



Nam A Commercial Joint Stock Bank

**Consolidated Interim Financial Statements
for the six-month period ended
30 June 2020**

Nam A Commercial Joint Stock Bank
Consolidated interim financial statements for the six-month period ended 30 June 2020

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Nam A Commercial Joint Stock Bank
Bank Information

Operation Licence No.	0026/NH-GP	22 August 1992
	The Operation Licence was issued by the State Bank of Vietnam and is valid for 99 years from the licence date.	
Establishment Licence No.	463/GP-UB	1 September 1992
	The Establishment Licence was issued by the People's Committee of Ho Chi Minh City.	
Business/Enterprise Registration Certificate No.	0300872315	1 September 1992
	The Business Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 0300872315 dated 2 December 2019. The initial Business Registration Certificate and its updates were issued by the Department of Planning and Investment of Ho Chi Minh City.	
Board of Management	Mr. Nguyen Quoc Toan Mr. Tran Ngo Phuc Vu Mr. Phan Dinh Tan Mr. Nguyen Quoc My Ms. Vo Thi Tuyet Nga Ms. Do Anh Thu	Chairman Vice Chairman Vice Chairman Vice Chairman Member Independent Member
Supervisory Board	Ms. Trieu Kim Can Ms. Nguyen Thi Thuy Van Ms. Nguyen Thuy Van	Chief Supervisor Member Member

**Nam A Commercial Joint Stock Bank
Bank Information (continued)**

Board of Directors	Mr. Tran Ngoc Tam Mr. Tran Khai Hoan Ms. Vo Thi Tuyet Nga Mr. Le Quang Quang Mr. Hoang Viet Cuong Mr. Nguyen Danh Thiet Mr. Ha Huy Cuong	General Director Standing Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director (from 25 August 2020)
Chief Accountant	Ms. Nguyen Thi My Lan	
Legal Representative	Mr. Nguyen Quoc Toan	Chairman
Registered Office	No. 201 – 203 Cach Mang Thang Tam Street Ward 4, District 3, Ho Chi Minh City Vietnam	
Auditor	KPMG Limited Vietnam	

Nam A Commercial Joint Stock Bank Statement of the Board of Directors

The Board of Directors of Nam A Commercial Joint Stock Bank ("the Bank") presents this statement and the accompanying consolidated interim financial statements of the Bank and its subsidiary (collectively referred to as "the Group") for the six-month period ended 30 June 2020.

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

- (a) the consolidated interim financial statements set out on pages from 6 to 92 give a true and fair view of the consolidated financial position of the Group as at 30 June 2020, and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons for the Bank's Board of Directors to believe that the Bank and its subsidiary will not be able to pay their debts as and when they fall due.

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

On behalf of the Board of Directors



Vo Thi Tuyen Nga
Deputy General Director

Ho Chi Minh City, 28 August 2020



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84 (28) 3821 9266 | kpmg.com.vn

CONSOLIDATED INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Nam A Commercial Joint Stock Bank

We have reviewed the accompanying consolidated interim financial statements of Nam A Commercial Joint Stock Bank ("the Bank") and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 30 June 2020, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Directors on 28 August 2020, as set out on pages 6 to 92.

The Board of Directors' Responsibility

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

Auditor's Responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Nam A Commercial Joint Stock Bank and its subsidiary as at 30 June 2020 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to interim financial reporting.

Emphasis of Matter

We draw attention to Note 3(d) and Note 6(i) to the consolidated interim financial statements which describe that the Bank temporarily classified loans to three people's credit funds under special supervision following the direction of the State Bank of Vietnam ("SBV") amounting to VND208,658 million as at 30 June 2020 (31 December 2019: VND208,658 million) as Current debts while awaiting for specific guidance from the SBV. Our conclusion is not modified in respect of this matter.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 20-01-00314-20-2



Chang Hung Chun
Practicing Auditor Registration
Certificate No. 0863-2018-007-1
Deputy General Director

Nguyen Ho Khanh Tan
Practicing Auditor Registration
Certificate No. 3458-2020-007-1

Ho Chi Minh City, 28 August 2020

	Note	30/6/2020 VND million	31/12/2019 VND million
A ASSETS			
I Cash on hand, gold	4	1,077,608	945,670
II Balances with the State Bank of Vietnam	5	4,498,225	3,055,469
III Deposits with and loans to other credit institutions	6	10,638,800	11,795,654
1 Deposits with other credit institutions		10,430,142	11,586,996
2 Loans to other credit institutions		208,658	208,658
IV Held-for-trading securities	7	127,921	127,921
1 Held-for-trading securities		144,141	144,141
2 Allowance for held-for-trading securities		(16,220)	(16,220)
V Derivatives and other financial assets	20	461	-
VI Loans and advances to customers		76,325,524	66,751,987
1 Loans and advances to customers	8	77,005,800	67,545,653
2 Allowance for loans and advances to customers	9	(680,276)	(793,666)
VIII Investment securities	10	8,251,297	7,424,193
1 Available-for-sale securities		5,221,899	4,331,101
2 Held-to-maturity securities		3,034,336	3,099,230
3 Allowance for investment securities		(4,938)	(6,138)
IX Capital contribution, long-term investments	11	112,581	110,220
4 Other long-term investments		115,280	115,280
5 Allowance for diminution in value of long-term investments		(2,699)	(5,060)
X Fixed assets		875,160	882,577
1 Tangible fixed assets	12	429,372	449,364
a Cost		828,084	810,012
b Accumulated depreciation		(398,712)	(360,648)
2 Finance lease fixed assets	13	39,939	33,141
a Cost		75,369	72,225
b Accumulated depreciation		(35,430)	(39,084)
3 Intangible fixed assets	14	405,849	400,072
a Cost		522,348	509,541
b Accumulated amortisation		(116,499)	(109,469)
XI Investment property	15	41,471	57,513
a Cost		41,471	57,513
XII Other assets	16	3,764,201	3,536,231
1 Receivables		1,788,324	1,885,796
2 Accrued interest and fees receivable		1,854,420	1,315,261
4 Other assets		346,995	382,631
5 Allowance for losses on other assets		(225,538)	(47,457)
TOTAL ASSETS		105,713,249	94,687,435

	Note	30/6/2020 VND million	31/12/2019 VND million
B LIABILITIES AND EQUITY			
LIABILITIES			
I Borrowings from the Government and the State Bank of Vietnam	17	1,383	1,512
II Deposits and borrowings from other credit institutions	18	9,820,118	11,721,118
1 Deposits from other credit institutions		9,326,904	11,244,350
2 Borrowings from other credit institutions		493,214	476,768
III Deposits from customers	19	83,067,565	70,744,212
IV Derivatives and other financial liabilities	20	-	4,718
V Grants and entrusted funds received	21	151,410	710,001
VI Valuable papers issued	22	5,184,843	4,412,123
VII Other liabilities	23	2,373,167	2,133,366
1 Accrued interest and fees payable		2,077,859	1,679,219
3 Other liabilities		295,308	454,147
TOTAL LIABILITIES		100,598,486	89,727,050
EQUITY			
VIII Equity	25	5,114,763	4,960,385
1 Capital		3,892,642	3,892,642
a Charter capital		3,890,053	3,890,053
b Capital for construction, purchases of fixed assets		10	10
c Share premium		2,554	2,554
f Other capital		25	25
2 Reserves		441,331	440,087
3 Foreign exchange differences		(807)	-
5 Retained profits		781,597	627,656
TOTAL EQUITY		5,114,763	4,960,385
TOTAL LIABILITIES AND EQUITY		105,713,249	94,687,435

Nam A Commercial Joint Stock Bank
No. 201 - 203 Cach Mang Thang Tam, Ward 4, District 3
Ho Chi Minh City, Vietnam
Consolidated balance sheet as at 30 June 2020
(continued)

Form B02a/TCTD-HN
(Issued under Circular
No. 49/2014/TT-NHNN
dated 31 December 2014
of the State Bank of Vietnam)

	Note	30/6/2020 VND million	31/12/2019 VND million
OFF-BALANCE SHEET ITEMS			
2 Foreign exchange commitments	39	932,920	1,395,807
<i>In which:</i>			
▪ Purchase commitments of foreign currencies		2,156	-
▪ Sale commitments of foreign currencies		2,155	-
▪ Commitments on currency swap transactions		928,609	1,395,807
4 Letters of credit	39	892,628	909,803
5 Other guarantees	39	657,722	345,143


28 August 2020

Prepared by



Nguyen Thi Thao
Head of General Accountant

Reviewed by



Nguyen Thi My Lan
Chief Accountant

Approved by



Vo Thi Tuyet Nga
Deputy General Director

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

		Note	Six-month period ended	
			30/6/2020 VND million	30/6/2019 VND million
1	Interest and similar income	26	4,120,614	3,256,298
2	Interest and similar expenses	26	(3,067,562)	(2,236,539)
I	Net interest income and similar income	26	1,053,052	1,019,759
3	Fees and commission income	27	99,165	76,927
4	Fees and commission expenses	27	(50,669)	(37,218)
II	Net fees and commission income	27	48,496	39,709
III	Net gain from trading of foreign currencies	28	36,544	11,423
V	Net gain from sales of investment securities	29	46,113	36,088
5	Other income	30	14,902	10,126
6	Other expenses	30	(4,615)	(2,880)
VI	Net other income	30	10,287	7,246
VII	Gain from capital contribution, shares purchase	31	63	63
VIII	Operating expenses	32	(717,010)	(626,649)
IX	Net operating profit before allowance expenses for credit losses		477,545	487,639
X	Allowance expenses for credit losses	33	(276,641)	(44,415)
XI	Profit before tax		200,904	443,224
7	Corporate income tax expense – current	34	(41,307)	(93,886)
XII	Total corporate income tax expense	34	(41,307)	(93,886)
XIII	Profit after tax		159,597	349,338
			Six-month period ended	
			30/6/2020	30/6/2019
			VND	VND
XV	Basic earnings per share (VND/share)	35	410	898

28 August 2020

Prepared by



Nguyen Thi Thao
Head of General Accountant

Reviewed by



Nguyen Thi My Lan
Chief Accountant

Approved by



Vo Thi Tuyet Nga
Deputy General Director

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

Six-month period ended
30/6/2020 30/6/2019
VND million VND million

CASH FLOWS FROM OPERATING ACTIVITIES

01	Interest and similar income received	3,578,668	2,834,613
02	Interest and similar expenses paid	(2,669,607)	(2,082,308)
03	Net fees and commission income received	48,009	40,897
04	Net receipts from foreign currencies, gold and securities trading activities	83,555	47,474
05	Other income/(expenses)	5,858	(2,575)
06	Collections of bad debts previously written-off	3,296	5,131
07	Salaries and operating expenses paid	(804,086)	(785,495)
08	Corporate income tax paid	(100,372)	(119,228)

Cash flows from operating activities before changes in operating assets and liabilities

145,321 (61,491)

Changes in operating assets

09	Increase in deposits with and loans to other credit institutions	-	(159,241)
10	(Increase)/decrease in held-for-trading and investment securities	(825,904)	817,524
11	Increase in derivatives and other financial assets	(461)	(1,061)
12	Increase in loans and advances to customers	(11,418,118)	(8,975,660)
13	Utilisation of allowances for credit losses	(207,439)	(123,427)
14	Decrease in other operating assets	2,070,464	13,086

Changes in operating liabilities

15	Decrease in borrowings from the Government and the State Bank of Vietnam	(129)	(129)
16	Decrease in deposits and borrowings from other credit institutions	(1,901,000)	(1,579,089)
17	Increase in deposits from customers	12,323,353	8,731,481
18	Increase in valuable papers issued	772,720	492,260
19	(Decrease)/increase in grants and entrusted funds received	(558,591)	1,793
20	Decrease in derivatives and other financial liabilities	(4,718)	-
21	Increase in other operating liabilities	60,640	113,284

I NET CASH FLOWS FROM OPERATING ACTIVITIES

456,138 (730,670)

Six-month period ended
30/6/2020 30/6/2019
VND million VND million

CASH FLOWS FROM INVESTING ACTIVITIES		
01	Payments for purchases of fixed assets and related construction in progress	(54,422) (81,975)
02	Proceeds from disposals of fixed assets	220 7,613
04	Purchase of investment properties and related construction in progress	- (114,921)
05	Proceeds from disposals of investment properties	16,955 21,495
09	Receipts of dividends and distributions from capital contribution, long-term investments	63 63
II	NET CASH FLOWS FROM INVESTING ACTIVITIES	(37,184) (167,725)
CASH FLOWS FROM FINANCING ACTIVITIES		
04	Payments of dividends	(307) (106)
III	NET CASH FLOWS FROM FINANCING ACTIVITIES	(307) (106)
IV	NET CASH FLOWS DURING THE PERIOD	418,647 (898,501)
V	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	15,588,135 13,174,723
VI	EFFECT OF EXCHANGE RATE FLUCTUATIONS	(807) (1,349)
VII	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 36)	16,005,975 12,274,873

28 August 2020

Prepared by

Nguyen Thi Thao
Head of General Accountant

Reviewed by

Nguyen Thi My Lan
Chief Accountant

Approved by

Vo Thi Tuyet Nga
Deputy General Director



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

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

1. Reporting entity

(a) Establishment and operations

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

The Bank was established under Operation Licence No. 0026/NH-GP issued by the State Bank of Vietnam ("the SBV") on 22 August 1992, Establishment Licence No. 463/GP-UB issued by the People's Committee of Ho Chi Minh City on 1 September 1992 and initial Business Registration Certificate No. 0300872315 issued by the Department of Planning and Investment of Ho Chi Minh City on 1 September 1992 with 39th update on 2 December 2019. The Operation Licence of the Bank is valid for 99 years from the licence date.

The Bank's principal activities include mobilising short, medium and long-term deposits in the form of time deposits, demand deposits, deposit certificates; receiving funds; taking borrowings from other credit institutions; granting short, medium and long-term loans; discounting commercial papers, bonds and valuable papers; venturing capital and joint-venture; conducting payment transactions services; conducting foreign currency and gold trading transactions, international trade finance services, mobilising overseas sources of funds and other international banking services with overseas counterparties as approved by the State Bank of Vietnam; carrying out factoring activities; providing cash management services, banking and financial consulting, services of keeping and managing assets; renting safe boxes; trading government bonds, corporate bonds; entrusted lending and receiving entrusted funds; insurance agency services; providing credit facility under form of bank guarantees; purchasing debts; providing foreign exchange services on domestic and international markets within the scope stipulated by the State Bank of Vietnam; trading gold; renting out part of the Bank's unused premises.

(b) Charter capital

As at 30 June 2020 and 31 December 2019, the Bank's charter capital is VND3,890,053,280,000. The par value is VND10,000 per share.

(c) Location and operation network

The Bank's Head Office is located at No. 201 – 203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City, Vietnam. As at 30 June 2020, the Bank has one (1) business center and one hundred and four (104) branches and transaction offices across the country (31/12/2019: one (1) business center and one hundred and two (102) branches and transaction offices across the country).

(d) Group's structure

As at 30 June 2020 and 31 December 2019, the Bank had one subsidiary as follows:

	Percentage of equity owned and voting rights	
	30/6/2020	31/12/2019
Nam A Bank Asset Management Company Limited	100%	100%

Nam A Bank Asset Management Company Limited ("the subsidiary") was established under Decision No. 288/QĐ-NHNN of the State Bank of Vietnam and Business Registration Certificate No. 0304691951 issued by the Department of Planning and Investment of Ho Chi Minh City on 1 November 2006 (16th amendment on 5 May 2020) with a charter capital of VND100 billion and an operation period which is the remaining operation period of the Bank in the territory of Vietnam. The charter capital contributed up to 30 June 2020 is VND50 billion (31/12/2019: VND50 billion).

The principal activities of the subsidiary are to dispose of the loan assets in the form of appropriate guarantees: renovation, repairing and upgrading of assets for sale, lease, business operation, capital contribution, joint venture by properties to recover debts; to receive and manage outstanding debts (including debts with secured assets and debts without secured assets) and secured assets (mortgages, pledged assets, debt-bearing assets and assets handed over to the Bank in court) related to the debts, collecting debts in the fastest way; to actively sell assets at the Bank's discretion at market prices (selling prices may be higher or lower than the value of outstanding debts) in the form of self-selling in the market, selling through centers of property auction services and selling to the State's debt purchase and sale companies (when established); to buy and sell outstanding debts of other credit institutions, debt management companies and to exploit assets of commercial banks according to current provisions of laws; to perform work as authorised by the Bank; to restructure outstanding debts with the following measures: debt rescheduling, interest exemption, additional investment, conversion into contributed capital; to handle assets of debts by taking appropriate measures: repairing, upgrading and upgrading assets for sale, lease, business operation, joint venture, capital contribution by properties to recover debts; to carry out debt trading services including debt purchase, debt sale, debt brokerage, trading debt consultancy.

The consolidated interim financial statements for the six-month period ended 30 June 2020 comprise the financial statements of the Bank and its subsidiary (collectively referred to as "the Group").

(e) Number of employees

As at 30 June 2020, the Group had 3,358 employees (31/12/2019: 3,009 employees).

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

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

The consolidated interim financial statements are prepared for the six-month period ended 30 June 2020.

(d) Accounting and presentation currency

The Group's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purpose, rounded to the nearest million ("VND million").

(e) Form of accounting records applied

The Group uses accounting software to record its transactions under the form of general journal ledgers.

3. Summary of significant accounting policies

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

Except for accounting policies applied to loans restructured under Circular 01/2020/TT-NHNN as described in Note 3(h)(i), the accounting policies that have been adopted by the Group in the preparation of these consolidated interim financial statements are consistent with those adopted in the preparation of the most recent consolidated annual financial statements.

(a) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiary are included in the consolidated interim financial statements from the date that control commences until the date that control ceases.

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

(ii) *Transactions eliminated on consolidation*

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

(b) Foreign currency transactions

All transactions are recorded in original currencies. Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the average of buying and selling spot exchange rate of that currency ("spot exchange rate") at the end of the last working day of the accounting period if the difference between the spot exchange rate and the weighted average of the buying and selling exchange rates of the last working day of the accounting period is less than 1%, in case the difference between the spot exchange rate at the end of the last working day of the accounting period and the weighted average of the buying and selling exchange rates of the last working day of the accounting period is greater than or equal to 1%, the Group will use the weighted average of the buying and selling exchange rates of the last working day of the accounting period. Non-monetary assets and liabilities denominated in currencies other than VND are translated to VND at the average of buying and selling exchange rate on the transaction dates.

Income and expenses in foreign currencies are translated into VND at the average of buying and selling exchange rate on transaction dates.

Foreign exchange differences arising from monthly translation of monetary assets and liabilities are recognised in the "Foreign exchange differences" account in equity on the consolidated balance sheet and then transferred to the consolidated statement of income at the end of the annual accounting period.

Refer to Note 42(c)(ii) for the major exchange rates used at the end of the accounting period.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, gold, balances with the SBV, deposits with and loans to other credit institutions with original term to maturity of not more than three months, Government's promissory notes and other short-term valuable papers qualified to be discounted at the SBV, and securities which have maturity dates within three months from the purchase dates.

(d) Deposits with and loans to other credit institutions

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

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

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

Demand deposits are stated at cost.

Debt classification of term deposits with and loans to other credit institutions and allowance calculation thereof is made in accordance with Circular No. 02/2013/TT-NHNN dated 21 January 2013 issued by the SBV regulating the classification of assets, credit loss allowance level, allowance calculation method and utilisation of allowance in operations of credit institutions and branches of foreign banks ("Circular 02") and Circular No. 09/2014/TT-NHNN dated 18 March 2014 issued by the SBV amending and supplementing certain articles of Circular 02 ("Circular 09") as described in Note 3(h).

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

In addition, the Bank also has loans to three people's credit funds under special supervision following the direction of the SBV with original term to maturity of not more than 4 years and which was extended for another 2 years according to Decision No.837/ĐNA-TTGS dated 16 June 2020. The Bank temporarily classified these loans as Current debts while awaiting for specific guidance from the SBV.

(e) Held-for-trading securities

(i) Classification

Held-for-trading securities are debt securities or equity securities acquired principally for the purpose of selling in the short-term or there is evidence of a recent pattern of short-term profit-taking.

(ii) Recognition

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

(iii) Measurement

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

Allowance for credit losses is made for held-for-trading unlisted corporate bonds. Debt classification and allowance for credit losses of unlisted corporate bonds are made in accordance with the requirements of Circular 02 and Circular 09 as described in Note 3(h).

Allowance for diminution in value of held-for-trading securities is made when the market price of the securities is lower than its book value.

For held-for-trading listed equity securities, the market price is the closing price at the latest trading date until the end of the accounting period.

For held-for-trading unlisted equity securities that have been registered for trading on the unlisted public company market ("UPCOM"), the market price is the average price of the most recent 30 trading dates until the end of the accounting period announced by the Stock Exchange.

For held-for-trading unlisted securities and not yet registered for trading on the UPCOM, in case there is indicator of diminution in value of these securities, allowance is made in accordance with the accounting policy as described in Note 3(j).

The allowance for credit losses of held-for-trading unlisted corporate bonds and allowance for diminution in value of other held-for-trading securities as mentioned above are reversed if the recoverable amount of these securities subsequently increases after the allowance being recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

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

(iv) Derecognition

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

(f) Derivative financial instruments

Forward and swap currency contracts

Forward currency contracts and swap currency contracts are recorded at the net contract values in the consolidated interim financial statements. The differences between the currency amounts which are committed to buy/sell at contractual exchange rate and the currency amounts translated at the spot exchange rate at the effective date of the forward currency contracts and swap currency contracts are amortised to the consolidated statement of income on a straight-line basis over the terms of these contracts.

The positions of forward currency contracts are revalued at the spot exchange rate at each month-end. Unrealised gains/losses are recorded in the "Foreign exchange differences" account in equity on the consolidated balance sheet and then transferred to the consolidated statement of income at the end of the annual accounting period.

(g) Loans and advances to customers

Short-term loans are those with repayment term within one (01) year from the loan disbursement date; medium-term loans are those with repayment term from over one (01) year to five (05) years from the loan disbursement date and long-term loans are those with repayment term of more than five (05) years from the loan disbursement date.

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

Debt classification and allowance for credit losses for loans and advances to customers are made in accordance with the requirements of Circular 02 and Circular 09 as described in Note 3(h).

Loans and advances to customers are derecognised when the contractual rights to receive cash flows from the loan contracts expire, or the Group has transferred substantially all risks and rewards of ownership associated with the loans to other parties.

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

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

(i) Debt classification

Debt classification for term deposits with and loans to other credit institutions, unlisted corporate bonds, loans and advances to customers, entrusted loans and debts sold but not yet collected (together referred to as "debts"), is made in accordance with the quantitative method as stipulated in Article 10 of Circular 02. The Group carries out quarterly debt classification based on the outstanding principals of debts at the last working date of each quarter (except for Quarter 4, debt classification based on the outstanding principals of debts at the last working date of November for the purpose of making allowance for credit losses) as follows:

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

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

For off-balance sheet commitments, the Group classified debts based on the overdue days from the date when the Group performs committed obligations:

- Group 3 - Sub-standard debts: overdue below 30 days;
- Group 4 - Doubtful debts: overdue from 30 days to less than 90 days
- Group 5 - Loss debts: overdue from 90 days and above.

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

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

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

From 13 March 2020, the Group has applied Circular No. 01/2020/TT-NHNN ("Circular 01") issued by the SBV on rescheduling of debt repayment terms, waiver, reduction of interest and fees, maintaining the debt classifications in order to support customers affected by Covid-19 pandemic. Accordingly, for customers with outstanding loans having the obligation to repay the principals and/or interest being due during the period from 23 January 2020 to the date following 3 months from the date the Prime Minister announces the end of Covid-19 epidemic, and for customers who are unable to repay their principals and/or interest in due time under the signed contract or loan agreement because of declines in revenue and income caused by the impacts of Covid-19 epidemic, the Group is allowed to reschedule the repayment period for these debts while maintaining the same debt group as previously classified before 23 January 2020.

(ii) Allowance for credit losses

Allowance for credit losses comprises general allowance for credit losses and specific allowance for credit losses.

Specific allowance for credit losses

In accordance with the requirements of Circular 02 and Circular 09, specific allowance for credit losses at the end of each quarter is calculated based on the allowance rate corresponding to the results of debt classification and outstanding principals of debts at the last working date of each quarter (except for Quarter 4, specific allowance is calculated based on the allowance rate corresponding to the results of debt classification and outstanding principals of debts at the last working date of November) less the allowed value of collaterals.

Specific allowance rates applied to each debt group are as follows:

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

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

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

Maximum allowed ratio of collateral assets are as follows:

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

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

As at 30 June 2020, the Group calculated the specific allowance for credit losses based on the result of debt classification, outstanding balance of debts and allowed value of collateral assets as at 31 March 2020 (31/12/2019: based on the result of debt classification, outstanding balance of debts and allowed value of collateral assets as at 30 November 2019).

General allowance for credit losses

In accordance with Circular 02, a general allowance is made at 0.75% of the outstanding balance of debts at the last working date of each quarter (except for Quarter 4, the general allowance is made at 0.75% of the outstanding balance of debts at the last working date of November) excluding term deposits with and loans to other credit institutions and debts being classified as Loss debts.

As at 30 June 2020, the Group provided a general allowance for credit losses based on the above balances as at 31 March 2020 (31/12/2019: a general allowance was provided based on the above balances as at 30 November 2019).

(iii) Writing-off bad debts

Bad debts are debts of groups 3, 4, 5.

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

Debts written-off against allowance are recorded as off-balance sheet items for following up and collection. The amounts collected from the debts previously written-off are recognised in the consolidated statement of income upon receipt.

(iv) Provision for off-balance sheet commitments

In accordance with Circular 02 and Circular 09, the debt classification of off-balance sheet commitments is done solely for risk management, credit quality supervision of credit granting activities. The Group is not required to make provision for off-balance sheet commitments, except where the Group has been required to make payment under the guarantee contract, in which case the payment on behalf is classified and provision is made in accordance with the accounting policy as described in Note 3(h)(i) and Note 3(h)(ii).

(i) Investment securities

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

(i) Available-for-sale securities

Classification

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

Recognition

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

Measurement

Equity securities

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

For available-for-sale listed equity securities, the market price is the closing price at the latest trading date until the end of the accounting period.

For available-for-sale unlisted equity securities that have been registered for trading on the unlisted public company market ("UPCOM"), the market price is the average of price of the most recent 30 trading dates until the end of the accounting period announced by the Stock Exchange.

For held-for-trading unlisted securities and not yet registered for trading on the UPCOM, in case there is indicator of diminution in value of these securities, allowance is made in accordance with the accounting policy as described Note 3(i).

Debt securities

Available-for-sale debt securities are stated at cost, which includes purchase price and directly attributable transaction costs such as brokerage fees, transaction fees, information fees and bank charges (if any). Subsequently, these securities are stated at amortised cost (affected by the amortisation of discounts and premiums) less allowance for losses on investment securities (including allowance for credit losses and allowance for diminution in value of securities). Premiums and discounts arising from purchases of available-for-sale debt securities are amortised to the consolidated statement of income on a straight-line basis over the period from the acquisition date to the maturity date. In case that these available-for-sale securities are sold before their maturity dates, the unamortised premiums and discounts are fully recognised in the consolidated statement of income at the selling date.

For available-for-sale listed debt securities, the market price is determined based on the latest transaction price on the Ha Noi Stock Exchange within 10 days until the end of the accounting period. If there is no transaction within 10 days until the end of the accounting period, no allowance is made for such debt securities.

Available-for-sale debt securities which are unlisted corporate bonds are recognised at cost less allowance for credit losses in accordance with Circular 02 and Circular 09 as presented in Note 3(h).

Post-acquisition interest income of available-for-sale debt securities and held-to-maturity debt securities are recognised in the consolidated statement of income on an accrual basis. Pre-acquisition interest income is recognised as a reduction to cost when received.

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

Derecognition

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

(ii) Held-to-maturity securities

Classification

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

Recognition

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

Measurement

Held-to-maturity unlisted corporate bonds are stated at cost less allowance for credit losses. Debt classification and allowance for credit losses of unlisted corporate bonds are made in accordance with the requirements of Circular 02 and Circular 09 as described in Note 3(h).

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

Premiums and discounts arising from purchases of held-to-maturity securities are amortised to the consolidated statement of income on a straight-line basis over the period from the acquisition date to the maturity date.

Post-acquisition interest income from held-to-maturity securities is recognised in the consolidated statement of income on an accrual basis.

The allowance for credit losses of held-to-maturity unlisted corporate bonds and the allowance for diminution in the value of other held-to-maturity securities as mentioned above are reversed if the recoverable amount increases after the allowance being recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Derecognition

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

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

The Group accounts for bad debts sold in exchange for special bonds issued by VAMC in accordance with the guidance in Official Letter 8499 and Official Letter 925.

Classification

Special bonds issued by VAMC are valuable papers issued by VAMC to purchase the Group's bad debts and are classified as held-to-maturity debt securities issued by local economic entities.

Recognition

Special bonds are initially recognised at par value at transaction date and subsequently measured at par value less allowance for losses.

Measurement

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

After completing the procedures of selling bad debts, the Group writes down the book value of bad debts, using specific allowance which was made but not yet utilised. At the same time, the Group recognises the special bonds issued by VAMC in held-to-maturity securities issued by local economic entities.

For the special bonds issued by VAMC, specific allowance is calculated and made in accordance with the guidance in Circular No. 19/2013/TT-NHNN dated 6 September 2013 ("Circular 19") issued by the SBV regulating the purchase, sale and disposal of bad debts of VAMC and Circular No. 14/2015/TT-NHNN dated 28 August 2015 ("Circular 14") issued by the SBV, Circular No. 08/2016/TT-NHNN dated 16 June 2016 ("Circular 08") issued by the SBV and Circular No. 09/2017/TT-NHNN dated 14 August 2017 ("Circular 09") issued by the SBV amending and supplementing certain articles of Circular 19. Accordingly, the minimum specific allowance required to make annually during the term of the special bonds is the positive difference between 20% of the par value of the special bonds deducting the collected amounts of the underlying bad debts during the period. Annually, the Group is required to make adequate specific allowance mentioned as above within 5 consecutive working days before the due date of special bonds and is not required to make general allowance for these special bonds. Allowance for special bonds is recognised in the consolidated statement of income.

(j) Other long-term investments

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

Allowance for diminution in the value of other long-term investments is made if value of the investment is declined according to the instructions of Circular No. 48/2019/TT-BTC dated 8 August 2019 issued by the Ministry of Finance ("Circular 48"). Allowance for diminution in value of long-term investment is calculated by the real capital contributed by all investors of the economic organisation, minus (-) the owner's equity of the economic organisation and multiplied (x) the ratio of charter capital ownership (%) of the Group at economic organizations receiving contributed capital at the time allowance made.

The allowance is reversed if there is a subsequent increase in the recoverable amount after the allowance being recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(k) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

▪ buildings and structures	5 - 30 years
▪ machinery and equipment	3 - 8 years
▪ motor vehicles	6 - 10 years
▪ office equipment	3 - 8 years
▪ other fixed assets	4 - 10 years

(l) Finance lease fixed assets

Finance lease is a lease transaction whereby the Group has recognised the majority of the risks and rewards associated with the ownership of leased assets. Asset ownership may be transferred at the end of the lease term. At the time of receipt of leased assets, the Group recognises leased assets as finance lease fixed assets and finance lease liabilities on the consolidated balance sheet at an amount equal to the lower of fair value of finance lease fixed assets and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation of finance lease fixed assets is computed on a straight-line basis over the estimated useful lives of the leased assets. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in Note 3(k)(ii). If it is not certain that the Group will have asset ownerships upon the expiry of the lease agreement, the leased assets will be depreciated over a shorter period of time between the lease term and the useful life of the assets.

All lease agreements that are not classified as finance leases are classified as operating leases.

(m) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

- Those granted by the State for which land use payments have been made; and
- Those acquired in a legitimate transfer.

Definite land use rights granted by the State for which land use payments have been made are amortised over a period of 47 years.

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

(ii) Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over a period ranging from 3 to 8 years.

(n) Investment property

Investment property held for capital appreciation

Investment property held for capital appreciation is stated at cost less any devaluation in market price. The carrying amount of an investment property item held for capital appreciation is reduced when there is evidence that its market price falls below its carrying amount and the loss can be measured reliably. Any reduction in value of investment property held for capital appreciation is charged to cost of sales of investment property.

(o) Other assets

(i) Construction in progress

Construction in progress represents the costs of purchasing fixed assets and upgrading of software which have not been fully completed. No depreciation is provided for construction in progress during the period of purchasing or upgrading.

(ii) Foreclosed assets

Foreclosed assets are those of which the ownership was transferred to the Group and awaiting for settlement. For foreclosed assets of which the ownership has not been transferred to the Group, the Group records as off-balance sheet items.

(iii) Other assets

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

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

For overdue debts, the Group makes allowance for losses using the allowance rates that are applied for overdue status as follows:

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

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

(p) Sales of debts

(i) *Receivables from sales of debts*

Debts that have been sold but not yet collected are classified as assets having credit risk and recognised at the remaining uncollected amount. Debt classification and allowance for credit losses for these receivables are made in accordance with the requirements of Circular 02 and Circular 09 as described in the Note 3(h).

(ii) *Revenue and cost of debts sold*

Revenue and cost of debts sold are recognised in accordance with the guidance in Circular No. 09/2015/TT-NHNN dated 17 July 2015 of the SBV regulating the purchasing and selling debt activities of credit institutions, branches of foreign banks.

Accordingly, the difference between the selling price and the book value of the debt sold shall be accounted as follows:

For debts that are being recorded on the balance sheet:

- Where the selling price is higher than the book value, the difference shall be recorded as income;
- Where the selling price is lower than the book value, the difference shall be compensated from the individual or collective indemnity (in case of the loss is determined to be caused by any individual or collective and compensation is required in accordance with regulations), from the insurance claim and from the risk provision which has been appropriated in expenses, the deficit shall be recorded as expense.

For debts that are being recorded as off-balance sheet items and debts that have been removed from the balance sheet, the proceeds from the sales of debts shall be recorded as income.

(q) Prepaid expenses

Prepaid expenses are amortised over the prepaid period or the period of time in which the corresponding economic benefits are derived from these expenses.

The following types of expenses are recognised as prepaid expenses, are stated at cost and amortised to the consolidated statement of income on a straight-line basis over the period from 1 month to 36 months:

- Prepaid rental expense
- Overhaul expenses of fixed assets
- Tools and instruments used for multiple years
- Expenses on other services

(r) Deposits and borrowings from other credit institutions

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

(s) Deposits from customers

Deposits from customers are stated at their cost.

(t) Valuable papers issued

Valuable papers issued are stated at their cost. Cost of valuable papers issued include proceeds from issuance net of issuance costs.

(u) Other payables

Other payables are stated at their cost.

(v) Provisions

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

Severance allowance and unemployment insurance

Under the Vietnamese Labour Code, when an employee who has worked for the Group for 12 months or more ("the eligible employee") voluntarily terminates his/her labour contract in accordance with the laws, the employer is required to pay him/her severance allowance calculated based on years of service and employee's compensation at termination. Severance allowance has been provided based on employees' years of service and their average salary for the six-month period prior to the end of the accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Group are excluded.

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

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

(w) Bonus and welfare fund

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

(x) Capital

(i) Charter capital

Charter capital is the total par value of ordinary shares issued. Ordinary shares are stated at par value. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(ii) Share premium

On receipt of proceeds from share issuance from shareholders, the difference between the issue price and the par value of the shares is recorded in share premium account in equity.

(iii) Treasury shares

When the Bank repurchases its ordinary shares ("treasury shares"), the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. These shares are classified as treasury shares and presented as a deduction from equity. In respect of shares bought back by the Bank, all rights are suspended until those shares are reissued.

When the treasury shares are reissued subsequently, the amount received is recognised as an increase in equity, and any difference between the re-issue price and the cost of the shares reissued is recorded in share premium account in equity.

(y) Reserves

(i) Statutory reserves

The Bank

According to Decree No. 93/2017/ND-CP dated 7 August 2017 issued by the Government promulgating financial regime applicable to credit institutions and branches of foreign banks, the Bank is required to make the following allocations before distribution of profits:

	Annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax	100% charter capital
Financial reserve	10% of profit after tax	Not specified

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

Nam A Bank Asset Management Company Limited – the subsidiary.

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

(ii) Other reserves

Other reserves are appropriated from the Group's profit after tax in accordance with the shareholders' resolution at the Annual General Meeting. These reserves are not required by laws, fully distributable and classified as part of equity.

(z) Off-balance sheet items

(i) Commitments and contingent liabilities

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

(ii) Fiduciary assets

The assets held for the purpose of entrustment management are not considered as the Group's assets and therefore are not included in the consolidated balance sheet of the Group.

(aa) Interest income

Interest income is recognised in the consolidated statement of income on an accrual basis, except for interest income from debts classified in Group 2 to Group 5 and restructured debts classified in Group 1 as a result of implementation of Circular 01 (as described in Note 3(h)(i)) and debts classified in Group 1 (Current debt) by implementing the policy of the State, of which interest income is recognised in the consolidated statement of income upon receipt. Accrued interest receivable of these debts is derecognised and recorded as off-balance sheet items and are recognised in the consolidated statement of income upon receipt (cash basis).

(bb) Interest expense

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

(cc) Fees and commission income

Fees and commission income include income from asset leasing services, settlement services, guarantee services, cashier services and other services.

Income from leasing assets is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives are recognised as an integral part of the total lease income.

Income from other service activities (except for asset leasing services) is recognised in the consolidated statement of income when earned.

(dd) Fees and commission expenses

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

(ee) Dividend income

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

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

(ff) Revenue from sales of assets

Revenue from sales of assets is recognised in the consolidated statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of assets.

(gg) Operating lease payments

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

(hh) Fiduciary activities and entrusted funds

The Group carries out fiduciary activities to invest, lend and manage assets; Therefore, the Group acts as trustee and in other fiduciary capacities that result in the holding or placing of assets, loans on behalf of individuals, corporates and other credit institutions.

The value of entrusting investment and entrusted funds received are recognised when the entrusting contracts have been signed and entrusted funds have been utilised. Rights and obligations of the entrustor and trustee relating to profit and profit sharing, entrusting fee, other rights and obligations are in compliance with the terms of the entrusting contracts.

In accordance with the term of signed entrusting agreements, fiduciary activities of the Group comprise:

Fiduciary activities in which the Group bears no risk

The Group acts as trustee and in other fiduciary capacities that result in holding assets on behalf of customers, entrusted investments and loans to customers in which entrustors bear all risks of fiduciary activities. These assets are excluded from these consolidated interim financial statements as they are not assets of the Group. Entrusted funds received from entrustors but not yet disbursed are recognised as other liabilities on the consolidated balance sheet. After the disbursement, the Group recognised the entrusted funds as off-balance sheet items in accordance with Circular No. 30/2014/TT-NHNN dated 6 November 2014 issued by the SBV.

Fiduciary activities in which the Group bears the risk

Entrusted funds which is exposed to risk include: grants, entrusted investment funds which are used for designated purposes and for which the Group is obliged to make repayment of principal upon its maturity. The Group recognises the received funds as entrusted funds and recognises loans to customers financed by these entrusted funds as its loans and advances to customers in the consolidated interim financial statements of the Group.

(ii) Taxation

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

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

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

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

(jj) Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Bank (after deducting the bonus and welfare fund made during the accounting period) by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, including convertible bonds and share options.

(kk) Related parties

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

(ll) Segment reporting

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

(mm) Financial instruments

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

(i) Financial assets

Financial assets at fair value through profit or loss

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

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

Held-to-maturity investments

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

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

Loans and receivables

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

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

Available-for-sale financial assets

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

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

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities carried at amortised cost

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

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

(nn) Nil balances

Items or balances required by Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV that are not shown in these consolidated interim financial statements indicate nil balances.

4. Cash on hand, gold

	30/6/2020 VND million	31/12/2019 VND million
Cash in VND	885,811	788,751
Cash in foreign currencies	190,626	155,442
Gold	1,171	1,477
	<hr/>	<hr/>
	1,077,608	945,670

5. Balances with the State Bank of Vietnam

These consist of current account and compulsory reserve at the SBV.

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

Deposits in scope

Preceding month's average deposit balances of:

Deposits from customers:

	CRR rates	
	30/6/2020	31/12/2019
▪ Demand deposits and term deposits in foreign currencies with term of less than 12 months	8%	8%
▪ Deposits in foreign currencies with term of 12 months and above	6%	6%
▪ Demand deposits and term deposits in VND with term of less than 12 months	3%	3%
▪ Deposits in VND with term of 12 months and above	1%	1%

Overseas credit institutions

▪ Deposits in foreign currencies	1%	1%
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Current account and compulsory reserve

	30/6/2020	31/12/2019
	VND million	VND million
▪ In VND	4,395,232	2,957,480
▪ In USD	102,993	97,989
	4,498,225	3,055,469

6. Deposits with and loans to other credit institutions

	30/6/2020 VND million	31/12/2019 VND million
Deposits with other credit institutions		
Demand deposits		
▪ In VND	7,867,278	7,921,973
▪ In foreign currencies	323,184	550,263
Term deposits		
▪ In VND	1,218,000	2,373,000
▪ In foreign currencies	1,021,680	741,760
	10,430,142	11,586,996
Loans to other credit institutions		
▪ In VND	208,658	208,658
	208,658	208,658
	10,638,800	11,795,654

Term deposits with and loans to other credit institutions by credit risk group are as follows:

	30/6/2020 VND million	31/12/2019 VND million
Current debts (i)	2,448,338	3,323,418

(i) Included in Current debts balance as at 30 June 2020 were loans to three people's credit funds under special supervision following the direction of the SBV amounting to VND208,658 million (31/12/2019: VND208,658 million) being temporarily classified as Current debts while awaiting for specific guidance from the SBV.

(ii) Movements in specific allowance for credit losses during the period were as follows:

	Six-month period ended	
	30/6/2020 VND million	30/6/2019 VND million
Opening balance	-	49,417
Allowance made during the period (Note 33)	-	21,520
Closing balance	-	70,937

7. Held-for-trading securities

	30/6/2020 VND million	31/12/2019 VND million
Equity securities		
▪ Equity securities issued by other local credit institutions	103,369	103,369
▪ Equity securities issued by local economic entities	40,772	40,772
	<hr/> 144,141	<hr/> 144,141
Allowance for held-for-trading securities		
▪ Allowance for diminution in value of held-for-trading securities	(16,220)	(16,220)
	<hr/> 127,921	<hr/> 127,921

Listing status of held-for-trading securities is as follows:

	30/6/2020		31/12/2019	
	Cost VND million	Allowance VND million	Cost VND million	Allowance VND million
Equity securities				
▪ Unlisted	144,141	(16,220)	144,141	(16,220)

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

	Six-month period ended	
	30/6/2020 VND million	30/6/2019 VND million
Opening balance and closing balance	16,220	80,817

8. Loans and advances to customers

	30/6/2020 VND million	31/12/2019 VND million
Loans to domestic economic entities and individuals	76,984,052	67,519,989
Discounted transferrable instruments and valuable papers	16,079	17,602
Loans funded by grants and entrusted funds	5,669	8,062
	<hr/> 77,005,800	<hr/> 67,545,653

Loan portfolio by credit risk group is as follows:

	30/6/2020 VND million	31/12/2019 VND million
Current debts	74,440,493	64,148,004
Special mentioned debts	306,351	2,063,887
Sub-standard debts	185,339	531,871
Doubtful debts	1,534,681	537,186
Loss debts	538,936	264,705
	<hr/> 77,005,800	<hr/> 67,545,653

Loan portfolio by term is as follows:

	30/6/2020 VND million	31/12/2019 VND million
Short-term loans	53,034,630	49,297,747
Medium-term loans	9,396,905	7,698,465
Long-term loans	14,574,265	10,549,441
	<hr/> 77,005,800	<hr/> 67,545,653

Loan portfolio by business sector of customers is as follows:

	30/6/2020 VND million	31/12/2019 VND million
Wholesale and retail, repair of automobiles, motorcycles, and other vehicles with engines	23,497,551	20,104,275
Accommodation and catering services	12,813,674	10,026,674
Leasing activities from households, production of physical products and self-consumption services of households	11,539,120	11,267,393
Production and distribution of electricity, gas, hot water, steam and air conditioning	10,580,010	8,823,734
Construction	6,904,231	4,651,534
Real estates	3,028,402	3,929,980
Processing and manufacturing industries	2,751,857	3,107,444
Arts and entertainment	2,127,296	2,319,161
Others	3,763,659	3,315,458
	<hr/> 77,005,800	<hr/> 67,545,653 <hr/>

Loan portfolio by type of borrower and type of business is as follows:

	30/6/2020 VND million	31/12/2019 VND million
Limited liability companies	27,671,010	26,920,913
Joint stock companies	27,010,127	19,380,369
Private companies	1,399	2,161
Foreign invested companies	6,820	19,232
Individuals and household business	22,259,260	21,175,224
Others	57,184	47,754
	<hr/> 77,005,800	<hr/> 67,545,653 <hr/>

9. Allowance for loans and advances to customers

Allowance for loans and advances to customers comprises of:

	30/6/2020 VND million	31/12/2019 VND million
General allowance (i)	527,191	467,941
Specific allowance (ii)	153,085	325,725
	<hr/> 680,276	<hr/> 793,666

(i) Movements in general allowance during the period were as follows:

	Six-month period ended 30/6/2020 VND million	30/6/2019 VND million
Opening balance	467,941	364,523
Allowance made during the period (Note 33)	59,250	33,896
	<hr/> 527,191	<hr/> 398,419

(ii) Movements in specific allowance during the period were as follows:

	Six-month period ended 30/6/2020 VND million	30/6/2019 VND million
Opening balance	325,725	407,464
Allowance made/(reversed) during the period (Note 33)	34,799	(4,004)
Transfer from allowance for special bonds issued by VAMC	-	102,156
Allowance utilised during the period	(207,439)	(123,427)
	<hr/> 153,085	<hr/> 382,189

10. Investment securities

	30/6/2020 VND million	31/12/2019 VND million
Available-for-sale securities		
<i>Debt securities</i>		
▪ Government bonds	2,878,412	1,716,797
▪ Bonds issued by other local credit institutions	1,685,087	1,795,904
▪ Bonds issued by other local economic entities	658,400	818,400
	5,221,899	4,331,101
Allowance for available-for-sale securities		
▪ General allowance for credit losses	(4,938)	(6,138)
	5,216,961	4,324,963
Held-to-maturity securities		
<i>Debt securities</i>		
▪ Government bonds	2,385,571	2,529,771
▪ Bonds issued by other local credit institutions	468,765	569,459
▪ Bonds issued by other local economic entities	180,000	-
	3,034,336	3,099,230
	8,251,297	7,424,193

Investment securities categorised by credit risk group are as follows:

	30/6/2020 VND million	31/12/2019 VND million
Current debts	2,992,252	3,183,763

Movements in general allowance for credit losses for available-for-sale securities which are bonds issued by other local economic entities during the period were as follows:

	Six-month period ended 30/6/2020 VND million	30/6/2019 VND million
Opening balance	6,138	6,063
Allowance (reversed)/made during the period (Note 29)	(1,200)	75
Closing balance	4,938	6,138

11. Capital contribution, long-term investments

	30/6/2020 VND million	31/12/2019 VND million
Other long-term investments (i)	115,280	115,280
Allowance for diminution in value of long-term investments (ii)	(2,699)	(5,060)
	<u>112,581</u>	<u>110,220</u>

- (i) Other long-term investments of the Group are investments with a capital contribution ratio of not more than 11% of the charter capital or share capital with voting rights, details are as follows:

Name	30/6/2020			31/12/2019		
	Par value VND million	Carrying amount VND million	Equity owned %	Par value VND million	Carrying amount VND million	Equity owned %
Investments in local economic entities						
Unlisted						
▪ Beta Securities Joint Stock Company	4,400,000	74,800	11%	4,400,000	74,800	11%
▪ Hoa Binh Real Estate Corporation	3,520,000	40,480	11%	3,520,000	40,480	11%
		<u>115,280</u>			<u>115,280</u>	
Allowance for diminution in value of other long-term investments		(2,699)			(5,060)	
		<u>112,581</u>			<u>110,220</u>	

- (ii) Movements in allowance for diminution in value of other long-term investments during the period were as follows:

	Six-month period ended	
	30/6/2020 VND million	30/6/2019 VND million
Opening balance	5,060	3,135
Allowance reversed during the period (Note 32(ii))	(2,361)	(96)
Closing balance	<u>2,699</u>	<u>3,039</u>

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

12. Tangible fixed assets

Cost	Building and structures VND million	Machinery equipment VND million	Motor vehicles VND million	Office equipment VND million	Other fixed assets VND million	Total VND million
Opening balance	396,041	228,571	138,235	33,242	13,923	810,012
Additions	-	2,211	262	47	38	2,558
Transfer from construction in progress	323	1,917	2,496	437	143	5,316
Disposals	-	(124)	(1,000)	(46)	(126)	(1,296)
Transfer from finance lease fixed assets	-	-	11,494	-	-	11,494
Closing balance	396,364	232,575	151,487	33,680	13,978	828,084
Accumulated depreciation						
Opening balance	113,064	144,408	67,496	25,544	10,136	360,648
Charge for the period	7,305	11,168	8,984	1,300	815	29,572
Disposals	-	(124)	(1,000)	(46)	(126)	(1,296)
Transfer from finance lease fixed assets	-	-	9,788	-	-	9,788
Closing balance	120,369	155,452	85,268	26,798	10,825	398,712
Net book value						
Opening balance	282,977	84,163	70,739	7,698	3,787	449,364
Closing balance	275,995	77,123	66,219	6,882	3,153	429,372

Other disclosure information of tangible fixed assets:

	30/6/2020 VND million	31/12/2019 VND million
Cost of tangible fixed assets which were fully depreciated but still in active use	199,855	194,520

13. Finance lease fixed assets

	Motor vehicles VND million
Cost	
Opening balance	72,225
Additions	10,156
Transfer from construction in progress	4,482
Transfer to tangible fixed assets	(11,494)
	<hr/>
Closing balance	75,369
Accumulated depreciation	
Opening balance	39,084
Charge for the period	6,134
Transfer to tangible fixed assets	(9,788)
	<hr/>
Closing balance	35,430
Net book value	
Opening balance	33,141
Closing balance	39,939

The Group leases some motor vehicles under various finance lease agreements. At the end of each of the leases, the Group has the option to purchase the motor vehicles.

14. Intangible fixed assets

	Land use rights VND million	Software VND million	Total VND million
Cost			
Opening balance	367,968	141,573	509,541
Additions	21	1,751	1,772
Transfer from construction in progress	3,027	8,008	11,035
Closing balance	371,016	151,332	522,348
Accumulated amortisation			
Opening balance	1,617	107,852	109,469
Charge for the period	149	6,881	7,030
Closing balance	1,766	114,733	116,499
Net book value			
Opening balance	366,351	33,721	400,072
Closing balance	369,250	36,599	405,849

Other disclosure information of intangible fixed assets:

	30/6/2020 VND million	31/12/2019 VND million
Cost of intangible fixed assets which were fully amortised but still in active use	73,781	73,781

15. Investment property

Investment property held for capital appreciation

	Land use rights and assets on the land use rights VND million
Opening balance	57,513
Disposals	(16,042)
Closing balance	41,471

As at 30 June 2020, the fair value of investment property held for capital appreciation was determined by the Group at VND43,934 million (31/12/2019: VND61,919 million).

16. Other assets

	30/06/2019 VND million	31/12/2019 VND million
Receivables		
▪ Deposits, mortgages, pledges (i)	118,575	130,924
▪ Receivables from fast money transfer services	133,299	82,546
▪ Construction in progress (ii)	49,994	30,891
▪ Advances	28,479	28,248
▪ Other receivables	16,069	187
▪ Receivables from forex trading on Platform	13,121	-
▪ Receivables from debts selling (iii)	1,428,787	1,613,000
	<hr/> 1,788,324	<hr/> 1,885,796
Accrued interest and fees receivable		
▪ Interest receivable from loans	1,675,786	1,031,854
▪ Interest receivable from investment securities	174,027	266,605
▪ Interest receivable from deposits	4,264	14,289
▪ Interest receivable from derivative financial instruments	343	2,513
	<hr/> 1,854,420	<hr/> 1,315,261
Other assets		
▪ Prepaid expenses (iii)	244,035	274,202
▪ Foreclosed assets (iv)	93,481	93,481
▪ Tools and supplies	9,479	14,948
	<hr/> 346,995	<hr/> 382,631
Allowance for losses on other assets (v)	(225,538)	(47,457)
	<hr/> 3,764,201	<hr/> 3,536,231

(i) This balance comprises rental deposits for the Bank's branches, transaction offices.

(ii) Construction in progress

	Six-month period ended 30/6/2020 VND million
Opening balance	30.891
Additions	39.936
Transfer to tangible fixed assets	(5.316)
Transfer to intangible fixed assets	(11.035)
Transfer to finance lease fixed assets	(4.482)
Closing balance	49.994

Major constructions in progress at the end of the accounting period were as follows:

	30/6/2020 VND million	31/12/2019 VND million
Renovations and purchases of assets	35,455	14,712
Software	-	8,008
Motor vehicles and equipment	14,539	5,171
Real estates	-	3,000
	49,994	30,891

- (iii) The balance represents receivables from the Group's sales of debts amounting to VND1,428,787 million to an economic entity on 30 June 2020 (31/12/2019: VND1,613,000 million). Balance of receivables from debts selling at the issuance date of these consolidated interim financial statements is VND922,500 million.

- (iv) Details of prepaid expenses are as follows:

	30/6/2020 VND million	31/12/2019 VND million
Assets leasing and repairing expenses	202,676	233,814
Tools and supplies	21,499	27,890
Prepaid interest for deposits from customers	4,075	3,318
Others	15,785	9,180
	244,035	274,202

(v) Details of foreclosed assets are as follows:

	30/6/2020 VND million	31/12/2019 VND million
Equity securities	71,927	71,927
Real estates	21,554	21,554
	<hr/>	<hr/>
	93,481	93,481
	<hr/>	<hr/>

(vi) Allowance for losses on other assets comprises:

	30/6/2020 VND million	31/12/2019 VND million
Allowance for credit losses	201,867	19,275
▪ General allowances	11,272	19,275
▪ Specific allowances	190,595	-
Allowance for diminution in value	23,671	28,182
	<hr/>	<hr/>
	225,538	47,457
	<hr/>	<hr/>

The balance represents the allowance for diminution in value for foreclosed assets which are equity securities as disclosed in the Note 16(v) and general and specific allowance for debts sold by actual debt group as at 30 June 2020 are presented in Note 16(iii).

Movements in allowance for losses on other assets during the period were as follows:

	Six-month period ended 30/6/2020 VND million	30/6/2019 VND million
Opening balance	47,457	30,840
Reversal of allowance for diminution in value of other assets during the period (Note 32(i))	(4,511)	(5,177)
Reversal of general allowance for credit losses of debt sales (Note 33)	(8,003)	-
Specific allowance made for debt sales (Note 33)	190,595	-
	<hr/>	<hr/>
Closing balance	225,538	25,663
	<hr/>	<hr/>

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

	30/6/2020 VND million	31/12/2019 VND million
Borrowings from the State Bank of Vietnam		
▪ In VND	1,383	1,512

18. Deposits and borrowings from other credit institutions

	30/6/2020 VND million	31/12/2019 VND million
Demand deposits from other credit institutions		
▪ In VND	7,365,864	7,862,805
Term deposits from other credit institutions		
▪ In VND (i)	1,218,000	2,639,785
▪ In foreign currencies	743,040	741,760
	9,326,904	11,244,350
Borrowings from other credit institutions		
▪ In VND	493,092	476,646
<i>In which:</i>		
- Finance leases	23,449	18,644
▪ In foreign currencies	122	122
	493,214	476,768
	9,820,118	11,721,118

- (i) No term deposits from other credit institutions (31/12/2019: VND1,550,000 million) were secured by the following assets:

	30/6/2020 VND million	31/12/2019 VND million
Available-for-sale investment securities	-	107,962
Held-for-maturity investment securities	-	400,121
	-	508,083

19. Deposits from customers

	30/6/2020 VND million	31/12/2019 VND million
Demand deposits		
▪ In VND	3,080,496	3,074,794
▪ In foreign currencies	114,234	61,462
Term deposits		
▪ In VND	78,262,679	66,184,877
▪ In foreign currencies	1,224,540	1,174,721
Margin deposits		
▪ In VND	335,646	200,160
Special-purpose deposits		
▪ In VND	42,521	48,179
▪ In foreign currencies	7,449	19
	<hr/> 83,067,565	<hr/> 70,744,212

Deposits from customers by type of customer and type of business are as follows:

	30/6/2020 VND million	31/12/2019 VND million
Individuals	70,148,765	59,265,071
Non state-owned enterprises	8,384,250	7,324,361
State-owned enterprises	1,648,174	1,636,532
Foreign invested companies	144,442	115,018
Others	2,741,934	2,403,230
	<hr/> 83,067,565	<hr/> 70,744,212

20. Derivatives and other financial assets/(financial liabilities)

As at 30 June 2020	Total contract value (at foreign exchange rate at the contract date) VND Million	Total carrying value (at foreign exchange rate at reporting date) Assets VND Million	Liabilities VND Million
Currency derivatives			
▪ Currency forward contracts	11,026	270	-
▪ Currency swap contracts	464,209	191	-
	475,235	461	-
As at 31 December 2019	Total contract value (at foreign exchange rate at the contract date) VND Million	Total carrying value (at foreign exchange rate at reporting date) Assets VND Million	Liabilities VND Million
Currency derivatives			
▪ Currency forward contracts	11,026	288	-
▪ Currency swap contracts	700,407	-	(5,006)
	711,433	288	(5,006)

21. Grants and entrusted funds received

	30/6/2020 VND million	31/12/2019 VND million
Entrusted funds received in VND (i)	12,090	14,601
Entrusted funds received in USD (ii)	139,320	695,400
	151,410	710,001

- (i) These are entrusted funds received from the State Bank of Vietnam with the source from Japan International Cooperation Agency (JICA) in VND, with original terms ranging from 3 to 7 years and bearing annual interest rate at 4.956% (31/12/2019: 5.184%) for the purpose of supporting small and medium enterprises.
- (ii) This is a part of entrusted funds in USD to finance projects with purposes in compliance with the agreement.

22. Valuable papers issued

	30/6/2020 VND million	31/12/2019 VND million
Certificates of deposits (i)	4,584,843	3,062,123
Bonds with term of 2 years of the Bank (ii)	200,000	500,000
Bonds with term of 6 years of the Bank (iii)	200,000	200,000
Bonds with term of 8 years of the Bank	-	450,000
Bonds with term of 10 years of the Bank (iv)	200,000	200,000
	<hr/> 5,184,843	<hr/> 4,412,123

- (i) The balance represents long-term registered certificates of deposits issued for individuals and organisations, with par value of VND10 million, having term of 1-7 years and interest paid in arrears annually.
- (ii) The balance represents 200 bonds with par value of VND1,000,000,000 per bond on 25 December 2018, having fixed interest rate of 7.5% per annum in the first year and subsequently adjusted annually, interest paid annually.
- (iii) The balance represents 100 bonds with par value of VND1,000,000,000 per bond issued by the Bank on 28 October 2019 and 100 bonds with par value of VND1,000,000,000 per bond issued by the Bank on 29 October 2019, bearing fixed interest rate of 7.5% per annum in the first year and subsequently adjusted annually, interest paid annually.
- (iv) The balance represents 200 bonds with par value of VND1,000,000,000 per bond issued by the Bank on 24 September 2019, having fixed interest rate of 7.8% per annum, interest paid annually.

23. Other liabilities

	30/6/2020 VND million	31/12/2019 VND million
Accrued interest and fees payable		
▪ Interest payable for deposits from customers and other credit institutions	1,890,352	1,469,987
▪ Interest payable for valuable papers issued	186,775	202,655
▪ Interest payable for borrowings from grants and entrusted funds	288	4,993
▪ Interest payable for borrowings from the SBV and other credit institutions	108	1,176
▪ Other interest payable	336	408
	2,077,859	1,679,219
Internal payables		
▪ Payables to employees	20,080	185,080
External payables		
▪ Payables relating to fast transfer payment services	122,617	95,686
▪ Taxes payable to the State Treasury	16,307	81,897
▪ Deferred income - from insurance brokerage activities	35,252	35,563
▪ Deferred income - from interest collected in advance	1,414	2,031
▪ Deferred income - from leasing activity	1,302	1,478
▪ Payables relating to card payment services	15,545	16,058
▪ Cash held awaiting for settlement	15,272	17,822
▪ Dividend payables	5,203	5,510
▪ Payables relating to settlement services	31,094	669
▪ Payables relating to forex trading on Platform	13,157	-
▪ Other payables	10,082	8,487
Bonus and welfare fund (i)	7,983	3,866
	295,308	454,147
	2,373,167	2,133,366

(i) Movements in bonus and welfare fund during the period were as follows:

	Six-month period ended 30/6/2020 VND million	30/6/2019 VND million
Opening balance	3,866	6,115
Appropriation during the period (Note 25)	4,412	1,500
Refund advance from bonus and welfare fund	-	(390)
Utilisation during the period	(295)	(2,778)
Closing balance	7,983	4,447

24. Obligations to the State Treasury

Six-month period ended 30 June 2020	Opening balance VND million	Movements during the period		Closing balance VND million
		Incurred VND million	Paid VND million	
Value added tax	725	4,430	(3,645)	1,510
Corporate income tax	70,593	41,307	(100,372)	11,528
Personal income tax	10,015	52,226	(59,287)	2,954
Other taxes (*)	564	1,673	(1,866)	371
	81,897	99,636	(165,170)	16,363

Six-month period ended 30 June 2019	Opening balance VND million	Movements during the period		Closing balance VND million
		Incurred VND million	Paid VND million	
Value added tax	1,023	5,052	(5,440)	635
Corporate income tax	57,133	93,886	(119,228)	31,791
Personal income tax	4,873	56,125	(53,221)	7,777
Other taxes	79	967	(659)	387
	63,108	156,030	(178,548)	40,590

(*) Included in other taxes payable incurred during the period is VND56 million which was declared but not yet recognized in the consolidated interim financial statements for the period.

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

25. Equity

(a) Statement of changes in equity

	Charter capital VND million	Capital for construction, purchases of fixed assets VND million	Share premium VND million	Other capital VND million	Reserve to supplement charter capital VND million	Financial reserve VND million	Other reserves VND million	Foreign exchange differences VND million	Retained profits VND million	Total VND million
Balance at 1 January 2020	3,890,053	10	2,554	25	146,280	289,984	3,823	-	627,656	4,960,385
Net profit for the period	-	-	-	-	-	-	-	-	-	-
Appropriation to reserves	-	-	-	-	-	-	-	-	159,597	159,597
Appropriation to bonus and welfare fund	-	-	-	-	-	-	1,244	-	(1,244)	-
Foreign exchange differences	-	-	-	-	-	-	-	-	(4,412)	(4,412)
Reclassification of reserves	-	-	-	-	(370)	-	-	(807)	-	(807)
Balance at 30 June 2020	3,890,053	10	2,554	25	145,910	290,354	5,067	(807)	781,597	5,114,763
Balance at 1 January 2019	3,353,494	10	2,550	25	110,491	215,995	2,828	-	544,689	4,230,082
Net profit for the period	-	-	-	-	-	-	-	-	-	-
Appropriation to reserves	-	-	-	-	-	-	-	-	349,338	349,338
Appropriation to bonus and welfare fund	-	-	-	-	-	-	1,005	-	(1,005)	-
Foreign exchange differences	-	-	-	-	-	-	-	-	(1,500)	(1,500)
	-	-	-	-	-	-	-	(1,349)	-	(1,349)
Balance at 30 June 2019	3,353,494	10	2,550	25	110,491	215,995	3,833	(1,349)	891,522	4,576,571

(b) Shares

The number of issued shares and shares in circulation of the Bank is:

	As at 30 June 2020 and 31 December 2019	
	Number of shares	Par value VND million
Issued shares		
Ordinary shares	389,005,328	3,890,053
Shares in circulation		
Ordinary shares	389,005,328	3,890,053

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

In accordance with the Resolution of the Annual General Meeting of Shareholders dated 23 March 2019, the shareholders approved the plan to increase chartered capital from VND3,890,053,280,000 to VND5,000,000,000,000. As at the issuance date of these consolidated interim financial statements, the Bank is completing legal procedures for capital increase in accordance with Resolution of the Annual General Meeting of Shareholders dated 23 March 2019.

In accordance with the Resolution of the Annual General Meeting of Shareholders dated 27 June 2020, the shareholders approved the plan to increase chartered capital from VND5,000,000,000,000 (has been approved by the Resolution of the Annual General Meeting of Shareholders in 2019) to VND7,000,000,000,000, specifically as follows:

- Issue shares to pay dividends:
 - Increase charter capital by VND570,000,000,000 through the issuance of 57,000,000 ordinary shares to pay dividends for 2019.
- Issue new shares:
 - Increase charter capital by VND1,430,000,000,000 through the issuance of 143,000,000 ordinary shares in cash.

At the issuance date of these consolidated interim financial statements, the Bank is in the process of obtaining approval from the SBV and the State Securities Commission to increase its charter capital according to the Resolution of the Annual General Meeting of Shareholders dated 27 June 2020 as mentioned above.

26. Net interest income and similar income

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Interest and similar income		
▪ Interest income from loans	3,809,257	2,910,181
▪ Interest income from trading and investing in debt securities	199,125	229,285
▪ Interest income from deposits	87,490	96,194
▪ Other income from credit activities	20,800	18,426
▪ Income from guarantee services	3,942	2,212
	<hr/> 4,120,614	<hr/> 3,256,298
Interest and similar expenses		
▪ Interest expense on deposits	(2,859,494)	(2,112,386)
▪ Interest expense on valuable papers issued	(191,451)	(109,637)
▪ Interest expense on borrowings	(11,259)	(11,423)
▪ Interest expense on finance leases	(984)	(1,086)
▪ Other expenses on credit activities	(4,374)	(2,007)
	<hr/> (3,067,562)	<hr/> (2,236,539)
Net interest income and similar income	<hr/> 1,053,052	<hr/> 1,019,759

27. Net fees and commission income

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Fees and commission income from		
▪ Settlement services	46,517	32,080
▪ Insurance brokerage commission	27,020	19,945
▪ Asset leasing	21,053	20,109
▪ Other services	4,575	4,793
	<hr/> 99,165	<hr/> 76,927
Fees and commission expenses on		
▪ Settlement services	(37,734)	(16,784)
▪ Brokerage commission	(12,128)	(19,777)
▪ Consultancy services	(248)	(300)
▪ Postage and telecommunications fees	(462)	(334)
▪ Other services	(97)	(23)
	<hr/> (50,669)	<hr/> (37,218)
Net fees and commission income	<hr/> 48,496	<hr/> 39,709

28. Net gain from trading of foreign currencies

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Gains from trading of foreign currencies		
▪ Gain from spot contracts	32,298	14,342
▪ Gain from currency derivatives	6,799	4,473
▪ Gain from gold trading	185	75
	<hr/> 39,282	<hr/> 18,890
Losses from trading of foreign currencies		
▪ Loss from currency derivatives	(2,373)	(5,291)
▪ Loss from spot contracts	-	(2,173)
▪ Loss from gold trading	(365)	(3)
	<hr/> (2,738)	<hr/> (7,467)
Net gain from trading of foreign currencies	<hr/> 36,544	<hr/> 11,423

29. Net gain from sales of investment securities

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Gain from sales of investment securities	45,242	36,293
Loss from sales of investment securities	(329)	(130)
General allowance reversed/(made) for available-for-sale securities (Note 10)	1,200	(75)
Net gain from sales of investment securities	<hr/> 46,113	<hr/> 36,088

30. Net other income

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Other income		
▪ Collections of bad debts previously written-off	3,296	5,131
▪ Income from disposals of investment properties	913	4,355
▪ Income from disposals of fixed assets	220	335
▪ Income from sales of debts	-	230
▪ Contract penalty fee	7,777	-
▪ Other income	2,696	75
	<hr/>	<hr/>
	14,902	10,126
	<hr/>	<hr/>
Other expenses		
▪ Payments for social activities	(4,340)	(2,200)
▪ Debt management expenses	-	(337)
▪ Other expenses	(275)	(343)
	<hr/>	<hr/>
	(4,615)	(2,880)
	<hr/>	<hr/>
Net other income	10,287	7,246
	<hr/>	<hr/>

31. Gain from capital contribution, share purchase

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Dividends received/profits distributed from:		
▪ Held-for-trading securities	63	63
	<hr/>	<hr/>

32. Operating expenses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
1. Personnel expenses	330,318	292,813
In which:		
▪ <i>Salary and allowances</i>	294,570	264,494
▪ <i>Salary related contribution</i>	29,340	21,242
▪ <i>Other allowances</i>	482	93
▪ <i>Others</i>	5,926	6,984
2. Asset expenditure	169,638	138,262
In which:		
▪ <i>Leasing assets</i>	67,082	52,953
▪ <i>Depreciation of fixed assets</i>	42,736	35,496
▪ <i>Maintenance and repair of assets</i>	46,811	38,071
▪ <i>Others</i>	13,009	11,742
3. Insurance for deposits from customers	46,134	33,414
4. Meeting and conference expenses	59,482	44,585
5. Publication of documents, advertising	36,614	29,796
6. Expenses for water and sanitation	16,153	12,794
7. Allowance expenses reversed (i)	(6,872)	(5,273)
8. Expenses for printing materials and papers	17,809	13,138
9. Non-deductible VAT	13,658	13,116
10. Expenses for the Bank's union activities	2,190	5,301
11. Travelling expenses	3,685	5,107
12. Others	28,201	43,596
	<hr/>	<hr/>
	717,010	626,649

(i) Details of allowance expenses during the period were as follows:

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Reversal of allowance for diminution in value of other long-term investments (Note 11(ii))	(2,361)	(96)
Reversal of allowance for losses on other assets (Note 16(vi))	(4,511)	(5,177)
	<hr/>	<hr/>
	(6,872)	(5,273)

33. Allowance expenses for credit losses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Specific allowance made for credit losses of loans to other credit institutions (Note 6(ii))	-	21,520
General allowance made for credit losses of loans and advances to customers (Note 9(i))	59,250	33,896
Specific allowance made/(reversed) for credit losses of loans and advances to customers (Note 9(ii))	34,799	(4,004)
General allowance reversed for debt sales (Note 16 (vi))	(8,003)	-
Specific allowance made for debt sales (Note 16 (vi))	190,595	-
Allowance reversed for special bonds	-	(6,997)
	<hr/> 276,641	<hr/> 44,415

34. Corporate income tax

(a) Recognised in the consolidated statement of income

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Corporate income tax expense – current	41,307	93,886

(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Profit before tax	200,904	443,224
Adjustments for:		
▪ Non-taxable income (dividends)	(63)	(63)
▪ Non-deductible expenses	5,693	26,273
Taxable income	<hr/> 206,534	<hr/> 469,434
Corporate income tax expense for the period	<hr/> 41,307	<hr/> 93,886

(c) Applicable tax rates

The corporate income tax rate applicable to the Bank and its subsidiary is 20%. The calculation of corporate income tax is subject to the review and approval of the tax authority.

35. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period.

Profit or loss attributable to ordinary shareholders is the profit or loss after tax during the year after deducting the amounts appropriated to bonus and welfare fund for the period.

(i) Net profit attributable to ordinary shareholders

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Net profit for the period	159,597	349,338
Appropriation to bonus and welfare fund (*)	-	-
Net profit attributable to ordinary shareholders for calculation of basic earnings per share	159,597	349,338

- (*) At the date of these consolidated interim financial statements, the Group has not received any official decision of the General Meeting of Shareholders on the appropriation of bonus and welfare fund from the profit of 2020. If the Group makes appropriation to the bonus and welfare fund, net profit attributable to ordinary shareholders and basic earnings per share will decrease.

(ii) Weighted average number of ordinary shares

	Six-month period ended		
	30/6/2020	30/6/2019 (restated)	30/6/2019 (as previously reported)
	Shares	Shares	Shares
Issued ordinary shares at the beginning of the period	389,005,328	335,349,421	335,349,421
Effect of shares issued to pay dividends of 2019	-	53,654,893	-
Weighted average number of ordinary shares	389,005,328	389,004,314	335,349,421

(iii) Basic earnings per share

	Six-month period ended		
	30/6/2020	30/6/2019 (restated)	30/6/2019 (as previously reported)
	VND million	VND million	VND million
Basic earnings per share	410	898	1.042

(b) Diluted earnings per share

There was no event or transaction affecting the dilution of shares at the end of the accounting period.

36. Cash and cash equivalents

	30/6/2020 VND million	31/12/2019 VND million
Cash on hand, gold	1,077,608	945,670
Balances with the SBV	4,498,225	3,055,469
Deposits with and loans to other credit institutions with original term to maturity of not more than three months	10,430,142	11,586,996
	16,005,975	15,588,135

37. Employees' remuneration

	Six-month period ended	
	30/6/2020 VND million	30/6/2019 VND million
Total number of employees	3,166	2,390
Employees' remuneration		
1. Salary	294,570	264,494
2. Bonus	295	2,778
3. Total income (1+2)	294,865	267,272
Average monthly salary/employee	16	18
Average monthly income/employee	16	19

38. Mortgaged, pledged, discounted and rediscounted assets and valuable papers

(a) Mortgaged, pledged, discounted and rediscounted assets and valuable papers received

	30/6/2020 VND million	31/12/2019 VND million
Real estates	86,843,512	73,965,130
Equity securities and valuable papers	24,387,629	22,438,991
Movable assets	1,699,595	967,772
Other assets	24,711,701	21,170,957
	<hr/> 137,642,437	<hr/> 118,542,850

(b) Assets, valuable papers used for mortgage, pledge, discount and rediscount

	30/6/2020 VND million	31/12/2019 VND million
Available-for-sale securities		
▪ Government bonds	-	565,014
Held-to-maturity investment securities		
▪ Government bonds	-	1,644,932
	<hr/> -	<hr/> 2,209,946

39. Contingent liabilities and commitments

	30/6/2020		31/12/2019			
	Contractual amount - gross VND million	Margin deposits VND million	Contractual amount - net VND million	Contractual amount - gross VND million	Margin deposits VND million	Contractual amount - net VND million
Foreign exchange commitments	932,920	-	932,920	1,395,807	-	1,395,807
<i>In which:</i>						
▪ <i>Purchase commitments of foreign currencies</i>	2,156	-	2,156	-	-	-
▪ <i>Sale commitments of foreign currencies</i>	2,155	-	2,155	-	-	-
▪ <i>Commitments on currency swap transactions</i>	928,609	-	928,609	1,395,807	-	1,395,807
Letters of credit	899,920	(7,292)	892,628	916,708	(6,905)	909,803
Other guarantees	726,765	(69,043)	657,722	358,972	(13,829)	345,143

40. Significant transactions with related parties

Significant balances and transactions with related parties as at the period/year-end and during the period were as follows:

Balance at the period	30/6/2020 VND million	31/12/2019 VND million
	Receivables/(Payables)	
Members of Board of Management, Board of Directors and Supervisory Board of the Bank		
Deposits	(24,622)	(15,355)
Loans	97	312
Accrued interest payable for deposits	(66)	(25)
Accrued interest receivable from borrowings	1	2
Other payables	(73)	(73)
Other related parties (*)		
Deposits	(79,408)	(76,383)
Loans	479,178	433,069
Deposits for office rental	12,240	18,352
Accrued interest receivable from loans	(1,372)	(1,149)
Accrued interest payable for deposits	3,159	2,001
Transactions during the period		
	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Members of Board of Management, Board of Directors and Supervisory Board of the Bank		
Salaries and allowances for the Board of Directors	12,768	8,406
Remunerations for the Board of Management and Supervisory Board	3,080	3,980
Interest expense	274	180
Other related parties (*)		
Interest income from loans	23,575	11,098
Rental expense	6,412	6,412
Interest expense on deposits	2,077	2,241
Rental income	746	777
Other expenses	19	45
Other receivables	8	-

(*) Other related parties comprise close family members of key management personnel including members of Board of Management, members of Board of Directors, members of Supervisory Board and companies which these individuals directly or indirectly hold significant voting right or have significant influence over.

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

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

As at 30 June 2020

	Deposits with and loans to other credit institutions – gross VND million	Held-for- trading securities – gross VND million	Loans and advances to customers – gross VND million	Investment securities – gross VND million	Deposits and borrowings from other credit institutions VND million	Deposits from customers VND million	Valuable papers issued VND million	Credit commitments VND million
Domestic	10,418,818	144,141	77,005,800	8,256,235	9,820,118	83,067,565	5,184,843	1,550,350
Overseas	219,982	-	-	-	-	-	-	-
	10,638,800	144,141	77,005,800	8,256,235	9,820,118	83,067,565	5,184,843	1,550,350

As at 31 December 2019

	Deposits with and loans to other credit institutions – gross VND million	Held-for- trading securities – gross VND million	Loans and advances to customers – gross VND million	Investment securities – gross VND million	Deposits and borrowings from other credit institutions VND million	Deposits from customers VND million	Valuable papers issued VND million	Credit commitments VND million
Domestic	11,647,744	144,141	67,545,653	7,430,331	11,721,118	70,744,212	4,412,123	1,254,946
Overseas	147,910	-	-	-	-	-	-	-
	11,795,654	144,141	67,545,653	7,430,331	11,721,118	70,744,212	4,412,123	1,254,946

42. Financial risk management

(a) Financial risk management

(i) Overview

Risks are inherent in the Group's activities and are managed through a process of ongoing identification, analysis, measurement, risk processing, monitoring and regularly reporting. This process of risk management is critical to the Group's profitability and each individual within the Group is responsible for preventing all the related risk. The Group is exposed to certain types of risk including credit risk, liquidity risk, market risk and operational risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. These risks are controlled by the strategic planning process of the Group.

(ii) Risk management framework

Risk management structure

The Group's risk management structure includes the Board of Management, the Risk Management Committee, the Crisis Control Committee, the Board of Directors, heads of business units and departments having risk management functions at the Bank's Head Office.

Board of Management

The Board of Management determines the risk management policy and monitors the implementation of risk prevention measures by the Group.

Risk Management Committee

The Risk Management Committee consults the Board of Management on the issuance of regulations and policies under the authority of the Board of Management relating to risk management in the Group's operations.

The Risk Management Committee analyses and provides recommendations on the safety level of the Group against potential risks that may affect the Group and suggests preventive controls in the short term as well as long term.

The Risk Management Committee reviews and evaluates the appropriateness and effectiveness of current processes, policies for risk management of the Group in order to make recommendations on require change in current processes, policies and operational strategies to the Board of Management.

Crisis Steering Committee

The Crisis Steering Committee assists the Board of Directors in formulating regulations, solution and action plans to prevent, handle and solve problems when a crisis occurs to maintain the Bank's continuing operations.

The Crisis Steering Committee organize inspection and assessment of the Group's operational situation in case of signs of crisis in order to prevent, minimize and eliminate incidents that cause adverse impacts on stability, ensure the safety of customer's life and property, the Group's staffs.

Supervisory Board

The Supervisory Board is responsible for controlling the overall risk management process within the Group.

Internal Audit

According to the annual internal audit plan, business processes throughout the Group are audited by the Internal Audit Function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit Function discusses the results of all assessments with the Board of Directors, and reports the findings and recommendations to the Supervisory Board

Risk measurement and reporting systems

Risk monitoring and managing are carried out based on limits regulated by the SBV and internal policies of the Group. These limits reflect the business strategy and market environment of the Group as well as the risk level that the Group is willing to accept.

Information compiled from all business activities is examined and processed in order to analyse, control and early identify risks. This information is presented and explained to the Board of Management, Supervisory Board, Board of Directors and Departments' Heads. The report includes aggregate credit exposure, credit metric forecasts, limit exceptions, liquidity ratios and risk profile changes. The Bank's Management assesses the appropriateness of the allowance for credit losses on a quarterly basis. The Bank's Management receives a comprehensive risk report quarterly which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

For all levels within hierarchy of the Group, specific risk reports are prepared and distributed to in order to ensure that all business units have access to comprehensive, necessary and up-to-date information.

Risk mitigation

The Group has actively used collaterals to minimize the credit risk.

Risk concentration

Risk concentration arises when a number of customers of the Group are engaged in similar business activities, or activities in the same geographic area, or have similar economic features that would affect the group of customers' payment obligations or payment receipt rights when due under changes in economic, political or other conditions.

These above concentrations indicate the level of sensitivity of the Group's performance to the developments of a particular industry or geographic area.

In order to mitigate risk concentration, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Accordingly, concentrations of credit risk are controlled and managed accordingly. Selective risk hedging methods are used within the Group in respect of the industries and other related factors.

(b) Credit risk

Credit risk is the risk that the Group will incur a loss when customers violate the terms of credit agreements or due to the impact of objective factors that affect customers' financial and payment capability and repayment capacity, reduction in value of collateral assets. Credit risk includes all types of financial products: transactions recorded on the consolidated balance sheet such as deposits, loans, overdrafts, bonds, and other assets; and off-balance sheet transactions such as derivative financial instruments, letters of credit and letters of guarantee.

Credit risk management

The Group develops the credit function structure based on check and balance system, business units are separated completely from the credit approval unit. Except for delegated authority to Branch Directors in approving small value and low risk transactions, credit approval is centralised. Policies for significant credit risk are developed and approved by the Board of Management. The Group has established credit risk management and control system, as follows:

- Business units are separated completely with the risk management, collateral valuation and credit approval units.
- The business units propose credit facilities and perform initial collateral valuations.
- Risk management units are independent from units proposing initially credit facility and perform review and evaluation the proposal of business units.
- Except for the approvals for small and low risk transactions under authorised limit of branch director, the credit approval authority is centralised at the Head Office. All policies and relevant credit risk management regulations are approved accordingly by the Board of Management and Board of Directors, including:
 - Credit policy;
 - Regulation on debt classification, allowance for credit losses and utilisation of allowance for credit losses;
 - Regulation on collaterals and valuation of collaterals;
 - Regulation on the internal credit rating system;
 - Guidance on the credit limit for counterparty;
 - Credit procedures;
 - Regulation on procedures and content of reviewing, before, during, and after credit extension; and
 - Regulation on operations, functions and responsibilities of the Risk Management Committee.
- Risk management units send periodic risk reports to the Board of Directors, the Risk Management Committee, the Board of Management, this risk report includes credit growth, credit quality, credit distribution according to the new credit risk rating system, allowance for credit losses, problematic loans, customer review monitoring, loans by sector, loan groups and credit concentration.
- Internal audit conducts audit and regular examination to ensure compliance and the effectiveness of policies and business procedures.

Collaterals

Collaterals are valued by an unit independent from the business units based on the market value at valuation date. The collateral valuation is regularly updated.

The main types of collaterals obtained are real estates, machinery and equipment, inventories and valuable papers. Guidance for valuation of movable assets and real estates is being reviewed and updated to comply with the regulations of the SBV.

Commitments and guarantees

To meet the financial needs of customers, the Group enters into various irrevocable commitments and contingent liabilities. Commitments and guarantees are also subject credit risk reclassification.

Credit risk concentration

The level of credit risk concentration of the Group is managed by customer, by geographical and by business sector.

The maximum level of credit risk of the Group at the end of the accounting period is as follows:

	30/6/2020 VND million	31/12/2019 VND million
Credit risk related to on-balance sheet assets		
Deposits with and loans to other credit institutions – gross	10,638,800	11,795,654
Loans and advances to customers – gross	77,005,800	67,545,653
Available-for-sale debt securities – gross	5,221,899	4,331,101
Held-to-maturity equity securities – gross	3,034,336	3,099,230
Other financial assets – gross	3,592,750	3,170,166
	99,493,585	89,941,804
Credit risk related to off-balance sheet assets		
Payment guarantee	347,936	142,085
Contract performance guarantee	147,416	115,468
Bid guarantee	20,074	14,233
Other guarantees	211,339	87,186
	726,765	358,972
	100,220,350	90,300,776

The table above shows the worst case for the maximum loss for the Group as at 30 June 2020 and 31 December 2019, have not accounted any collateral held or credit risk mitigation. Details of collateral held as at 30 June 2020 and 31 December 2019 are presented in Note 38(a).

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

As at 30 June 2020	From 10 to 90 days VND million	From 91 to 180 days VND million	Overdue From 181 to 360 days VND million	Over 360 days VND million	Total VND million
Loans and advances to customers (*)	249,258	32,383	189,611	158,977	630,229
As at 31 December 2019	From 10 to 90 days VND million	From 91 to 180 days VND million	Overdue From 181 to 360 days VND million	Over 360 days VND million	Total VND million
Loans and advances to customers (*)	1,303,452	10,833	10,697	40,751	1,365,733

An aging analysis of financial assets that are past due and impaired at the reporting date is as follows:

As at 30 June 2020	Overdue				Total VND million
	From 10 to 90 days VND million	From 91 to 180 days VND million	From 181 to 360 days VND million	Over 360 days VND million	
Loans and advances to customers (*)	1,629,212	166,717	118,004	368,767	2,282,700

As at 31 December 2019	Overdue				Total VND million
	From 10 to 90 days VND million	From 91 to 180 days VND million	From 181 to 360 days VND million	Over 360 days VND million	
Loans and advances to customers (*)	636,463	519,211	520,755	204,990	1,881,419

(*) Overdue debts are calculated on the basis of each loan.

See Note 38(a) for types and values of collaterals received from customers. The Group has not determined fair values of the collaterals for overdue and impaired financial assets for disclosure in these consolidated interim financial statements because there is currently no guidance on determination of fair value under Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the SBV in case quoted price in the market is not available. The fair values of these collaterals may differ from their carrying amounts.

(c) Market risks

Market risks are the risks that the fair value or future cash flows of a financial instrument will fluctuate because of movements in market prices. Market risks arise from open positions in interest rate, currency instruments and equity instruments, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and share prices.

(i) Interest rate risk

Interest rate risk is the risk that fair value or cash flows of financial instruments will fluctuate because of changes in the market interest rate. The Group will be exposed to the interest rate risk when there is a gap between maturity date or interest repricing date of assets, liabilities and off-balance sheet commitments in a specific period of time. The Group manages this risk by matching the dates of interest rate repricing of assets and liabilities.

Analysis of assets and liabilities by interest repricing period

The actual interest rate repricing term is the remaining period from the reporting date to the next interest rate repricing date or the maturity date of assets and liabilities whichever is earlier.

The following assumptions and conditions have been adopted in the analysis of actual interest rate repricing terms of the assets and liabilities of the Group:

- Cash on hand, gold; held-for-trading securities; derivatives and other financial assets; special bonds issued by VAMC; capital contribution, long-term investments; other assets (including fixed assets and other assets) and other liabilities are classified as non-interest bearing items.
- Balances with the State Bank of Vietnam are considered as current, interest rate repricing term is therefore considered within 1 month.
- The actual interest rate repricing term of debt securities is determined based on the actual maturity term of each type of securities at the reporting date.
- The actual interest rate repricing term of deposits with and loans to other credit institutions; loans and advances to customers; borrowings from the Government and the State Bank of Vietnam; deposits and borrowings from other credit institutions and deposits from customers is determined as follows:
 - Items which bear fixed interest rate for the entire contractual term: the actual interest rate repricing term is determined based on the remaining contractual term calculated from the reporting date.
 - Items which bear floating interest rate: the actual interest rate repricing term is determined based on the next interest rate repricing date subsequent to the reporting date.
- The actual interest rate repricing term of valuable papers issued is determined based on the remaining contractual term calculated from the reporting date.
- The actual interest rate repricing term of grants and entrusted funds is determined based on the next interest rate repricing date subsequent to the reporting date.
- The actual interest rate repricing term of other liabilities are classified as non-interest bearing items.

The following tables show the Group's assets and liabilities categorised by the earlier of interest rate repricing date and contractual maturity date at the end of the accounting period:

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

As at 30 June 2020

Assets	Overdue VND million	Free of interest VND million	Less than 1 month VND million	From 1 to 3 months VND million	From over 3 to 6 months VND million	From over 6 to 12 months VND million	From over 1 to 5 years VND million	Over 5 years VND million	Total VND million
Cash on hand, gold	-	1,077,608	-	-	-	-	-	-	1,077,608
Balances with the SBV	-	-	4,498,225	-	-	-	-	-	4,498,225
Deposits with and loans to other credit institutions	-	208,658	8,469,102	1,961,040	-	-	-	-	10,638,800
Held-for-trading securities – gross	-	144,141	-	-	-	-	-	-	144,141
Derivatives and other financial assets	-	461	-	-	-	-	-	-	461
Loans and advances to customers	-	-	-	-	-	-	-	-	-
– gross (*)	3,741,774	-	13,828,940	52,909,932	5,993,693	288,200	243,261	-	77,005,800
Investment securities – gross	-	-	50,016	-	858,400	1,462,436	883,734	5,001,649	8,256,235
Capital contribution, long-term investments – gross	-	115,280	-	-	-	-	-	-	115,280
Fixed assets	-	875,160	-	-	-	-	-	-	875,160
Investment property	-	41,471	-	-	-	-	-	-	41,471
Other assets – gross	-	3,989,739	-	-	-	-	-	-	3,989,739
	3,741,774	6,452,518	26,846,283	54,870,972	6,852,093	1,750,636	1,126,995	5,001,649	106,642,920

Liabilities

Borrowings from the Government and the SBV	-	-	-	-	226	1,157	-	-	1,383
Deposits and borrowings from other credit institutions	-	-	7,835,740	1,964,789	7,238	1,251	11,100	-	9,820,118
Deposits from customers	-	-	19,188,210	14,890,803	26,708,943	20,424,791	1,852,939	1,879	83,067,565
Grants and entrusted funds received	-	-	-	12,090	139,320	-	-	-	151,410
Valuable papers issued	-	-	217,380	419,880	870,430	3,477,153	-	200,000	5,184,843
Other liabilities	-	2,373,167	-	-	-	-	-	-	2,373,167
	-	2,373,167	27,241,330	17,287,562	27,726,157	23,904,352	1,864,039	201,879	100,598,486

Interest sensitivity gap of
balance sheet items

	3,741,774	4,079,351	(395,047)	37,583,410	(20,874,064)	(22,153,716)	(737,044)	4,799,770	6,044,434
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Interest sensitivity gap of off-
balance sheet items

	-	-	-	-	-	-	-	-	-
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Interest sensitivity gap on and
off-balance sheet items

	3,741,774	4,079,351	(395,047)	37,583,410	(20,874,064)	(22,153,716)	(737,044)	4,799,770	6,044,434
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Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

As at 31 December 2019

Assets	Overdue VND million	Free of interest VND million	Less than 1 month VND million	From 1 to 3 months VND million	From over 3 to 6 months VND million	From over 6 to 12 months VND million	From over 1 to 5 years VND million	Over 5 years VND million	Total VND million
Cash on hand, gold	-	945,670	-	-	-	-	-	-	945,670
Balances with the SBV	-	-	3,055,469	-	-	-	-	-	3,055,469
Deposits with and loans to other credit institutions	-	208,658	9,127,236	2,459,760	-	-	-	-	11,795,654
Held-for-trading securities – gross	-	144,141	-	-	-	-	-	-	144,141
Loans and advances to customers – gross (*)	3,869,985	-	13,416,090	45,462,818	4,226,007	464,301	106,452	-	67,545,653
Investment securities – gross	-	-	100,054	470,067	499,935	50,231	1,923,797	4,386,247	7,430,331
Capital contribution, long-term investments – gross	-	115,280	-	-	-	-	-	-	115,280
Fixed assets	-	882,577	-	-	-	-	-	-	882,577
Investment property	-	57,513	-	-	-	-	-	-	57,513
Other assets – gross	-	3,583,688	-	-	-	-	-	-	3,583,688
	3,869,985	5,937,527	25,698,849	48,392,645	4,725,942	514,532	2,030,249	4,386,247	95,555,976

Liabilities

Borrowings from the Government and the SBV	-	-	35	764	358	355	-	-	1,512
Deposits and borrowings from other credit institutions	-	-	9,242,949	2,462,215	9,068	663	6,223	-	11,721,118
Deposits from customers	-	-	18,840,198	13,477,179	20,454,089	14,515,996	3,455,058	1,692	70,744,212
Derivatives and other financial liabilities	-	4,718	-	-	-	-	-	-	4,718
Grants and entrusted funds received	-	-	14,601	463,600	231,800	-	-	-	710,001
Valuable papers issued	-	-	-	-	600,000	496,670	1,675,513	1,639,940	4,412,123
Other liabilities	-	2,133,366	-	-	-	-	-	-	2,133,366
	-	2,138,084	28,097,783	16,403,758	21,295,315	15,013,684	5,136,794	1,641,632	89,727,050

Interest sensitivity gap of
balance sheet items

Interest sensitivity gap of off- balance sheet items	-	-	-	-	-	-	-	-	-
	3,869,985	3,799,443	(2,398,934)	31,988,887	(16,569,373)	(14,499,152)	(3,106,545)	2,744,615	5,828,926

Interest sensitivity gap on and
off-balance sheet items

	3,869,985	3,799,443	(2,398,934)	31,988,887	(16,569,373)	(14,499,152)	(3,106,545)	2,744,615	5,828,926
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(*) Overdue debts are calculated on the basis of each repayment of each individual loan.

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

As at 30 June 2020	Less than 1 month	From 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years
Assets						
Balances with the SBV						
▪ VND	0%-1%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	0%-0.05%	(*)	(*)	(*)	(*)	(*)
Deposits with and loans to other credit institutions						
▪ VND	0%-1%	2.4%-3%	(*)	(*)	(*)	(*)
▪ Foreign currencies	0%-0.1%	0.9%-1.3%	(*)	(*)	(*)	(*)
Loans and advances to customers						
▪ VND	3.5%-30%	0%-30%	5%-20%	5%-11.8%	6%-11%	(*)
▪ Foreign currencies	3.3%-5.6%	3%-5.6%	3.2%-4.5%	(*)	(*)	(*)
Investment securities						
▪ VND	6.40%	(*)	8%-10.5%	6.1%-8.9%	6.1-7.5%	3.6%-7.8%
Liabilities						
Borrowings from the Government and the SBV						
▪ VND	(*)	(*)	3.5%	3.5%	(*)	(*)
Deposits and borrowings from other credit institutions						
▪ VND	0%-9.6%	2.1%-10.9%	9%-10.9%	9.3%-10.4%	9.15%-9.9%	(*)
▪ Foreign currencies	(*)	0.75%-1.3%	(*)	(*)	(*)	(*)
Deposits from customers						
▪ VND	0%-9.4%	4.15%-9.2%	0%-9.3%	4%-9.3%	4%-9.2%	4.25%-7.6%
▪ Foreign currencies	0%	0%	0%	0%	0%	0%
Grants and entrusted funds received						
▪ VND	(*)	4.96%	(*)	(*)	(*)	(*)
▪ USD	(*)	(*)	4.49%			
Valuable papers issued						
▪ VND	8.7%-8.99%	8.6%-9.1%	7.5%-9.1%	6.5%-8.99%	(*)	7.8%

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

As at 31 December 2019	Less than 1 month	From 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years
Assets						
Balances with the SBV						
▪ VND	0%-0.8%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	0%-0.05%	(*)	(*)	(*)	(*)	(*)
Deposits with and loans to other credit institutions						
▪ VND	0%-4.5%	4%-5%	(*)	(*)	(*)	(*)
▪ Foreign currencies	0%-2.2%	2.4%-2.6%	(*)	(*)	(*)	(*)
Loans and advances to customers						
▪ VND	5%-30%	0%-30%	5%-20%	6.5%-12.95%	6-11.8%	(*)
▪ Foreign currencies	2.33%-5.5%	3.2%-5.6%	3.2%-4.2%	(*)	(*)	(*)
Investment securities						
▪ VND	6.60%	4.9%-9%	6.4%-8.8%	6.4%	6.1%-10.8%	3.5%-8%
Liabilities						
Borrowings from the Government and the SBV						
▪ VND	3.50%	3.50%	3.50%	3.50%	(*)	(*)
Deposits and borrowings from other credit institutions						
▪ VND	0%-9.6%	4%-11%	9%-10.5%	10.5%-10.9%	(*)	(*)
▪ Foreign currencies	(*)	2.4%-2.6%	0.75%	(*)	(*)	(*)
Deposits from customers						
▪ VND	0%-9.2%	4.5%-9.3%	0%-9.4%	6.29-9.4%	5.85%-9.3%	5.4%-7.6%
▪ Foreign currencies	0%	0%	0%	0%	0%	0%
Grants and entrusted funds received						
▪ VND	5.18%	(*)	(*)	(*)	(*)	(*)
▪ USD	(*)	3.56%	4.92%	(*)	(*)	(*)
Valuable papers issued						
▪ VND	(*)	(*)	7%-7.6%	7.6%-8.8%	8.5%-8.9%	7.5%-9.1%

(*) These items have nil balance at the end of the accounting period.

Interest rate sensitivity analysis

The Group has not performed the sensitivity analysis for interest rates at 30 June 2020 and 31 December 2019 because there are no specific guidelines and regulations of the State Bank of Vietnam and other competent authorities.

(ii) Currency risk

Currency risk is the risk arising from changes in foreign exchange rates to VND, the Group's accounting currency, which may affect the value of the financial instruments or may cause volatility in the Group's earnings. The Group manages currency risk by setting limits on currency exposure. These limits include open position limit, open position limit for each currency.

The main transactional currency of the Group is VND. Financial assets and financial liabilities of the Group are denominated mainly in VND, partially in USD, EUR and gold. The Group sets limits on position of each currency. The currency position is monitored daily to ensure that the currency position is within the set limit.

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

	Exchange rate as at	
	30/6/2020	31/12/2019
USD/VND	23,220	23,180
EUR/VND	26,040	25,992
GBP/VND	28,490	30,450
CHF/VND	24,383	23,947
JPY/VND	216	213
SGD/VND	16,626	17,225
CAD/VND	16,960	17,771
AUD/VND	15,899	16,242
HKD/VND	2,995	2,977
KRW/VND	19	20
XAU/VND (one tenth of a tael)	4,922,000	4,257,500

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

As at 30 June 2020

Assets

Cash on hand, gold
Balances with the SBV
Deposits with and loans to other credit institutions – gross
Held-for-trading securities – gross
Derivatives and other financial assets
Loans and advances to customers – gross
Investment securities – gross
Capital contribution, long-term investments – gross
Fixed assets
Investment property
Other assets – gross

	VND	USD	Gold	EUR	Other currencies	Total
	VND million	VND million	VND million	VND million	VND million	VND million
	885,811	171,096	1,171	2,452	17,078	1,077,608
	4,395,232	102,993	-	-	-	4,498,225
	9,293,936	1,323,173	-	7,706	13,985	10,638,800
	144,141	-	-	-	-	144,141
	(453,146)	453,607	-	-	-	461
	76,270,412	735,388	-	-	-	77,005,800
	8,256,235	-	-	-	-	8,256,235
	115,280	-	-	-	-	115,280
	875,160	-	-	-	-	875,160
	41,471	-	-	-	-	41,471
	3,959,299	30,440	-	-	-	3,989,739

Total assets (1)

103,783,831	2,816,697	1,171	10,158	31,063	106,642,920
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Liabilities and equity

Borrowings from the Government and the SBV
Deposits and borrowings from other credit institutions
Deposits from customers
Grants and entrusted funds received
Valuable papers issued
Other liabilities
Capital and reserves

1,383	-	-	-	-	1,383
9,076,956	743,162	-	-	-	9,820,118
81,721,342	1,329,118	-	3,175	13,930	83,067,565
12,090	139,320	-	-	-	151,410
5,184,843	-	-	-	-	5,184,843
2,354,063	5,268	-	5,208	8,628	2,373,167
5,114,763	-	-	-	-	5,114,763

Total liabilities and equity (2)

103,465,440	2,216,868	-	8,383	22,558	105,713,249
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FX position on-balance sheet [(3)=-(1)-(2)]

318,391	599,829	1,171	1,775	8,505	929,671
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FX position off-balance sheet (4)

-	(2,155)	-	-	2,156	1
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FX position on and off-balance sheet [(5)=(3)+(4)]

318,391	597,674	1,171	1,775	10,661	929,672
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Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

As at 31 December 2019

Assets

Cash on hand, gold
Balances with the SBV
Deposits with and loans to other credit institutions – gross
Held-for-trading securities – gross
Loans and advances to customers – gross
Investment securities – gross
Capital contribution, long-term investments – gross
Fixed assets
Investment property
Other assets – gross

	VND million	USD million	Gold million	EUR million	Other currencies VND million	Total VND million
	788,751	142,853	1,477	4,249	8,340	945,670
	2,957,480	97,989	-	-	-	3,055,469
	10,503,631	1,284,347	-	1,804	5,872	11,795,654
	144,141	-	-	-	-	144,141
	66,826,069	719,584	-	-	-	67,545,653
	7,430,331	-	-	-	-	7,430,331
	115,280	-	-	-	-	115,280
	882,577	-	-	-	-	882,577
	57,513	-	-	-	-	57,513
	3,561,379	22,309	-	-	-	3,583,688

Total assets (1)

	93,267,152	2,267,082	1,477	6,053	14,212	95,555,976
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Liabilities and equity

Borrowings from the Government and the SBV
Deposits and borrowings from other credit institutions
Deposits from customers
Derivatives and other financial liabilities
Grants and entrusted funds received
Valuable papers issued
Other liabilities
Capital and reserves

	1,512	-	-	-	-	1,512
	10,979,236	741,882	-	-	-	11,721,118
	69,508,010	1,226,686	-	4,229	5,287	70,744,212
	689,344	(684,626)	-	-	-	4,718
	14,601	695,400	-	-	-	710,001
	4,412,123	-	-	-	-	4,412,123
	2,123,076	10,290	-	-	-	2,133,366
	4,960,385	-	-	-	-	4,960,385

Total liabilities and equity (2)

	92,688,287	1,989,632	-	4,229	5,287	94,687,435
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FX position on-balance sheet [(3)-(1)-(2)]

	578,865	277,450	1,477	1,824	8,925	868,541
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FX position off-balance sheet (4)

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

	578,865	277,450	1,477	1,824	8,925	868,541
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Below is the analysis of impact to net profit of the Group after consideration the current foreign exchange rate and the fluctuations in the past as well as market expectation at the reporting date.

	Effect to net profit Increase/(decrease) VND million
As at 30 June 2020	
USD (strengthening by 1%)	4,781
EUR (strengthening by 1%)	14
XAU (strengthening by 6%)	150
As at 31 December 2019	
USD (strengthening by 1%)	2,220
EUR (weakening by 2%)	(29)
XAU (strengthening by 17%)	201

(iii) **Equity price risk**

Equity price risk is the risk that the market value of securities decreases due to changes in price of individual securities. Equity price risk derives from held-for-trading listed equity securities of the Group.

Held-for-trading listed equity securities of the Group bear the equity price risk resulting from the uncertainties in fluctuation of equity price in the future of these securities. The Group manages the equity price risk by diversification and prudence in selection of investment securities within the approved limit.

As at 30 June 2020 and 31 December 2019, the Group is not exposed to the equity price risk because the Group does not hold any held-for-trading listed equity securities.

(d) **Liquidity risk**

Liquidity risk is the risk that (i) the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstance or (ii) the Group has ability to meet its payment obligations but has to bear significant financial loss to perform its obligations.

Management of liquidity risk

The Group's purpose of the liquidity risk management is to ensure that the Group has ability to meet its payment obligations on due date, under normal and stress circumstances, without any unexpected loss which may affect to the Group's reputation.

To mitigate the liquidity risk, the Group maintains an appropriate structure of liabilities and assets, enhance the ability of raising fund from various sources. The Group manages the assets with high liquidity and monitor future cash flows and liquidity on a daily basis. The assessment of expected cash flows together with the availability of high quality collaterals are deemed as a secured additional fund.

In addition, the Group maintains deposits at the SBV in accordance with prevailing regulation relating to compulsory reserve ratio as well as comply with solvency ratios, ratio of short term funding used for medium and long-term lending and other safety ratios stipulated by the SBV.

Analysis of the maturity of financial assets and financial liabilities

The maturity of assets and liabilities represents the remaining term of assets and liabilities from the reporting date to the maturity date specified in contracts or issuance provisions.

The following assumptions and conditions are applied in analysing the maturity of assets and liabilities of the Group:

- Balances with the SBV are classified as demand deposits, in which compulsory reserve is included. The balance of compulsory reserve depends on elements and term of deposits from customers.
- The maturity of deposits with and loans to other credit institutions and loans and advances to customers are determined based on the contractual maturity date. The actual maturity date can be changed as the loan contracts are extended.
- The maturity of investment securities is based on the maturity date of each securities.
- The maturity of capital contribution, long-term investments is categorised over 5 years because these investments do not have exact maturity date and the Group has intention to hold them for long-term.
- The maturity of fixed assets is categorised over 5 years because the Group has intention to hold them for long-term.
- The maturity of deposits and borrowings from other credit institutions and deposits from customers is determined based on the characteristic of each item or the maturity date specified in the contracts. Demand deposits from other credit institutions and customers are performed as requests of customers and categorised as call deposits. The maturity term of borrowings and term deposits are determined based on contractual maturity date. In reality, the actual maturities of those liabilities may be longer than the original contractual term due to rollover or shorter due to withdrawal before maturity date.

Below is the analysis of assets and liabilities of the Group classified into maturity groups based on the remaining terms from the end of the annual accounting period until the maturity date. In reality, the maturity dates of assets and liabilities might be different from the contractual ones, depending on the appendices signed.

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

As at 30 June 2020	Overdue	Overdue up	Up to 1 month	From over 1	Current	From over 1	Over 5 years	Total
	Overdue over 3 months VND million	to 3 months VND million	VND million	to 3 months VND million	From over 3 to 12 months VND million	to 5 years VND million	VND million	VND million
Assets								
Cash on hand, gold	-	-	1,077,608	-	-	-	-	1,077,608
Balances with the SBV	-	-	4,498,225	-	-	-	-	4,498,225
Deposits with and loans to other credit institutions – gross	-	-	8,469,102	1,983,835	159,241	26,622	-	10,638,800
Held-for-trading securities – gross	-	-	144,141	-	-	-	-	144,141
Derivatives and other financial assets	-	-	191	270	-	-	-	461
Loans and advances to customers – gross (*)	2,258,720	1,483,054	2,457,138	7,116,559	40,709,597	8,607,232	14,373,500	77,005,800
Investment securities – gross	-	-	50,016	-	1,362,436	1,342,134	5,501,649	8,256,235
Capital contribution, long-term investments – gross	-	-	-	-	-	-	115,280	115,280
Fixed assets	-	-	-	-	-	-	875,160	875,160
Investment property	-	-	-	-	-	-	41,471	41,471
Other assets – gross	-	-	787,059	1,668,494	1,189,087	297,894	47,205	3,989,739
Total assets (1)	2,258,720	1,483,054	17,483,480	10,769,158	43,420,361	10,273,882	20,954,265	106,642,920
Liabilities								
Borrowings from the Government and the SBV	-	-	-	-	1,383	-	-	1,383
Deposits and borrowings from other credit institutions	-	-	7,835,354	1,961,361	2,164	21,239	-	9,820,118
Deposits from customers	-	-	19,188,210	14,890,803	47,133,734	1,852,939	1,879	83,067,565
Grants and entrusted funds received	-	-	-	-	23,475	123,428	4,507	151,410
Valuable papers issued	-	-	-	165,430	1,343,420	1,661,243	2,014,750	5,184,843
Other liabilities	-	-	397,506	532,850	1,369,277	37,799	35,735	2,373,167
Total liabilities (2)	-	-	27,421,070	17,550,444	49,873,453	3,696,648	2,056,871	100,598,486
Net liquidity gap [(3)=(1)-(2)]	2,258,720	1,483,054	(9,937,590)	(6,781,286)	(6,453,092)	6,577,234	18,897,394	6,044,434

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

As at 31 December 2019	Overdue	Overdue up to 3 months	Overdue up to 3 months VND million	Up to 1 month VND million	From over 1 to 3 months VND million	Current From over 3 to 12 months VND million	From over 1 to 5 years VND million	Over 5 years VND million	Total VND million
Assets									
Cash on hand, gold	-	-	-	945,670	-	-	-	-	945,670
Balances with the SBV	-	-	-	3,055,469	-	-	-	-	3,055,469
Deposits with and loans to other credit institutions – gross	-	-	-	9,127,236	2,459,760	49,417	159,241	-	11,795,654
Held-for-trading securities – gross	-	-	-	144,141	-	-	-	-	144,141
Loans and advances to customers – gross (*)	841,800	3,028,185		4,532,582	4,976,156	35,904,518	7,943,833	10,318,579	67,545,653
Investment securities – gross	-	-	-	100,054	470,067	550,166	1,923,797	4,386,247	7,430,331
Capital contribution, long-term investments – gross	-	-	-	-	-	-	-	115,280	115,280
Fixed assets	-	-	-	-	-	-	-	882,577	882,577
Investment property	-	-	-	-	-	-	-	57,513	57,513
Other assets – gross	-	-	-	750,701	262,479	2,239,252	282,342	48,914	3,583,688
Total assets (1)	841,800	3,028,185		18,655,853	8,168,462	38,743,353	10,309,213	15,809,110	95,555,976
Liabilities									
Borrowings from the Government and the SBV	-	-	-	35	764	713	-	-	1,512
Deposits and borrowings from other credit institutions	-	-	-	9,242,371	2,460,149	1,769	16,829	-	11,721,118
Deposits from customers	-	-	-	18,840,198	13,477,179	34,970,085	3,455,058	1,692	70,744,212
Derivatives and other financial liabilities	-	-	-	(36)	5,042	(288)	-	-	4,718
Grants and entrusted funds received	-	-	-	-	463,600	116,088	125,363	4,950	710,001
Valuable papers issued	-	-	-	-	-	1,096,670	1,675,513	1,639,940	4,412,123
Other liabilities	-	-	-	771,603	441,795	739,695	162,260	18,013	2,133,366
Total liabilities (2)	-	-	-	28,854,171	16,848,529	36,924,732	5,435,023	1,664,595	89,727,050
Net liquidity gap [(3)=(1)-(2)]	841,800	3,028,185		(10,198,318)	(8,680,067)	1,818,621	4,874,190	14,144,515	5,828,926

(*) Overdue debts are calculated on the basis of each repayment of each individual loan.

(d) **Fair value versus carrying amount**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement.

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the consolidated balance sheet at the reporting date, are as follows:

	30/6/2020		31/12/2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	VND million	VND million	VND million	VND million
Financial assets				
<i>Categorised as financial assets are determined at fair value through the statement of income:</i>				
▪ Derivatives and other financial assets	461	(*)	-	-
▪ Held-for-trading securities	127,921	(*)	127,921	(*)
<i>Categorised as held-to-maturity investments:</i>				
▪ Government bonds	2,385,571	(*)	2,529,771	(*)
▪ Debt securities issued by other local credit institutions	468,765	(*)	569,459	(*)
▪ Bonds issued by other local economic institutions	180,000	(*)	-	-
<i>Categorised as loans and receivables:</i>				
▪ Cash in hand, gold	1,077,608	1,077,608	945,670	945,670
▪ Balances with the SBV	4,498,225	4,498,225	3,055,469	3,055,469
▪ Deposits with and loans to other credit institutions	10,638,800	(*)	11,795,654	(*)
▪ Loans and advances to customers	76,325,524	(*)	66,751,987	(*)
▪ Receivables	1,738,330	(*)	1,854,905	(*)
▪ Accrued interest and fees receivable	1,854,420	(*)	1,315,261	(*)
<i>Categorised as available-for-sale securities:</i>				
▪ Government bonds	2,878,412	(*)	1,716,797	(*)
▪ Debt securities issued by other local credit institutions	1,685,087	(*)	1,795,904	(*)
▪ Debt securities issued by other local economic entities	653,462	(*)	812,262	(*)
▪ Capital contribution, long-term investments	112,581	(*)	110,220	(*)
▪ Other financial assets	71,927	(*)	71,927	(*)

	30/6/2020		31/12/2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	VND million	VND million	VND million	VND million
Financial liabilities				
<i>Categorised as financial liabilities carried at fair value through income statement</i>				
▪ Derivatives and other financial liabilities	-	-	4,718	(*)
<i>Categorised as financial liabilities carried at amortised cost:</i>				
▪ Borrowings from the Government and SBV	1,383	(*)	1,512	(*)
▪ Deposits and borrowings from other credit institutions	9,820,118	(*)	11,721,118	(*)
▪ Deposits from customers	83,067,565	(*)	70,744,212	(*)
▪ Grants and entrusted funds received	151,410	(*)	710,001	(*)
▪ Valuable papers issued	5,184,843	(*)	4,412,123	(*)
▪ Accrued interest and fees payable	2,077,859	(*)	1,679,219	(*)
▪ Other financial liabilities	212,970	(*)	144,232	(*)

(*) The Group has not determined fair values of these financial assets and financial liabilities because there are currently no specific guidance or regulations of the State Bank of Vietnam and other competent authorities on the determination of fair value of the financial instruments.

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

43. Segment reporting

(a) Primary segment

Information on primary segment by geographical areas of the Group is presented as follows:

	The Northern Region VND million		The Central Region VND million		The Southern Region VND million		Elimination VND million		Total VND million	
Six-month period ended	30/6/2020	30/6/2019	30/6/2020	30/6/2019	30/6/2020	30/6/2019	30/6/2020	30/6/2019	30/6/2020	30/6/2019
I. Income	809,080	476,200	1,114,791	819,997	9,514,445	7,313,085	(7,117,848)	(5,210,686)	4,320,468	3,398,596
1. Interest income	804,481	474,493	1,098,924	807,969	9,335,057	7,184,522	(7,117,848)	(5,210,686)	4,120,614	3,256,298
2. Fees and commission income	1,649	1,142	6,573	6,714	90,943	69,071	-	-	99,165	76,927
3. Income from other activities	2,950	565	9,294	5,314	88,445	59,492	-	-	100,689	65,371
II. Expenses	(745,439)	(434,960)	(1,002,008)	(779,338)	(9,213,324)	(6,907,345)	7,117,848	5,210,686	(3,842,923)	(2,910,957)
1. Interest expense	(691,797)	(398,506)	(898,845)	(704,556)	(8,594,768)	(6,344,163)	7,117,848	5,210,686	(3,067,562)	(2,236,539)
2. Depreciation expenses	(1,747)	(1,413)	(5,300)	(4,013)	(35,689)	(30,070)	-	-	(42,736)	(35,496)
3. Operating expenses	(51,895)	(35,041)	(97,863)	(70,769)	(582,867)	(533,112)	-	-	(732,625)	(638,922)
Operating profit before allowance expenses for credit losses	63,641	41,240	112,783	40,659	301,121	405,740	-	-	477,545	487,639
Allowance expenses for credit losses	3,097	(1,031)	22,486	(3,552)	(302,224)	(39,832)	-	-	(276,641)	(44,415)
Segment profit before tax	66,738	40,209	135,269	37,107	(1,103)	365,908	-	-	200,904	443,224

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)

	The Northern Region VND million		The Central Region VND million		The Southern Region VND million		Elimination VND million		Total VND million	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019	30/6/2020	31/12/2019	30/6/2020	31/12/2019	30/6/2020	31/12/2019
III. Assets										
1. Cash on hand, gold	1,642,219	1,421,886	8,881,724	8,702,921	95,189,306	84,562,628	-	-	105,713,249	94,687,435
2. Deposits with other credit institutions	92,114	101,363	198,074	212,459	787,420	631,848	-	-	1,077,608	945,670
3. Loans and advances to customers	80	141	1,361	1,161	10,637,359	11,794,352	-	-	10,638,800	11,795,654
4. Investment securities	1,482,853	1,275,310	8,360,967	8,193,419	66,481,704	57,283,258	-	-	76,325,524	66,751,987
5. Fixed assets	13,795	10,595	97,065	89,858	764,300	782,124	-	-	875,160	882,577
6. Other assets	53,377	34,477	224,257	206,024	8,267,226	6,646,853	-	-	8,544,860	6,887,354
IV. Liabilities										
1. Deposits and borrowings from other credit institutions and the SBV	18,511,476	14,472,083	15,038,727	13,024,650	67,048,283	62,230,317	-	-	100,598,486	89,727,050
2. Deposits from customers	100	1,000,764	11,625	8,499	9,809,776	10,713,367	-	-	9,821,501	11,722,630
3. Grants and entrusted funds received	17,379,742	12,620,021	13,529,738	11,902,377	52,158,085	46,221,814	-	-	83,067,565	70,744,212
4. Valuable papers issued	573,983	474,163	1,121,910	781,294	3,488,950	3,156,666	-	-	151,410	710,001
5. Other liabilities	557,651	377,135	375,454	332,480	1,440,062	1,428,469	-	-	5,184,843	4,412,123
									2,373,167	2,138,084

(b) **Secondary segment**

The Group mainly operates in one business segment which is commercial banking.

44. Commitments

(a) Capital expenditure commitments

At the reporting date, the Group had the following outstanding capital commitments approved but not recorded in the consolidated balance sheet:

	30/6/2020 VND million	31/12/2019 VND million
Approved and contracted	20,601	4,440

(b) Lease commitments

At the reporting date, the future minimum lease payments under non-cancellable operating leases were as follows:

	30/6/2020 VND million	31/12/2019 VND million
Within one year	54,228	56,168
Over one year to five years	253,598	253,700
More than five years	155,868	149,498
	463,694	459,366

45. Seasonality or cyclical factors

The Group's consolidated interim financial statements are not affected by seasonality or cyclical factors except for the following items:

(a) Foreign exchange differences

As described in Note 3(b) and Note 3(f), unrealised foreign exchange differences are recorded in "Foreign exchange differences" account in equity in the consolidated balance sheet (Note 25). The balance of the "Foreign exchange differences" shall be transferred to the consolidated statement of income at the end of the annual accounting period.

(b) Employees' bonus

The Group has temporarily not accrued employees' bonus for the six-month period ended 30 June 2020 because such bonuses cannot be reliably determined as at 30 June 2020. The bonus will be finalised at the end of the annual accounting period based on the Group's actual financial results for the whole year ending 2020.

(c) Taxation

In accordance with the current tax regulations, corporate income tax is computed and finalised at the end of the annual accounting period. The corporate income tax for the six-month period ended 31 June 2020 is calculated by applying the corporate income tax rate of 20% to the taxable profit for the six-month period ended 30 June 2020 of the Bank and its subsidiary.

(d) **Statutory reserves**

The Bank and its subsidiary are required to make allocations to reserve to supplement charter capital and financial reserve annually, therefore the Bank and its subsidiary will make allocations to these statutory reserves at the end of the annual accounting period.

46. Changes in accounting estimates

In preparing these consolidated interim financial statements and consolidated annual financial statements, the Board of Directors has made several accounting estimates. Actual results may differ from these estimates. Except for the adoption of Circular 01 since 13 March 2020 as described in Note 3(h)(i), there was no significant change in accounting estimates adopted in the preparation of these consolidated interim financial statements in comparison with those adopted in the preparation of the most recent consolidated annual financial statements.

47. Unusual items

In the year 2020, Covid-19 pandemic caused business disruption in many countries. Due to the impact of Covid-19, the SBV has issued Circular No. 01/2020/TT-NHNN on rescheduling of debt repayment terms, waiver, reduction of interest and fees, maintaining the debt classifications in order to support customers affected by Covid-19 pandemic. The extent of the impact of the COVID-19 pandemic on the Group's operational and financial performance will depend on future developments, including the duration and spread of the outbreak which are highly uncertain and unpredictable at the issuance date of these consolidated interim financial statements. While the Bank's Board of Directors believes that the pandemic is likely to have a partial negative impact on the Group's consolidated results of operations, the extent of the specific impact cannot be reliably estimated at the issuance date of these consolidated interim financial statements.

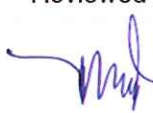
28 August 2020

Prepared by



Nguyen Thi Thao
Head of General Accountant

Reviewed by



Nguyen Thi My Lan
Chief Accountant

Approved by



Vo Thi Tuyet Nga
Deputy General Director