AMC also made a provision of VND 10 billion for this investment in AMC's business results in 2019.

(**) On May 31, 2012, at the request of Investco, AMC advanced an investment amount of VND 250 billion for the above mentioned business cooperation contract. So far, this advance has not been withdrawn and according to the Resolution of the Board of Management of the Bank No. 206/NQ-HDQT/19 dated December 31, 2019, AMC would adjust the interest rate of this advance from the interest rate on no-term deposits to term deposits. However, for prudence, AMC also made a provision of VND 12.5 billion for this advance to AMC's business results in 2019.

(***) In 2019, the bank temporarily transferred the loan amount for loans from customers related to credit activities at Dong Do Transaction Office into receivables awaiting settlement while waiting for the final conclusion of the Ha Noi Investigation Police Agency.

12.3 Accrued interest and fees receivable

	Dec. 31, 2019	Jan. 01, 2019
- Interest receivable from loans and advances to customers	2,715,204,554,810	1,832,520,579,250
- Interest receivable from investment securities	382,154,575,325	516,072,190,675
- Interest receivable from deposits	10,783,445,526	61,040,836,489
- Interest receivable from advance capital for business cooperation contract	-	42,750,000,000
- Interest receivable from derivative financial instruments	3,459,152,872	1,634,807,121
Total	3,111,601,728,533	2,454,018,413,535

12.4 Other assets

	Dec. 31, 2019	Jan. 01, 2019
- Pending foreclosed assets	12,000,000,000	399,891,241,700
- Foreclosed assets of Vietnam National General Export - Import Joint Stock Company No.1	12,000,000,000	12,000,000,000
- HFC Vietnam Investment Trading and Import Export JSC	-	387,891,241,700
- Foreclosed assets (*)	1,120,382,579,883	766,440,338,183
- Received from Phu An Thanh Co., Ltd (**)	157,889,581,589	191,838,581,589
- Received from Dong Phuong Hong JSC (**)	25,141,258,357	25,141,258,357
- Received from Truong Thanh Furniture Corporation (***)	342,460,498,237	342,460,498,237
- Received from Vietnam National General Export - Import Joint Stock Company No.1 (***)	207,000,000,000	207,000,000,000
- Received from HFC Vietnam Investment Trading and Import Export JSC (***)	387,891,241,700	-
- Expenses awaiting allocation	46,005,130,648	50,524,563,137
- Deposit book, blank bill, check	4,418,024,777	5,299,936,942
- Other receivables	4,549,281,200	6,256,568,947
Total	1,187,355,016,508	1,228,412,648,909

(*) Foreclosed assets are land use rights, real estate, machinery, and listed stocks currently in the process of completing legal documents to transfer ownership to Bank. However, for the assets receiving debt assignment, real estate being used by the Bank creates an income source for the Bank.

(**) On February 18, 2020, the Bank has collected all the money of Phu An Thanh Co., Ltd and Dong Phuong Hong JSC to exercise the priority right to receive collaterals of the two this company.

(***) The Bank's annual income from the above companies' foreclosed assets corresponds to the annual accrued interest of these Companies.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

13. Borrowings from the Government and the State Bank of Vietnam

	Dec. 31, 2019	Jan. 01, 2019
13.1. 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

14. Deposits and borrowings from other credit institutions

	Dec. 31, 2019	Jan. 01, 2019
14.1. Deposits from other credit institutions		
a. Demand deposits	7,832,161,594,369	10,570,435,143,978
- VND	7,832,161,594,369	10,570,435,143,978
b. Term deposits	4,916,476,705,788	5,530,371,584,295
- VND	3,815,759,205,788	5,530,371,584,295
- Foreign currencies	1,100,717,500,000	-
Total	12,748,638,300,157	16,100,806,728,273
14.2. Borrowings from other credit institutions		
- VND	8,667,715,909,264	6,613,524,639,264
- Foreign currencies	121,490,709	130,292,114
Total	8,667,837,399,973	6,613,654,931,378
Total of deposits and borrowings from other credit institutions	21,416,475,700,130	22,714,461,659,651

15. Deposits from customers

- Analysis by type

	Dec. 31, 2019	Jan. 01, 2019
Demand deposits, gold	955,779,770,158	2,222,509,238,177
- VND	917,113,304,743	2,213,770,881,654
- Gold and foreign currencies	38,666,465,415	8,738,356,523
Term deposits, gold	46,221,386,038,815	38,675,728,505,289
- VND	45,966,123,165,142	38,242,830,356,142
- Gold and foreign currencies	255,262,873,673	432,898,149,147
Deposits for special purposes	5,632,406	5,596,361
Deposits	251,539,029,987	468,854,816,747
- VND	251,404,848,988	468,719,953,168
- Gold and foreign currencies	134,180,999	134,863,579
Total	47,428,710,471,366	41,367,098,156,574

- Analysis by type of customer and form of business

	Dec. 31, 2019	Jan. 01, 2019
Deposits from economic institutions	3,796,764,673,843	5,842,652,691,675
State-Owned enterprise	505,052,957,639	690,199,519,249
Joint stock, limited liability, partnership, finance and private companies	3,210,653,468,338	4,980,606,470,739
Foreign invested companies	81,058,247,866	171,846,701,687
Individuals and others	43,631,945,797,523	35,524,445,464,899
Total	47,428,710,471,366	41,367,098,156,574

These notes form an integral part of the financial statements.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

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

	Dec. 31, 2019	Jan. 01, 2019
Grants, trusted funds and loans in VND	6,546,256,000	14,258,508,000
Total	6,546,256,000	14,258,508,000

17. Valuable papers issued

	Dec. 31, 2019	Jan. 01, 2019
Bonds	750,000,000,000	700,000,000,000
- VND	750,000,000,000	700,000,000,000
Certificates of deposit	499,345,128,315	982,143,421,968
- Certificates of deposits with terms of less than 12 months in VND	301,065,000,000	374,235,216,000
- Certificate of deposits with term from 12 months to 5 years in VND	198,280,128,315	607,908,205,968
Total	1,249,345,128,315	1,682,143,421,968

16. Other liabilities

	Dec. 31, 2019	Jan. 01, 2019
External payables (*)	522,748,008,984	249,783,238,445
Accrued interest and fees payable	1,373,901,578,799	1,010,318,361,845
Bonus and welfare fund	6,770,041,999	8,211,741,999
Total	1,903,419,629,782	1,268,313,342,289

(*): External payables include:

- Taxes and other payables to the State Budget	41,760,579,489	10,816,015,131
- Remittances payable	15,502,641,484	15,134,208,103
- Amounts awaiting for settlement (**)	300,592,408,345	194,271,891,165
- Periodical interest for deposits	15,951,859,486	11,706,348,276
- Property assessment fee	21,322,135	44,213,075
- Deposit for rental	579,000,000	373,360,000
- Deposit for searching information on real estate in District I	11,000,000,000	11,000,000,000
- Unearned revenue (Supporting fee from CHUBBLIFE - Chubb Life Insurance Vietnam Company Limited)	131,149,350,652	-
- Other payables	6,190,847,393	6,437,202,695
Total	522,748,008,984	249,783,238,445

(**): Among the amounts awaiting for settlement as of December 31, 2019, there was a pending payables of VND 250.14 billion related to customer groups at Dong Do Transaction Office that the Bank temporarily implemented to transfer status from savings deposit to savings books pending the final conclusion of the Investigation Police Agency.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

19. Capital and funds of credit institutions

19.1. Statement of changes in equity

Items	Paid-in capital	Share premium	Owners' other capital	Financial reserve	Reserve to supplement share capital	Undistributed earnings/ Accumulated losses	Total
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 2018	-	-	-	-	-	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
Balance at January 01, 2019	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
- Net profit for the year 2019	-	-	-	-	-	207,397,543,892	207,397,543,892
- Appropriations to reserves and funds	-	-	-	20,739,754,389	10,369,877,195	(31,109,631,584)	-
Balance at December 31, 2019	3,499,990,470,000	98,600,000	13,470,351	194,156,704,255	32,895,367,011	715,111,841,595	4,442,266,453,212

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

Funds of credit institutions

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.

19.2. Earnings per share

	Year 2019	Year 2018
- Profit or loss to calculate basic earnings per share	207,397,543,892	118,415,650,049
- Weighted average number of ordinary shares to calculate basic earnings per share	349,999,047	349,999,047
- Earnings per share	<u>593</u>	<u>338</u>

19.3. Details of share capital of credit institutions

	Dec. 31, 2019			Jan. 01, 2019		
	Amount	Ordinary share capital	Preferred share capital	Amount	Ordinary share capital	Preferred share capital
- Charter capital	3,499,990,470,000	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	98,600,000	-
- Other capital	13,470,351	13,470,351	-	13,470,351	13,470,351	-
Total	<u>3,500,102,540,351</u>	<u>3,500,102,540,351</u>	<u>-</u>	<u>3,500,102,540,351</u>	<u>3,500,102,540,351</u>	<u>-</u>

19.4. Dividends

	Year 2019	Year 2018
- Dividends disclosed after the balance sheet date:	Not yet declared	Undeclared

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

19.5. Shares

	Year 2019	Year 2018
- 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

20. Interest income and similar incomes

	Year 2019	Year 2018
Interest income from deposits	147,347,210,730	83,737,388,851
Interest income from loans granted to customers	4,070,926,680,175	3,336,917,400,786
Interest income from debt securities trading and investment	618,233,454,801	667,472,977,944
- Interest income from trading securities	1,417,711,248	687,795,085
- Interest income from investment securities	616,815,743,553	666,785,182,859
Income from guarantee activities	12,064,763,153	8,732,739,123
Other income from credit activities	-69,704,148,784	147,450,566,688
Total	4,918,276,257,643	4,244,311,073,392

21. Interest expenses and similar expenses

	Year 2019	Year 2018
Deposits	3,554,767,049,232	2,725,472,688,320
Loan interests	239,865,871,026	247,031,468,429
Issuing valuable papers interests	98,474,456,635	156,009,410,389
Other credit activities' expenses	6,004,782,259	5,874,395,318
Total	3,899,112,159,152	3,134,387,962,456

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

22. Net gain/loss from services:

	Year 2019	Year 2018
Gains from services	22,992,606,611	15,379,982,197
Payment service	9,825,873,949	7,667,711,418
Treasury service	636,983,293	445,410,307
Other services	12,529,749,369	7,266,860,472
Expenses of services	36,136,649,589	22,858,834,639
Payment service	10,069,413,998	5,969,475,774
Treasury service	339,139,234	221,698,596
Other services	25,728,096,357	16,667,660,269
Net gain/loss from services	(13,144,042,978)	(7,478,852,442)

23. Net gain/loss from dealing in foreign currencies

	Year 2019	Year 2018
Gains from dealing in foreign currencies	62,947,768,715	26,808,484,683
Foreign currency for immediate delivery	4,321,647,426	5,551,600,582
Gold trading	5,599,563,362	753,320,682
Currency derivative financial instruments	53,026,557,927	20,503,563,419
Expenses of dealing in foreign currencies	53,328,562,272	27,787,085,493
Foreign currency for immediate delivery	10,172,247,644	5,843,866,847
Gold trading	219,572,704	300,162,532
Currency derivative financial instruments	42,936,741,924	21,643,056,114
Net gain/loss from dealing in foreign currencies	9,619,206,443	(978,600,810)

24. Net gain/(loss) from trading securities

	Year 2019	Year 2018
Income from dealing trading securities	2,012,227,052	3,271,937,316
Expenses of dealing trading securities	46,889,416	63,023,559
Provision for losses of trading securities expenses	-	352,000,000
Reversal of provision for losses of trading securities	315,200,000	-
Net gain/(loss) from trading securities	2,280,537,636	2,856,913,757

25. Net gain/(loss) from investment securities

	Year 2019	Year 2018
Income from dealing investment securities	1,925,707,909	1,650,194,010
Expenses of dealing investment securities	106,240,072	-
Net gain/(loss) from investment securities	1,819,467,837	1,650,194,010

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

	Year 2019	Year 2018
26. Net gain/(loss) from other activities		
Income from other activities	229,944,657,669	73,991,388,358
<i>Disposal and sale of fixed assets</i>	-	631,818,182
<i>Interest from debts sold to VAMC</i>	12,164,509,925	-
<i>Other income</i>	217,780,147,744	73,359,570,176
Expenses of other activities	7,764,518,553	2,079,768,665
<i>Other expenses</i>	7,764,518,553	2,079,768,665
Net gain/(loss) from other activities	222,180,139,116	71,911,619,693
27. Income from capital contribution and purchase of shares		
Dividends from capital contribution and purchase of shares	1,165,328,500	1,412,328,500
Long-term capital contribution, investments	1,165,328,500	1,412,328,500
Total	1,165,328,500	1,412,328,500
26. Operating expenses		
1. Tax, duties and fees	792,872,860	686,076,744
2. Expenses for employees	266,573,081,209	248,466,566,040
In which:		
<i>Salaries and allowances</i>	239,087,914,548	222,036,928,262
<i>Salary related contributions</i>	21,244,871,598	20,467,701,553
<i>Others</i>	6,240,295,063	5,961,936,225
3. Expenses on assets	104,183,524,458	114,165,191,296
In which:		
<i>Depreciation and amortisation expenses</i>	19,968,273,265	28,926,716,293
<i>Office rental</i>	62,322,714,096	61,444,114,009
<i>Asset maintenance expenses</i>	21,892,537,097	23,794,360,994
4. Administration expenses	173,711,735,935	153,659,483,656
In which:		
<i>Marketing, promotion and printing expenses</i>	5,176,337,943	5,976,865,250
<i>Non-deductible value added tax</i>	9,784,232,609	10,093,371,102
<i>Utilities expenses</i>	9,998,632,352	9,253,238,100
<i>Telecommunication expenses</i>	2,999,990,021	2,640,440,784
<i>Others</i>	145,752,543,010	125,695,568,420
5. Insurance expenses for customers' deposit	56,070,508,000	47,203,595,000
Total	601,331,722,462	564,180,912,736

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

29. Allowance expenses for credit losses

	Year 2019	Year 2018
General allowance for credit losses on loans to customers		
Addition	130,140,035,999	83,126,390,363
Reversal	(83,776,682,309)	(50,729,883,908)
Specific allowance for credit losses on loans to customers		
Addition	114,921,426,012	130,657,458,798
Reversal	(83,636,665,895)	(35,689,890,879)
Allowance for special bonds of VAMC		
Addition	321,485,940,729	240,757,421,173
Reversal	(81,358,719,731)	(128,684,447,979)
Other allowances		
Addition	48,160,000,000	225,151,026,730
Reversal	-	-
Total	365,935,334,805	464,588,074,298

30. Corporate income tax

	Year 2019	Year 2018
Current corporate income tax expense:		
1. Profit before tax	275,817,677,778	150,527,726,610
<i>In which:</i>		
<i>Profit before tax of VAB (a)</i>	<i>296,004,631,936</i>	<i>146,359,617,968</i>
<i>Profit/(loss) from business activities of AMC (b)</i>	<i>(20,186,954,158)</i>	<i>(4,217,011,123)</i>
<i>Profit/(loss) from the transfer of real estate of AMC (c)</i>	<i>-</i>	<i>8,385,119,765</i>
2. Adjustments to taxable income:		
Less income under CIT: (d)	11,638,851,814	2,100,123,585
<i>Income from capital contribution, joint-venture, shares acquisition</i>	<i>2,583,039,748</i>	<i>2,100,123,585</i>
<i>Income from leasing foreclosed assets received from Truong Thanh Furniture Corporation (paid tax in 2018 under Minutes of tax inspection)</i>	<i>8,278,758,645</i>	<i>-</i>
<i>Other income was taxed last year</i>	<i>777,053,421</i>	<i>-</i>
Plus undeductible expenses in determining taxable income: (e)	37,206,556,329	7,915,768,659
3. Taxable income ((f) = (a) + (c) - (d) + (e))	321,572,336,451	160,560,382,807
<i>In which:</i>		
<i>Taxable income from business activities</i>	<i>321,572,336,451</i>	<i>95,008,553,087</i>
<i>Taxable income from the transfer of real estate</i>	<i>-</i>	<i>65,551,829,720</i>
4. CIT calculated on taxable income ((g) = 20% x (f))	64,314,467,290	32,112,076,561
5. Adjustment of Corporate income tax of prior years to that of current year (h)	4,105,666,596	-
6. Total current corporate income tax ((i) = (g) + (h))	68,420,133,886	32,112,076,561

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

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

31. Cash and cash equivalents	Dec. 31, 2019	Jan. 01, 2019
Cash and cash equivalents on hand	266,475,949,276	318,618,212,910
Deposits at State Bank of Vietnam	2,941,222,700,590	440,947,678,293
Cash, foreign currencies deposited at other credit institutions (Demand deposits and term deposits are not exceeding 3 months)	11,477,382,764,646	15,167,644,813,949
Securities have a maturity or a maturity date not exceeding 3 months from date of purchase	-	-
Total	14,685,081,414,512	15,927,210,705,152

VIII. Other information

32. Personnel Income	Year 2019	Year 2018
I. Total employees	1,455	1,337
II. Income		
1. Total salaries	234,057,703,559	217,568,018,673
2. Bonus	2,726,401,013	1,854,600,000
3. Other income	1,447,680	-
4. Total income (1+2+3)	236,785,552,252	219,422,618,673
5. Average annual salary/employee	160,864,401	162,728,511
6. Average annual income/employee	162,739,211	164,115,646

33. 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)	4,919,049,241	17,836,727,964	22,719,204,056	36,573,149
1b. Value added tax (AMC)	(1,148,643,654)	429,706,717	-	(718,936,937)
2a. Corporate income tax (VAB)	4,810,238,672	68,420,133,886	33,864,594,186	39,365,778,372
2b. Corporate income tax (AMC)	(1,025,404,279)	1,147,626,501	122,222,222	-
3a. Personal income tax (VAB)	1,022,686,423	8,771,795,652	9,710,471,516	84,010,559
3b. Personal income tax (AMC)	25,934,636	161,463,515	155,751,234	31,646,917
4. Withholding tax	38,106,159	434,330,479	465,816,518	6,620,120
Total	8,641,967,198	97,201,784,714	67,038,059,732	38,805,692,180

34. Type and value of collaterals received from customers

Assets, valuable papers for mortgage, pledge and discount, rediscount	To Dec. 31, 2019	To Jan. 01, 2019
Real estates	22,310,117,036,312	22,130,066,395,977
Shares and valuable papers	8,639,723,986,092	10,308,038,503,855
Inventories	1,073,883,705,916	1,496,108,099,132
Machinery and equipment	499,031,009,575	572,530,453,665
Others	125,349,248,188,800	93,708,631,959,129
Total	157,872,003,926,695	128,215,375,411,758

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

35. Contingencies and commitments

Items	Dec. 31, 2019	Jan. 01, 2019
Payment guarantees	-	-
Commitments on foreign currency transactions	11,921,835,076,420	2,713,815,000,000
<i>Commitments on purchase of foreign currencies</i>	231,730,000,000	162,365,000,000
<i>Cross currency swap contracts</i>	11,690,105,076,420	2,551,450,000,000
Letters of credit	158,276,346,490	29,437,822,914
<i>Commitment on payment in L/C transactions</i>	158,276,346,490	29,437,822,914
Other guarantees	548,756,050,446	550,276,757,476
<i>Payment</i>	45,449,511,274	71,730,577,047
<i>Contract performance</i>	96,795,184,514	130,440,291,918
<i>Bidding</i>	3,458,401,054	4,423,794,000
<i>Others</i>	403,052,953,604	343,682,094,511
Total	12,628,867,473,356	3,293,529,580,390

36. Related party transactions

Key transactions and balances with related parties:

Related parties	Relationship	Transactions	Movement	Closing Balance as at Dec. 31, 2019 Receivables/ (Payables)
Members of the Board of Management	Related parties	Interest on deposits	119,530,949	
		Balance of deposits		(2,976,615,104)
		Remuneration	4,800,000,000	
Members of the Board of Supervisors	Related parties	Interest on deposits	178,573,351	
		Balance of deposits		(2,027,151,027)
		Remuneration	1,560,000,000	
Members of the Board of General Directors	Related parties	Interest on deposits	66,957,519	
		Balance of deposits		(2,159,428,357)
		Salary and bonus	6,175,312,000	

37. 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 consolidated financial statements.

38. 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	42,623,753,622,624	13,959,122,381,153	12,628,867,473,356	49,127,120,000	14,281,176,330,932
Overseas	-	609,483,084,083	-	-	-

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: VND***39. 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.

40. Financial risk management

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

40.1 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.

40.1.1 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.

(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.

40.1.2 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.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: VND*

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.

40.2 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. Details on market risks items are presented on Page 49 to Page 54.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

39. Segment reporting

Primary segment reporting

- The reports segment information by geographical segment

For the fiscal year ended December 31, 2019	The Northern	The Central	The Southern	Adjustments	Total
I. Income	10,481,203,556,389	1,486,995,487,729	3,063,276,663,731	(9,791,895,953,750)	5,239,579,754,099
1. Interest income	10,211,510,762,225	1,481,377,020,797	3,017,284,428,371	(9,791,895,953,750)	4,918,276,257,643
External interest income	3,617,641,155,075	390,481,583,336	910,153,519,232	-	4,918,276,257,643
Internal interest income	6,593,869,607,150	1,090,895,437,461	2,107,130,909,139	(9,791,895,953,750)	-
2. Income from services	10,907,941,087	2,904,316,054	9,180,349,470	-	22,992,606,611
3. Income from other activities	258,784,853,077	2,714,150,878	36,811,885,890	-	298,310,889,845
II. Expenses	10,102,928,543,132	1,393,662,141,284	2,893,132,010,850	(9,791,895,953,750)	4,597,826,741,516
1. Interest expenses	9,698,895,447,730	1,304,915,662,660	2,687,197,002,512	(9,791,895,953,750)	3,899,112,159,152
External interest income	1,434,921,678,979	779,922,512,691	1,684,267,967,482	-	3,899,112,159,152
Internal interest income	8,263,973,768,751	524,993,149,969	1,002,929,035,030	(9,791,895,953,750)	-
2. Expenses for depreciation of fixed assets	16,150,779,942	2,382,602,560	1,434,890,763	-	19,968,273,265
3. Expenses relating to business activities	387,882,315,460	86,363,876,064	204,500,117,575	-	678,746,309,099
Operating profit before allowance and provision expenses for credit losses	378,275,013,257	93,333,346,445	170,144,652,881	-	641,753,012,583
Allowance and provision expenses for credit losses	255,608,353,274	6,483,240,085	103,843,741,446	-	365,935,334,805
Segment results	122,666,659,983	86,850,106,360	66,300,911,435	-	275,817,677,778
III. Assets	58,930,755,741,379	5,358,034,911,799	12,157,972,985,627	-	76,446,763,638,805
1. Cash on hand	71,616,246,652	58,512,894,099	136,346,808,525	-	266,475,949,276
2. Fixed assets	107,566,249,137	30,878,473,167	58,073,016,501	-	196,517,738,805
3. Other assets	58,751,573,245,590	5,268,643,544,533	11,963,553,160,601	-	75,983,769,950,724
IV. Liabilities	33,871,533,732,200	11,309,520,825,625	26,823,442,627,768	-	72,004,497,185,593
1. External liabilities	33,369,418,043,553	11,305,392,861,869	26,800,168,229,188	-	71,474,979,134,610
2. Internal liabilities	-	-	-	-	-
3. Other liabilities	502,115,688,647	4,127,963,756	23,274,398,580	-	529,518,050,983

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: VND

39. Segment reporting (cont.)

Primary segment reporting (cont.)

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

For the fiscal year ended December 31, 2018	The Northern	The Central	The Southern	Adjustments	Total
I. 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
1. Interest income	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
External interest income	3,098,584,988,959	463,363,701,367	682,362,383,066	-	4,244,311,073,392
Internal interest income	5,482,442,327,396	841,341,499,246	1,843,772,390,001	(8,167,556,216,643)	-
2. Net gain/loss from services	5,254,868,117	2,455,276,870	7,669,837,210	-	15,379,982,197
3. Net gain/(loss) from other activities	95,682,934,557	424,958,365	11,026,439,945	-	107,134,332,867
II. 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
1. Interest expenses	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
External interest income	1,134,422,931,471	598,508,921,688	1,401,456,109,297	-	3,134,387,962,456
Internal interest income	6,858,194,010,282	561,265,658,564	748,096,547,797	(8,167,556,216,643)	-
2. Expenses for depreciation of fixed assets	24,410,038,904	2,727,981,222	1,788,696,167	-	28,926,716,293
3. Expenses relating to business activities	316,709,107,985	79,067,865,897	192,617,934,917	-	588,394,908,799
Operating profit before allowance and provision expenses for credit losses	348,229,030,387	66,015,008,477	200,871,762,044	-	615,115,800,908
Allowance and provision expenses for credit losses	397,131,063,148	(1,000,606,328)	68,457,617,478	-	464,588,074,298
Segment results	(48,902,032,761)	67,015,614,805	132,414,144,566	-	150,527,726,610
III. Assets	57,735,999,392,218	4,281,665,764,796	9,273,650,562,855	-	71,291,315,719,869
1. Cash on hand	63,479,351,530	62,097,824,515	193,041,036,865	-	318,618,212,910
2. Fixed assets	105,380,961,994	32,797,014,767	57,212,416,113	-	195,390,392,874
3. Other assets	57,567,139,078,694	4,186,770,925,514	9,023,397,109,877	-	70,777,307,114,085
IV. Liabilities	32,859,447,374,086	9,662,846,027,998	24,534,153,408,465	-	67,056,446,810,549
1. External liabilities	32,625,825,572,816	9,658,279,626,268	24,514,346,631,021	-	66,798,451,830,105
2. Internal liabilities	-	-	-	-	-
3. Other liabilities	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, 2019

Unit: VND

39. Segment reporting (cont.)

Secondary segment reporting

- The reports segment information by business segment

For the fiscal year ended December 31, 2019	Commercial banking activities	Investment activities	Debt Management And Asset Exploitation Activities	Unallocated activities	Total
Segment results	572,065,187,652	315,796,899,148	(20,186,954,158)	(591,857,454,864)	275,817,677,778
Assets	46,760,304,355,007	25,664,420,572,193	617,886,787,469	3,404,151,924,136	76,446,763,638,805
Liabilities	51,613,605,899,466	20,379,068,346,578	11,822,939,549	-	72,004,497,185,593

For the fiscal year ended December 31, 2018	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
Assets	44,702,996,506,504	24,939,032,538,040	694,330,391,248	954,956,284,077	71,291,315,719,869
Liabilities	44,319,441,659,193	22,714,461,659,651	22,543,491,705	-	67,056,446,810,549

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: million VND

40.2 Market risks (cont.)

40.2.1 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, 2019 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		266,476						266,476
II. Deposits at the State Bank of Vietnam			2,941,223					2,941,223
III. Deposits, gold at other credit institutions and loans granted to other credit institutions (*)			11,427,383	200,000				11,627,383
IV. Trading securities (*)								-
V. Derivative financial instruments and other financial assets (*)		49,127						49,127
VI. Loans granted to customers (*)	520,005	-	16,250,257	18,862,822	6,989,455	1,214		42,623,753
VII. Debt purchasing (*)						1,519		1,519
VIII. Investment securities (*)		2,685,918	100,045	150,000	1,741,745	3,970,812	5,632,656	14,281,176
IX. Capital contribution, long-term investments (*)		313,374						313,374
X. Fixed assets and investment properties		196,518						196,518
XI. Others assets (*)		5,447,636						5,447,636
Total Assets	520,005	8,959,048	30,718,908	19,212,822	8,731,200	3,973,545	5,632,656	77,748,184
Liabilities								
I. Deposits from SBV and other credit institutions			11,399,279	10,011,596		5,601		21,416,476
II. Deposits from customers			13,060,949	7,970,067	23,545,979	2,851,716		47,428,711
III. Derivative financial instruments and other financial liabilities								-
IV. Capital financed, entrusted for investment, lent to credit institutions which subject to risks							6,546	6,546
V. Issuance of valuable documents			21,217	317,247	13,213	447,668	450,000	1,249,345
VI. Other liabilities		1,903,419						1,903,419
Total liabilities	-	1,903,419	24,481,445	18,298,910	23,559,192	3,304,985	456,546	72,004,497
The different sensitivity level with the interest rate in the balance sheet	520,005	7,055,629	6,237,463	913,912	(14,827,992)	668,560	5,176,110	5,743,687
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	520,005	7,575,634	13,813,097	14,727,009	(100,983)	567,577	5,743,687	-

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: million VND

40.2.1 Interest rate risks (cont.)

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	-

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

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: million VND

40.2 Market risks (cont.)

40.2.2 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, 2019:

Items	VND	Converted USD	Converted EUR	Converted monetary gold	Converted other currencies	Total
Assets						
Cash, gold, silver and gemstones	205,799	34,798	596	22,754	2,529	266,476
Deposits at the State Bank of Vietnam	2,924,090	17,133				2,941,223
Cash, gold, deposits at other credit institutions and loans granted to other credit institutions (*)	9,863,913	1,754,591	3,492		5,387	11,627,383
Trading securities (*)						-
Derivative financial instruments and other financial assets (*)	929,701				(880,574)	49,127
Loans granted to customers (*)	42,546,018	70,916		6,820		42,623,754
Debt purchasing (*)	1,519					1,519
Investment securities (*)	14,281,176					14,281,176
Capital contribution, long-term investments (*)	313,374					313,374
Fixed assets and investment properties	196,518					196,518
Others assets (*)	5,427,231	20,405				5,447,636
Total Assets	76,689,338	1,897,843	4,088	29,574	(872,658)	77,748,185
Liabilities and owners' equity						
Deposits and borrowings from the State Bank and other credit institutions	20,315,637	1,100,839				21,416,476
Deposits from customers	47,134,646	293,952	111		1	47,428,710
Derivative financial instruments and other financial liabilities		880,574			(880,574)	-
Capital financed, entrusted for investment, lent to credit institutions which subject to risks	6,546	-			-	6,546
Issuance of valuable documents	1,249,345					1,249,345
Other liabilities	1,899,239	4,180				1,903,419
Equity and funds	4,442,267					4,442,267
Total liabilities and owners' equity	75,047,680	2,279,545	111	-	(880,573)	76,446,763
Position of currencies in balance sheet	1,641,658	(381,702)	3,977	29,574	7,915	1,301,422
Position of currencies off balance sheet	-	-	-	-	-	-
Position of currencies in, off balance sheet	1,641,658	(381,702)	3,977	29,574	7,915	1,301,422

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: million VND

40.2.2 Currency risks (cont.)

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

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

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: million VND

40.2 Market risks (cont.)

40.2.3 Liquidity risks

Liquidity risks incurred when the Bank is unable to fulfill its obligations relating to financial liabilities and has no supersede 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, 2019 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			266,476					266,476
Deposits at the State Bank of Vietnam			2,941,223					2,941,223
Cash, gold, deposits at other credit institutions and loans granted to other credit institutions (*)			11,427,383	200,000				11,627,383
Trading securities (*)								-
Derivative financial instruments and other financial assets (*)			49,127					49,127
Loans granted to customers (*)	15,300	504,703	3,412,328	2,502,755	19,188,652	9,933,555	7,066,461	42,623,754
Debt purchasing (*)						1,519		1,519
Investment securities (*)			1,176,258	9,169,000	300,000	3,111,843	524,075	14,281,176
Capital contribution, long-term investments (*)							313,374	313,374
Fixed assets and investment properties							196,518	196,518
Others assets (*)			5,447,636					5,447,636
Total Assets	15,300	504,703	24,720,431	11,871,755	19,488,652	13,046,917	8,100,428	77,748,185
Liabilities								
Deposits and borrowings from the State Bank and other credit institutions			11,399,279	10,011,596		5,601		21,416,476
Deposits from customers			13,060,949	7,970,067	23,545,979	2,851,716		47,428,711
Derivative financial instruments and other financial liabilities								-
Capital financed, entrusted for investment, lent to credit institutions which subject to risks							6,546	6,546
Issuance of valuable documents			21,217	317,247	13,213	447,668	450,000	1,249,345
Other liabilities			1,903,419					1,903,419
Total liabilities	-	-	26,384,864	18,298,910	23,559,192	3,304,985	456,546	72,004,497
Difference of net liquidity	15,300	504,703	(1,664,434)	(6,427,155)	(4,070,540)	9,741,932	7,643,882	5,743,688

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: million VND

40.2.3 Liquidity risks (cont.)

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 financed, 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

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

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: VND***40. Financial risk management (cont.)****40.3 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, March 30, 2020***PREPARED BY****NGUYEN HUU CUONG****CHIEF ACCOUNTANT****LA QUANG TRUNG****GENERAL DIRECTOR****NGUYEN VAN HAO**