



Vietnam Joint Stock Commercial Bank for Industry and Trade

Interim consolidated financial statements

For the six-month period ended 30 June 2020

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Vietnam Joint Stock Commercial Bank for Industry and Trade

GENERAL INFORMATION

THE BANK

Vietnam Joint Stock Commercial Bank for Industry and Trade ("the Bank" or "VietinBank") is a joint stock commercial bank incorporated and registered in the Socialist Republic of Vietnam.

The Bank was established on the basis of equitizing Vietnam Bank for Industry and Trade, a State-owned commercial bank set up under the name of Vietnam Industrial and Commercial Bank in accordance with Decree No. 53/ND-HDBT dated 26 March 1988 of the Ministers' Council on the organization of the State Bank of Vietnam ("SBV"). The Bank was officially renamed Vietnam Bank for Industry and Trade in accordance with Decision No. 402/CT dated 14 November 1990 granted by the Chairman of Ministers' Council. Also, the Governor of the SBV signed Decision No. 285/QD-NH5 dated 21 September 1996 to re-establish the Bank under State corporation model. On 25 December 2008, Vietnam Bank for Industry and Trade successfully carried out its initial public offering.

The Bank was equitized and renamed Vietnam Joint Stock Commercial Bank for Industry and Trade on 3 July 2009 according to Establishment and Operating License No. 142/GP-NHNN dated 3 July 2009 issued by the State Bank of Vietnam and Business Registration No. 0103038874 dated 3 July 2009 issued by Hanoi Authority for Planning and Investment. The most recent 11th amendment of Business Registration No. 0100111948 issued by Hanoi Authority for Planning and Investment was dated 1 November 2018.

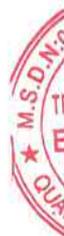
The Bank was established to provide banking services including mobilizing and receiving short, medium and long-term deposits from organizations or individuals; making short, medium and long-term loans and advances to organizations and individuals based on the nature and ability of the Bank's capital resources; conducting foreign exchange transactions, international trade finance services, discounting of commercial papers, bonds and other valuable papers, and providing other banking services as allowed by the State Bank of Vietnam.

Charter capital

As at 30 June 2020, the charter capital of the Bank is VND37,234,046 million (31 December 2019: VND37,234,046 million).

Location

The Bank's Head Office is located at 108 Tran Hung Dao Street, Hoan Kiem District, Hanoi, Vietnam. As at 30 June 2020, the Bank has one (1) Head Office; two (2) Local representative offices (in Da Nang and Ho Chi Minh City); nine (9) Administrative units include: one (1) School of Human Resource Development and Training; one (1) IT centre; one (1) Card centre; one (1) Trade finance centre; five (5) Cash management centres; one-hundred and fifty five (155) branches and seven (7) subsidiaries; foreign networks include: one (1) overseas representative office in Myanmar; two (2) branches in the Federal Republic of Germany, one (1) 100% owned bank in Lao People's Democratic Republic (Vietnam Joint Stock Commercial Bank for Industry and Trade in Laos).



Vietnam Joint Stock Commercial Bank for Industry and Trade

GENERAL INFORMATION (continued)

BOARD OF DIRECTORS

The members of the Board of Directors of the Bank during the period and at the date of the interim consolidated financial statements are as follows:

<i>Name</i>	<i>Position</i>
Mr. Le Duc Tho	Chairman (appointed for the term of 2019-2024 on 23 April 2019 according to Resolution 118/NQ-HĐQT-NHCT1.2 dated 23 April 2019)
Mr. Tran Minh Binh	Member (appointed to the Board of Directors for the term 2019-2024 on 23 April 2019 at Annual General Meeting of Shareholders 2019, 23 April 2019)
Ms. Tran Thu Huyen	Member (appointed to the Board of Directors for the term of 2019-2024 on 23 April 2019 at the Annual General Meeting of Shareholders 2019, 23 April 2019)
Mr. Nguyen The Huan	Member (appointed to the Board of Directors for the term of 2019-2024 on 23 April 2019 at the Annual General Meeting of Shareholders 2019, 23 April 2019)
Ms. Pham Thi Thanh Hoai	Member (appointed to the Board of Directors for the term of 2019-2024 on 23 April 2019 at the Annual General Meeting of Shareholders 2019, 23 April 2019)
Mr. Tran Van Tan	Member (appointed to the Board of Directors for the term of 2019-2024 on 23 April 2019 at the Annual General Meeting of Shareholders 2019, 23 April 2019)
Mr. Masahiko Oki	Member (appointed to the Board of Directors for the term of 2019-2024 on 23 May 2020 at the Annual General Meeting of Shareholders 2020, 23 May 2020)
Mr. Shiro Honjo	Member (appointed to the Board of Directors for the term of 2019-2024 on 23 May 2020 at the Annual General Meeting of Shareholders 2020, 23 May 2020)
Ms. Nguyen Thi Bac	Member (appointed to the Board of Directors for the term of 2019-2024 on 23 May 2020 at the Annual General Meeting of Shareholders 2020, 23 May 2020)
Mr. Hiroshi Yamaguchi	Member (resigned from 23 May 2020 at the Annual General Meeting of Shareholders 2020, 23 May 2020)
Mr. Hideaki Takase	Member (resigned from 23 May 2020 at the Annual General Meeting of Shareholders 2020, 23 May 2020)

MANAGEMENT AND CHIEF ACCOUNTANT

The members of the Management and Chief Accountant of the Bank during the period and at the date of the interim consolidated financial statements are as follows:

<i>Name</i>	<i>Position</i>
Mr. Tran Minh Binh	General Director
Ms. Nguyen Hong Van	Deputy General Director
Mr. Nguyen Hoang Dung	Deputy General Director
Mr. Nguyen Duc Thanh	Deputy General Director
Mr. Tran Cong Quynh Lan	Deputy General Director
Mr. Nguyen Dinh Vinh	Deputy General Director
Ms. Le Nhu Hoa	Deputy General Director
Mr. Masahiko Oki	Deputy General Director
Mr. Nguyen Hai Hung	Chief Accountant

Vietnam Joint Stock Commercial Bank for Industry and Trade

GENERAL INFORMATION (continued)

SUPERVISORY BOARD

The members of the Supervisory Board of the Bank during the period and at the date of the interim consolidated financial statements are as follows:

<i>Name</i>	<i>Position</i>
Ms. Le Anh Ha	Chief Supervisor (appointed to the Head of the Bank's Supervisory Board for the term of 2019-2024 according to Resolution No. 01/NQ-BKS-2019 dated 23 April 2019)
Ms. Nguyen Thi Anh Thu	Member (appointed to the Supervisory Board for the term of 2019-2024 on 23 April 2019 at the Annual General Meeting of Shareholders 2019, 23 April 2019)
Mr. Nguyen Manh Toan	Member (appointed to the Supervisory Board for the term 2019-2024 on 23 April 2019 at the Annual General Meeting of Shareholders 2019, 23 April 2019)

LEGAL REPRESENTATIVE

The legal representative of the Bank during the six-month period ended on 30 June 2020 and at the date of the interim consolidated financial statements is Mr. Le Duc Tho - the Chairman.

Ms. Nguyen Hong Van - Deputy General Director is authorized by Mr. Le Duc Tho to sign the accompanying interim consolidated financial statements for the six-month period ended 30 June 2020 in accordance with the Letter of Authorization No. 1151/UQ-HDQT-NHCT18 dated 18 December 2018.

AUDITORS

The auditor of the Bank is Ernst & Young Vietnam Limited.

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Vietnam Joint Stock Commercial Bank for Industry and Trade

REPORT OF MANAGEMENT

Management of Vietnam Joint Stock Commercial Bank for Industry and Trade ("the Bank") is pleased to present this report and the interim consolidated financial statements of the Bank and its subsidiaries as at 30 June 2020 and for the six-month period then ended.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the interim consolidated financial statements which give a true and fair view of the interim consolidated financial position of the Bank and its subsidiaries and of the interim consolidated results of their operations and their interim consolidated cash flows for the period. In preparing these interim consolidated financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim consolidated financial statements; and
- ▶ prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank and its subsidiaries will continue their business.

Management of the Bank is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Bank and its subsidiaries and to ensure that the accounting records comply with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and statutory requirements relevant to preparation and presentation of the financial statements. Management is also responsible for safeguarding the assets of the Bank and its subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying interim consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Bank and its subsidiaries as at 30 June 2020 and of the interim consolidated results of their operations and their interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and statutory requirements relevant to preparation and presentation of the interim consolidated financial statements.

For and on behalf of management



Mr. Tran Minh Binh
General Director

Hanoi, Vietnam

14 August 2020

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Reference: 60755043/21718233-BNHN

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**To: The Shareholders of
Vietnam Joint Stock Commercial Bank for Industry and Trade**

We have reviewed the accompanying interim consolidated financial statements of Vietnam Joint Stock Commercial Bank for Industry and Trade ("the Bank") and its subsidiaries as prepared on 14 August 2020 and set out on pages 7 to 62, which comprise the interim consolidated balance sheet as at 30 June 2020, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

Management of the Bank is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and statutory requirements relevant to preparation and presentation of the interim consolidated financial statements of the Bank and its subsidiaries, and for such internal control as management determines is necessary to enable the preparation and presentation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

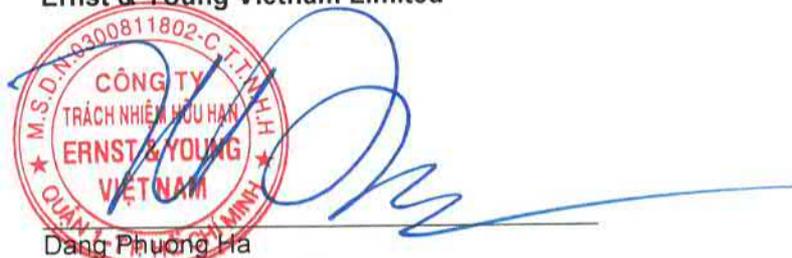
A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on 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.



Conclusion

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

Ernst & Young Vietnam Limited



M.S.D. No. 300811802-C.T.T.N.H.H.
CÔNG TY
TRÁCH NHIỆM HỮU HẠN
ERNST & YOUNG
VIỆT NAM
QUẬN TÂY HỒ, THÀNH PHỐ HÀ NỘI

Dang Phuong Ha
Deputy General Director
Audit Practising Registration
Certificate No. 2400-2018-004-1

Hanoi, Vietnam

14 August 2020

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INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2020

	<i>Notes</i>	<i>30 June 2020</i> <i>VND million</i>	<i>31 December 2019</i> <i>VND million</i>
ASSETS			
Cash, gold and gemstones		8,172,306	8,282,726
Balances with the State Bank of Vietnam		12,877,566	24,873,714
Placements with and loans to other credit institutions		130,011,162	129,388,518
Placements with other credit institutions		126,128,195	123,084,758
Loans to other credit institutions		3,882,967	6,303,760
Provision for credit losses on loans to other credit institutions		-	-
Securities held for trading	5	1,720,065	3,825,374
Securities held for trading		1,939,636	4,051,245
Provision for securities held for trading		(219,571)	(225,871)
Derivatives and other financial assets	6	461,071	469,712
Loans to customers		928,563,088	922,325,251
Loans to customers	7	941,487,524	935,270,945
Provision for credit losses on loans to customers	8	(12,924,436)	(12,945,694)
Investment securities	9	108,755,067	104,615,279
Available-for-sale securities	9.1	103,400,956	97,131,629
Held-to-maturity investments	9.2	9,259,865	15,367,993
Provision for investment securities		(3,905,754)	(7,884,343)
Long-term investments	10	3,122,888	3,282,709
Investment in a joint venture	10.1	2,915,450	3,018,057
Other long-term investments		240,662	264,652
Provision for long-term investments		(33,224)	-
Fixed assets		10,795,062	10,996,975
Tangible fixed assets		6,335,805	6,422,382
Cost		15,074,957	14,817,602
Accumulated depreciation		(8,739,152)	(8,395,220)
Intangible fixed assets		4,459,257	4,574,593
Cost		6,302,749	6,302,326
Accumulated amortization		(1,843,492)	(1,727,733)
Other assets	11	35,078,508	32,651,217
Receivables	11.1	24,132,303	22,349,498
Accrued interest and fee receivables		7,485,685	6,675,886
Other assets	11.2	3,493,274	3,636,910
In which: Goodwill	12	-	-
Provision for other assets		(32,754)	(11,077)
TOTAL ASSETS		1,239,556,783	1,240,711,475

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2020

	<i>Notes</i>	<i>30 June 2020</i> <i>VND million</i>	<i>31 December 2019</i> <i>VND million</i>
LIABILITIES			
Due to the Government and the State Bank of Vietnam	13	44,380,201	70,602,893
Deposits and borrowings from other credit institutions	14	113,721,935	109,483,059
Deposits from other credit institutions	14.1	96,725,027	82,538,040
Borrowings from other credit institutions	14.2	16,996,908	26,945,019
Customer deposits	15	913,319,796	892,785,228
Other borrowed and entrusted funds		5,703,857	5,775,899
Valuable papers issued	16	51,266,354	57,066,353
Other liabilities	17	30,145,199	27,643,225
Interest and fee payables		17,347,902	17,835,374
Other payables	17.1	12,381,590	9,322,163
Other provision		415,707	485,688
TOTAL LIABILITIES		1,158,537,342	1,163,356,657
OWNERS' EQUITY			
Capital		46,724,637	46,724,637
- <i>Charter capital</i>		37,234,046	37,234,046
- <i>Share premium</i>		8,974,683	8,974,683
- <i>Other capital</i>		515,908	515,908
Reserves		9,607,617	9,610,061
Foreign exchange differences		543,560	626,014
Undistributed profits		23,579,527	19,832,683
Non-controlling interests		564,100	561,423
TOTAL OWNERS' EQUITY	19	81,019,441	77,354,818
TOTAL LIABILITIES AND OWNERS' EQUITY		1,239,556,783	1,240,711,475

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2020

OFF-BALANCE SHEET ITEMS

	30 June 2020 VND million	31 December 2019 VND million
Credit guarantees	512,439	526,118
Foreign exchange commitments	355,471,953	190,185,460
- Foreign exchange commitments - buy	7,459,199	4,525,641
- Foreign exchange commitments - sell	7,674,383	4,741,892
- Currency swap contracts	340,338,371	180,917,927
Letters of credit	37,931,128	34,487,895
Other guarantees	47,435,201	51,550,780
Other commitments	35,641,810	20,798,816

Prepared by:



Mr. Ngo Xuan Hai
Head of Financial Accounting
Management Department

Reviewed by:



Mr. Nguyen Hai Hung
Chief Accountant

Approved by:



Ms. Nguyen Hong Van
Deputy General Director

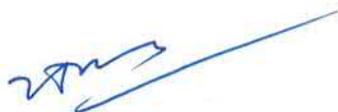
Hanoi, Vietnam

14 August 2020

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2020

	Notes	For the six-month period ended 30 June 2020 VND million	For the six-month period ended 30 June 2019 VND million
Interest and similar income	20	41,864,103	39,955,167
Interest and similar expenses	21	(25,647,766)	(23,778,326)
Net interest and similar income		16,216,337	16,176,841
Fee and commission income		3,872,421	3,641,624
Fee and commission expenses		(1,710,914)	(1,686,252)
Net fee and commission income		2,161,507	1,955,372
Net gain from trading in foreign currencies		1,036,637	787,195
Net gain from securities held for trading	22.1	389,069	135,989
Net gain/(loss) from investment securities	22.2	135,470	(242,819)
Other income		904,254	848,460
Other expenses		(433,781)	(503,435)
Net gain from other activities		470,473	345,025
Income from investments in other entities	23	249,951	414,807
TOTAL OPERATING EXPENSES	24	(6,599,278)	(6,857,058)
Net profit before provision for credit losses		14,060,166	12,715,352
Provision expense for credit losses		(6,600,161)	(7,380,448)
PROFIT BEFORE TAX		7,460,005	5,334,904
Current corporate income tax expense	18.1	(1,450,342)	(1,021,996)
Deferred tax expense		5,297	(5,548)
Corporate income tax expense		(1,445,045)	(1,027,544)
PROFIT AFTER TAX		6,014,960	4,307,360
Non-controlling interests		28,844	12,495
Owners' net profit		5,986,116	4,294,865
Basic earnings per share (VND/share)	19.3	1,608	1,153

Prepared by:



Mr. Ngo Xuan Hai
Head of Financial Accounting
Management Department

Reviewed by:



Mr. Nguyen Hai Hung
Chief Accountant

Approved by:



Ms. Nguyen Hong Van
Deputy General Director

Hanoi, Vietnam

14 August 2020

INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 30 June 2020

<i>Notes</i>	<i>For the six-month period ended 30 June 2020 VND million</i>	<i>For the six-month period ended 30 June 2019 VND million</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and similar receipts	40,859,734	39,844,902
Interest and similar payments	(26,146,736)	(23,838,947)
Net fee and commission receipts	2,293,016	2,021,351
Net receipts from dealing in foreign currencies, gold and securities trading activities	1,993,352	1,707,764
Other income/(expenses)	47,485	(60,619)
Recoveries from bad debts written-off previously	590,719	474,214
Payments for operating and salary expenses	(6,528,417)	(6,526,943)
Corporate income tax paid during the period	18.1 (644,853)	(466,220)
Net cash flows from operating profit before changes in operating assets and liabilities	12,464,300	13,155,502
<i>Changes in operating assets</i>	(13,141,897)	(28,087,221)
Decrease in deposits at and loans to other credit institutions	2,887,024	62,640
Decrease in trading securities	3,987,220	253,030
Decrease in derivatives and other financial assets	8,641	6,152
Increase in loans to customers	(2,228,269)	(16,561,873)
Utilization of provision to write off loans to customers, securities, long-term investments and other receivables	(9,873,819)	(4,047,293)
Increase in other assets	(7,922,694)	(7,799,877)
<i>Changes in operating liabilities</i>	(7,397,249)	12,805,632
(Decrease)/increase in due to the Government and the SBV	(26,222,692)	8,882,209
Increase/(decrease) in deposits and borrowings from other credit institutions	4,238,876	(15,013,444)
Increase in customers deposits	20,534,568	21,043,864
(Decrease)/increase in valuable papers issued (except for valuable papers issued for financing activities)	(5,799,999)	13,300,004
Decrease in other borrowed and entrusted funds	(72,042)	(32,153)
Decrease in other liabilities	(75,960)	(15,374,848)
Net cash flows used in operating activities	(8,074,846)	(2,126,087)

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2020

<i>Notes</i>	<i>For the six-month period ended 30 June 2020 VND million</i>	<i>For the six-month period ended 30 June 2019 VND million</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(368,075)	(87,063)
Proceeds from disposal of fixed assets	11,873	238,158
Payments for disposal of fixed assets	(7,208)	(219,254)
Proceeds from investments in other entities	23,990	304,905
Dividends and profits received from long-term investments and capital contribution	24,698	328,207
Net cash flows (used in)/from investing activities	(314,722)	564,953
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase capital from capital contribution and/or share issuance	-	593,300
Dividend payment to shareholders	(19,527)	(211)
Net cash flows (used in)/from financing activities	(19,527)	593,089
Net cash flows for the period	(8,409,095)	(968,045)
Cash and cash equivalents at the beginning of the period	155,046,744	155,544,719
Impact of exchange rate fluctuation	(187,805)	327,666
Cash and cash equivalents at the end of the period	146,449,844	154,904,340
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Prepared by:


Mr. Ngo Xuan Hai
Head of Financial Accounting
Management Department

Reviewed by:


Mr. Nguyen Hai Hung
Chief Accountant

Approved by:

Ms. Nguyen Hong Van
Deputy General Director

Hanoi, Vietnam

14 August 2020

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2020 and for the six-month period then ended**1. GENERAL INFORMATION**

Vietnam Joint Stock Commercial Bank for Industry and Trade ("the Bank" or "VietinBank") is a joint stock commercial bank incorporated and registered in the Socialist Republic of Vietnam.

The Bank was established on the basis of equitizing Vietnam Bank for Industry and Trade, a State-owned commercial bank set up under the name of Vietnam Industrial and Commercial Bank in accordance with Decree No. 53/ND-HDBT dated 26 March 1988 of the Ministers' Council on the organization of the State Bank of Vietnam ("SBV"). The Bank was officially renamed Vietnam Bank for Industry and Trade in accordance with Decision No. 402/CT dated 14 November 1990 granted by the Chairman of Ministers' Council. Also, the Governor of the SBV signed Decision No. 285/QD-NH5 dated 21 September 1996 to re-establish the Bank under State corporation model. On 25 December 2008, Vietnam Bank for Industry and Trade successfully carried out its initial public offering.

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Location

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Employees

The Bank has 23,813 employees as at 30 June 2020 (31 December 2019: 24,105 employees).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

1. GENERAL INFORMATION (continued)

Subsidiaries

As at 30 June 2020, the Bank has seven (7) directly owned subsidiary companies and one (1) subsidiary bank as follows:

<i>Subsidiaries</i>	<i>Operating Licence</i>	<i>Nature of Business</i>	<i>Ownership</i>
VietinBank Leasing Company Limited	Business Registration No. 0101047075 dated 31 August 2009 granted by Hanoi Authority for Planning and Investment	Financial leasing	100%
VietinBank Securities Joint Stock Company	Establishment and Operating License No. 107/UBCK - GP dated 1 July 2009 granted by State Securities Commission	Security market	75.6%
VietinBank Debt Management and Asset Exploitation Company Limited	Business Registration No. 0302077030/GP dated 20 July 2010 granted by Department of Planning and Investment of Ho Chi Minh City	Asset management	100%
VietinBank Insurance Joint Stock Corporation	Establishment and Operating License No. 21/GP-KDBH dated 12 December 2002 granted by the Ministry of Finance and Amended License No. 21/GPDC23/KDBH dated 2 November 2018 granted by the Ministry of Finance	Non-life insurance	73.4%
VietinBank Gold & Jewellery Trading Company Limited	Business Registration No. 0105011873/GP dated 25 November 2010 granted by Hanoi Authority for Planning and Investment	Gold, gold manipulation	100%
VietinBank Fund Management Company Limited	Establishment and Operating License No. 50/UBCK-GP dated 26 October 2010 granted by State Security Commission and No. 05/GPDC-UBCK dated 23 March 2011	Fund management	100%
VietinBank Global Money Transfer Company Limited	Business Registration No. 0105757686 dated 3 January 2012 granted by Hanoi Authority for Planning and Investment	Monetary transfer intermediary	100%
VietinBank Lao Limited	Business Registration No. 068/NHCHDCNDL dated 8 July 2015 granted by Lao DPR Central Bank	Finance and Banking	100%

(*) On 22 June 2020, the Board of Directors of the Bank issued Resolution No. 231/NQ-HDQT-NHCT2.1 regarding (i) approving the transfer of 49% charter capital of Vietinbank Leasing Company Limited (Vietinbank Leasing) owned by the Bank to foreign investors - Mitsubishi UFJ Lease & Finance and transfer 1% of charter capital of VietinBank Leasing owned by the Bank to 01 domestic investor; (ii) approve the transformation of legal form of VietinBank Leasing from a single-member limited liability company credit institution to a multi-member limited liability company credit institution upon completion of charter capital transferring. As at 30 June 2020, the Bank is in the process of applying for the approval from the relevant authority for the legal transformation of VietinBank Leasing.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

2.1 Accounting period

The Bank's fiscal year starts on 1 January and ends on 31 December.

The Bank's interim period starts on 1 January and ends on 30 June each year.

2.2 Accounting currency

Currency used in preparation of financial statements of the Bank is Vietnam dong ("VND"). For the purpose of preparing interim consolidated financial statements as at 30 June 2020, all amounts are rounded to the nearest million and presented in VND million. The presentation makes no impact on readers' view of interim consolidated financial position, interim consolidated income statement and interim consolidated cash flows.

3. APPLIED ACCOUNTING STANDARDS AND SYSTEM

3.1 Statement of compliance

The Management of the Bank confirms that the accompanying interim consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and statutory requirements relevant to preparation and presentation of the interim consolidated financial statements.

3.2 Accounting standards and system

The interim consolidated financial statements of the Bank and its subsidiaries are prepared in accordance with the Accounting System applicable to credit Institutions required under Decision No. 479/2004/QD-NHNN issued on 29 April 2004 and Circular No. 10/2014/TT-NHNN dated 20 March 2014 and Circular 22/2017/TT-NHNN issued on 29 December 2017 amending and supplementing Decision No. 479/2004/QD-NHNN; Decision No. 16/2007/QD-NHNN dated 18 April 2007, Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of Decision No. 16/2007/QD-NHNN and the chart of account system for Credit Institutions issued in connection with Decision No. 479/2004/QD-NHNN by the Governor of the State Bank of Vietnam and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series No.1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series No.2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series No.3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series No. 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series No.5).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. APPLIED ACCOUNTING STANDARDS AND SYSTEM (continued)

3.2 *Accounting standards and system* (continued)

The accompanying interim consolidated financial statements have been prepared using accounting principles, procedures and reporting practices generally accepted in Vietnam. Accordingly, the accompanying interim consolidated financial statements and their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim consolidated financial position and results of interim consolidated operations and interim consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

Items or balances required by Decision No. 16/2007/QD-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV regarding the financial reporting mechanism for credit institutions that are not shown in these interim consolidated financial statements indicate nil balance.

3.3 *Assumptions and uses of estimates*

The preparation of the interim consolidated financial statements requires the Management of the Bank to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income, expenses and the resultant provisions. The actual results may differ from such estimates and assumptions.

3.4 *Basis of consolidation*

The interim consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the six-month period ended 30 June 2020.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control.

The interim financial statements of the Bank and its subsidiaries are prepared for the same reporting period, using consistent accounting policies.

All intra-company balances, income and expenses and unrealized gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling's share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 *Changes in accounting policies and disclosures*

The accounting policies adopted by the Bank in preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Bank's consolidated financial statements for the year ended 31 December 2019 and the interim consolidated financial statement for the six-month period ended 30 June 2019.

4.2 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, balance with the SBV, demand deposits and placements with other credit institutions with an original maturity of three months or less from the transaction date, Government treasury bills and other short-term valuable papers eligible for rediscount with the SBV, securities with recovery or maturity of three months or less from date of purchase which are convertible into a known amount of cash and do not bear liquidity risk as at the reporting date.

4.3 *Placements with and loans to other credit institutions*

Placements with and loans to other credit institutions are presented at the principal amounts outstanding at the end of the period.

Placements with and loans to other credit institutions are classified and provided for allowance in accordance with Circular No. 02/2013/TT-NHNN dated 21 January 2013 ("Circular 02") regulating classification of assets, levels and method of setting up of risk provisions, and use of provisions against credit risks in the banking activity of credit institutions, foreign banks' branches and Circular No. 09/2014/TT-NHNN dated 18 March 2014 ("Circular 09") amending, supplementing a number of Articles of the Circular 02.

Accordingly, the Bank makes a specific provision for placements with (except for current accounts) and loans to other credit institutions according to the method as described in *Note 4.5*.

According to Circular 02, the Bank is not required to make a general provision for placements with and loans to other credit institutions.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 *Loans to customers*

Loans to customers are presented at the principal amounts outstanding at the end of the period.

Provision for credit losses on loans to customers is accounted and presented in a separate line in the interim consolidated balance sheet.

Short-term loans have maturity of less than one year from disbursement date. Medium-term loans have maturity from one to under five years from disbursement date. Long-term loans have maturity from five years from disbursement date.

Loan classification and provision for credit losses are made according to Circular 02 and Circular 09 as presented in *Note 4.5*.

4.5 ***Loan classification and provision for credit losses applied to placements with and loans to other credit institutions, unlisted corporate bonds purchased and trusted for purchase by the Bank, loans to customers granted and trusted for grant by the Bank and other credit risk bearing assets***

Loan classification

The classification of placements with and loans to other credit institutions, direct and entrusted investments in unlisted corporate bonds, loans to customers and entrustments for credit granting (collectively called "debts") is made using both the quantitative and qualitative methods as regulated under Article 10 and Article 11 of Circular 02. In case the classification results under Articles 10 and 11 are not the same, the debts must be classified into the higher risk group.

Since 1 January 2015, credit institutions, foreign bank branches have been required to use the updated information from Credit Information Centre ("CIC") about the loan group of customers at the time of loan classification to adjust the classification group of loans and off-balance sheet items. Accordingly, debts are classified based on risk level as follows: *Current, Special Mention, Sub-standard, Doubtful* and *Loss*. Loans which are classified as *Sub-standard, Doubtful* and *Loss* are non-performing loan.

The Bank also applies the regulations under Circular No. 01/2020/TT-NHNN ("Circular 01") dated 13 March 2020 by the State Bank of Vietnam on loan restructuring, exemption or reduction of interest and fees and retention of loan classification group to assist the borrowers affected by Covid 19 pandemic. Accordingly, the Bank has restructured the loans qualified under Circular 01 and retained their classification groups as before 23 January 2020.

Specific provision

Specific provision as at 30 June 2020 is made based on the principal balance less discounted value of collateral multiplied by provision rates which are determined based on the loan classification results as at 30 June 2020.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *Loan classification and provision for credit losses applied to placements with and loans to other credit institutions, unlisted corporate bonds purchased and trusted for purchase by the Bank, loans to customers granted and trusted for grant by the Bank and other credit risk bearing assets* (continued)

Specific provision (continued)

The specific provision rates for each group are presented as follows:

Group		Loan classification using the quantitative method	Loan classification using the qualitative method	Provision rate
1	Current	(a) Standard debts are assessed as fully and timely recoverable for both principals and interests; or (b) Debts are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.	Debts are assessed as fully and timely recoverable for both principals and interests.	0%
2	Special Mention	(a) Debts are overdue for a period between 10 days and 90 days; or (b) Debts which the repayment terms are restructured for the first time.	Debts are assessed as fully recoverable for both principals and interests but there is a sign that customers decline ability to pay for the debt.	5%
3	Sub-standard	(a) Debts are overdue for a period between 91 days and 180 days; or (b) Debts which the repayment terms are extended for the first time; or (c) Debts which interests are exempted or reduced because customers do not have sufficient capability to repay all interests under credit contracts; or (d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: - Debts made in compliance with Clause 1, 3, 4, 5, 6 under Article 126 of Law on Credit Institutions; or - Debts made in compliance with Clause 1, 2, 3, 4 under Article 127 of Law on Credit Institutions; or - Debts made in compliance with Clauses 1, 2, 5 under Article 128 of Law on Credit Institutions. (e) Debts are required to be recovered according to regulatory inspection conclusions.	Debts are assessed as not fully recoverable for both principals and interests when due, have possibility to make losses.	20%

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *Loan classification and provision for credit losses applied to placements with and loans to other credit institutions, unlisted corporate bonds purchased and trusted for purchase by the Bank, loans to customers granted and trusted for grant by the Bank and other credit risk bearing assets* (continued)

Specific provision (continued)

Group		Loan classification using the quantitative method	Loan classification using the qualitative method	Provision rate
4	Doubtful	(a) Debts are overdue for a period of between 181 days and 360 days; or (b) Debts which the repayment terms are restructured for the first time but still overdue for a period of less than 90 days under that restructured repayment term; or (c) Debts which the repayment terms are restructured for the second time; or (d) Debts are specified in point (d) of Loan group 3 and overdue for a period of between 30 days and 60 days after decisions of recovery have been issued; or (e) Debts are required to be recovered according to regulatory inspection conclusions but still outstanding with an overdue period up to 60 days since the recovery date as required by regulatory inspection conclusions.	Debts are assessed as having ability to make high losses.	50%
5	Loss	(a) Debts are overdue for a period of more than 360 days; or (b) Debts which the repayment terms are restructured for the first time but still overdue for a period of 90 days or more under that first restructured repayment term; or (c) Debts which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Debts which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or (e) Debts are specified in point (d) of Loan group 3 and overdue for a period of more than 60 days after decisions on recovery have been issued; or (f) Debts are required to be recovered under regulatory inspection conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or (g) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches which capital and assets are blocked.	Debts are assessed as not recoverable, capital loss.	100%

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 ***Loan classification and provision for credit losses applied to placements with and loans to other credit institutions, unlisted corporate bonds purchased and trusted for purchase by the Bank, loans to customers granted and trusted for grant by the Bank and other credit risk bearing assets*** (continued)

Specific provision (continued)

Where a customer has more than one debt with the Bank and any of the outstanding debts is classified into a higher risk group, the Bank has to classify the entire remaining debts of that customer into the corresponding higher risk group.

When the Bank participates in a syndicated loan as a participant, it classifies loans (including syndicated loans) of the customer into the higher of the risk group assessed by the leading bank and by the Bank.

For loans in agricultural and rural areas, the Bank is allowed to restructure debt and remain the debt group in accordance with Circular No. 10/2015/TT-NHNN dated 22 July 2015 guiding the implementation of a number of contents of Decree No. 55/2015/ND-CP dated 9 June 2015 issued by the Government on credit policies supporting agricultural and rural development.

The basis for determination of the value and discounted value for each type of collateral is specified in Circular 02 and Circular 09 amending and supplementing a number of articles of Circular 02.

General provision

General provision as at 30 June 2020 is made at 0.75% of total outstanding loans excluding placements with and loans to other credit institutions and loans classified as loss group as at 30 June 2020.

Write-off bad debts

Provisions are recognized as an expense on the interim consolidated income statement and used to write-off bad debt. According to Circular 02, the Bank establishes a Risk Management Committee to deal with bad debts if they are classified in Group 5 or if the borrower is a dissolved, bankrupt organization or individual who is dead or missing.

4.6 ***Securities held for trading***

Securities held for trading include debt securities, equity securities and other securities acquired and held for the purpose of reselling within one year to gain profit on price variances.

Securities held for trading are initially recognized at the cost of acquisition and subsequently measured at the lower of the book value and the market value. Gains or losses from sales of trading securities are recognized in the interim consolidated income statement.

Interest and dividends derived from securities held for trading are recognized on a cash basis in the interim consolidated income statement upon actual receipt.

Provision for impairment of securities held for trading is recorded when their book value is higher than their market value as stipulated in Circular No. 48/2019/TT-BTC ("Circular 48") dated 8 August 2019 issued by the Ministry of Finance. Provision for impairment is recognized in the interim consolidated income statement as "*Net gain from securities held for trading*".

Provision for credit losses of corporate bonds, which are not listed on the stock market or not registered on the unlisted public companies market, is made in accordance with Circular 02 and Circular 09 as described in *Note 4.5*.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 *Investment securities*

Investment securities are classified into two categories: available-for-sale and held-to-maturity investment securities. The Bank classifies investment securities on their purchase dates. In accordance with Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 issued by the SBV, the Bank is allowed to reclassify investment securities no more than one time after the purchase date.

4.7.1 *Available-for-sale securities*

Available-for-sale securities include debt and equity securities that are acquired by the Bank for the investment and available-for-sale purposes, not regularly traded but can be sold when there is a benefit. For equity securities, the Bank is also neither the founder shareholder nor the strategic partner and does not have the ability to make certain influence in establishing and making the financial and operating policies of the investees through a written agreement on assignment of its personnel to the Board of Directors/Management.

Available-for-sale equity securities are initially recognized at cost at the purchase date and continuously presented at cost in subsequent periods.

Available-for-sale debt securities are recognized at par value at the purchase date. Accrued interest (for debt securities with interest payment in arrears) and deferred interest (for debt securities with interest payment in advance) is recognized in a separate account. Discount/premium, which is the difference between the cost and the amount being the par value plus (+) accrued interest (if any) or minus (-) deferred interest (if any) is also recognized in a separate account.

In subsequent periods, these securities are continuously recorded at par value, and the discount/premium (if any) is amortized to the interim consolidated income statement on a straight-line basis over the remaining term of securities. The interest received in arrears is recorded as follows: Cumulative interest incurred before the purchasing date is recorded as a decrease in the accrued interest; cumulative interest incurred after the purchasing date is recognized as income based on the accumulated method. The interest received in advance is amortized into the securities investment interest income on a straight-line basis over the term of securities investment.

Available-for-sale securities are subject to impairment review on a periodical basis.

Provision for diminution in value of securities is made when the carrying value is higher than the market value in compliance with Circular 48. In case market prices of securities are not available or cannot be determined reliably, no provision is required. Provision is recognized in the "*Net gain/(loss) from investment securities*" account of the interim consolidated income statement.

Provision for credit losses of corporate bonds which are not listed on the stock market or not registered on the unlisted public company market is made in accordance with Circular 02 as described in *Note 4.5*.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 *Investment securities* (continued)

4.7.2 *Held-to-maturity investment securities*

Held-to-maturity investment securities include special bonds issued by Vietnam Asset Management Company ("VAMC") and other held-to-maturity securities.

Special bonds issued by VAMC

Special bonds issued by VAMC are fixed-term valuable papers used to purchase bad debts of the Bank. These special bonds are initially recognized at face value at the date of transaction and subsequently carried at the face value during the holding period. Face value of the bonds equals the outstanding balance of the sold debts less their unused specific allowance.

During the holding period, the Bank annually calculates and makes allowance in accordance with Circular No. 14/2015/TT-NHNN dated 28 August 2015 issued by the SBV amending and supplementing some articles of Circular No. 19/2013/TT-NHNN stipulating purchase, sale and bad debt written-off of VAMC.

In accordance with Circular No. 14/2015/TT-NHNN, each year within 5 consecutive working days prior to the maturity date of special bonds, the Bank is obliged to fully make specific provision for each special bond using the below formula:

$$X_{(m)} = \frac{Y}{n} \times m - (Z_m + X_{m-1})$$

In which:

- $X_{(m)}$: minimum provision for special bonds in the m^{th} year;
- X_{m-1} : accumulated specific provision for special bonds in the $m-1^{\text{th}}$ year;
- Y : face value of special bonds;
- n : term of special bonds (years);
- m : number of years from the bond issuance date to the provision date;
- Z_m : accumulated bad debt recoveries at the provision date (m^{th} year). Credit institutions should co-operate with VAMC to determine the recovery of the bad debts.

If $(Z_m + X_{m-1}) \geq (Y/n \times m)$, the specific provision ($X_{(m)}$) will be zero (0).

Specific provision for special bonds is recognized in the interim consolidated income statement in "Provision expense for credit losses". General provision is not required for the special bonds.

On settlement date of special bonds, recovery from the debts is recognized into "Other income".

Other held-to-maturity securities

Held-to-maturity securities are debt securities purchased by the Bank for the investment purpose of earning interest and the Bank has the capability and intention to hold these investments until maturity. Held-to-maturity securities have the determined value and maturity date. In case the securities are sold before the maturity date, the remaining portfolio of these securities will be reclassified to securities held for trading or available-for-sale securities.

Held-to-maturity securities are recorded and measured identical to debt securities available-for-sale and presented at Note 4.7.1.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 *Investments in joint ventures*

Investments in joint ventures whereby the Bank is subject to joint control are initially stated at cost.

Distributions from net accumulated profit of joint ventures after the date on which control is transferred to the Bank is recognized in the interim consolidated income statement. Other distributions are considered as recoveries of investments and deducted from the investment value.

4.9 *Other long-term investments*

Other long-term investments represent capital investments in other enterprises where the Bank owns less than 11% of voting rights and is either a founding shareholder or a strategic partner; or has influences on the enterprise' planning and determining of financial and operating policies under agreements to appoint personnel to the members' council/board of directors/board of management but the Bank does not have control or significant influence over the investees.

Other long-term investments include equity securities and other long-term capital contributions which are intended to hold for more than one year (except for capital contributions and investments into joint-ventures, associates and subsidiaries).

Other long-term investments are initially recognised at cost less allowance for diminution in value of the investments.

The allowance for diminution in the value of long-term investments is made if the economic entity in which the Bank invests in at the balance sheet date has impaired value in accordance with Circular No. 48/2019/TT-BTC dated 8 August 2019 ("Circular 48") issued by the Ministry of Finance. Accordingly, the allowance amount is the difference between the parties' actual capital contributions to the economic entity and the actual owners' equity multiplied (x) by the ratio of capital invested by the Bank to the total actual capital of the economic entity at the end of the annual accounting period. For an investment in listed shares or shares which market price can be determined reliably, allowance is made based on the shares' market price.

4.10 *Re-purchase and re-sale contracts*

Securities sold under agreements to repurchase at a specific date in the future (repos) are still recognized in the interim consolidated financial statements. The corresponding cash received from these agreements is recognized in the interim consolidated balance sheet as a liability and the difference between the sale price and repurchase price is amortized in the interim consolidated income statement over the term of the agreement using the straight-line method based on the interest rate stipulated in the contract.

Securities purchased under agreements to resell at a specific date in the future are not recognized in the interim consolidated financial statements. The corresponding cash paid under these agreements is recognized as a loan in the interim consolidated balance sheet and the difference between the purchase price and resale price is amortized in the interim consolidated income statement over the term of the agreement using the straight-line method based on the interest rate stipulated in the contract.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Fixed assets

Fixed assets are stated at cost less accumulated depreciation or amortization.

The cost of a fixed asset comprises its purchase price plus any directly attributable costs of bringing the asset to working condition for its intended use.

Cost related to additions, improvements and renewals are capitalized while expenditures for maintenance and repairs are charged to the interim consolidated income statement.

When assets are sold or liquidated, their cost and accumulated depreciation are deducted from the interim consolidated balance sheet item and any gains or losses resulting from their disposal are recorded to the interim consolidated income statement.

4.12 Depreciation and amortization

Depreciation and amortization of fixed assets is calculated on a straight-line basis over the estimated useful lives of these assets as follows:

Buildings and construction	05 - 40 years
Machine and equipment	03 - 07 years
Transportation vehicles	06 - 07 years
Other tangible fixed assets	04 - 25 years
Land use rights (*)	Upon lease term
Computer software	03 - 08 years

(*) Indefinite land use rights are not depreciated. Definite land use rights are depreciated over the lease or usage term.

4.13 Receivables

4.13.1 Receivables classified as credit bearing assets

Receivables classified as credit bearing assets are recognized at cost. Doubtful receivables are classified and provided for allowance by the Bank in accordance with the regulations on recognition and use of provision to write off the credit risk as presented in Note 4.5.

4.13.2 Other receivables

Receivables other than receivables from credit activities of the Bank are initially recorded at cost and always carried at cost subsequently.

Provision for receivables is determined based on the overdue status of debts or expected loss of current debts in case the debts are not due for payment yet, however, the corporate debtors have bankruptcy or are in the process of dissolution, or of individual debtors who are missing, escaped, deceased, prosecuted, on trial or under execution of criminal judgement by legal authority. Provision expense incurred is recorded in "Total operating expenses" of the interim consolidated income statement.

Provision for overdue debts is made in accordance with Circular 48/2019/TT-BTC as follows:

<u>Overdue status</u>	<u>Allowance rate</u>
From over six months up to one year	30%
From one to under two years	50%
From two to under three years	70%
From three years and above	100%

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 *Prepaid expenses and deferred expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim consolidated balance sheet and amortized over the period for which the amount is paid or the period in which economic benefit is generated in relation to these expenses.

4.15 *Leasing*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under leases are charged to "Other expenses" in the interim consolidated income statement on a straight-line basis over the term of the relevant lease.

The Bank as lessor

Amounts due from lessees under finance leases are recorded as loan to customer in the interim consolidated balance sheet at the amount of the Bank's net investment in the leases. Financial leases are recorded as principal of loan to customer and income from these are recognized as "Interest and similar income". Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

Operating lease assets are recorded on the interim consolidated balance sheet. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease and independent on payment method. Initial direct costs incurred for obtaining income from the operating lease are recognized as expenses in the period.

The Bank as lessee

Rentals payable under operating leases are charged to the interim consolidated income statement on a straight-line basis over the term of the relevant lease.

4.16 *Recognition of income and expense*

4.16.1 *Interest income and expenses*

Interest income and expenses are recognized in the interim income statement on an accrual basis using the nominal interest rates. The recognition of accrued interest income of a loan is suspended when such debt is classified in groups 2 to 5 in compliance with Circular 02 or restructured under Circular 01 and loans classified as current loans due to the implementation of state policies. Suspended interest income is reversed and monitored off-balance sheet and recognized in the interim income statement upon actual receipt.

Fees and commissions are recognized on an accrual basis. Fee from guarantee, letter of credit, investment activities (bonds, etc.) are recognized on an accrual/amortization basis.

4.16.2 *Income from securities trading*

Income from securities trading is recognized based on differences between selling price and cost of securities sold.

4.16.3 *Dividends*

Dividends received in cash from investment activities are recognized in the interim consolidated income statement when the Bank's rights to receive payment are established.

Dividends which are received in the form of shares, bonus shares and the right to buy shares for current shareholders, the share from undistributed profits is not recognized as an increase in investment value and is not recorded as an income of the Bank but updates the number of shares.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Recognition of income and expense (continued)

4.16.4 Income from non-life insurance activities

Gross written premiums are recognized in accordance with Circular No. 50/2017/TT-BTC dated 1 July 2017 ("Circular 50") on financial regime applicable to insurers, reinsurers, insurance brokers and foreign non-life insurance branches.

Specifically, gross written premiums are recognized as revenue at the point of time when the following conditions are met: (i) the insurance contract has been entered into by the insurer and the insured; and (ii) there is evidence of a contract being signed and the premium paid by the insured or (iii) when the insurance contract has been entered into, the non-life insurers, foreign branches have agreements with insurance buyers on premium payment period (including extension period). The premium payment period must be specified in the insurance contract. In accordance with Circular No. 50, premium payment period shall not exceed 30 days from policy inception date. For instalment contracts, Vietinbank Insurance is required to record revenue from insurance premium of the first instalment as of the insurance contract's effective date and record revenue from premium of the following instalments only when the policy holder makes full premium payment under the agreement of the contract. If policy holder cannot make full premium payment as agreed in the contracts, insurance contract shall be automatically terminated after contractual premium payment date.

Prepaid premium before due date as at the end of the six-month period is recorded as "Revenue pending for allocation" in the interim consolidated balance sheet.

Premium return and premium reduction are considered as revenue deduction and must be booked separately. At the end of period, these amounts are net-off to gross written premium to calculate net written premium.

4.16.5 Income from other services

When the result of the contract is definitely determined, income is recognized based on the completion of work or service. If the result of the contract is not determined, income is only recognized to the extent of recoverable amount of expenses incurred.

4.16.6 Recognition of receivables from accrued income not yet collected

According to Circular No. 16/2018/TT-BTC dated 7 February 2018 issued by the Ministry of Finance, receivables from accrued income but not yet collected at the due date are recorded as reduction in revenue if the income has been accrued in the same accounting period or recorded as expense if the income has been accrued in different accounting periods and monitored in off-balance sheet. Upon actual receipt of these receivables, the Bank recognizes in the interim consolidated income statement.

4.16.7 Claim settlement expenses of non-life insurance activities

Claim expense is recognized at the point of time when the claim documents are completed and approved by authorized persons. Any claim that is not yet approved by authorized persons is considered as an outstanding claim and included in claim reserve.

4.16.8 Commission expenses for non-life insurance activities

Commission is calculated at percentage of direct premiums for specific line of insurance as stipulated in Circular 50. Commission expense is allocated and recognized in the income statement for direct premiums earned during the period.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 *Deposits from other credit institutions and customers, valuable paper issued, other borrowed and entrusted fund and loans to other credit institutions*

Deposits from other credit institutions and customers, valuable paper issued, other borrowed and entrusted fund and loans to other credit institutions are disclosed at the principal amounts outstanding at the date of interim consolidated financial statements. At initial recognition, issuance costs are deducted from the cost of the valuable papers. These costs are allocated on a straight line method during the lifetime of the valuable papers to "Interest and similar expenses".

4.18 *Foreign currency transactions*

All transactions are recorded in original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using exchange rates ruling at the interim consolidated balance sheet date (*Note 33*). Income and expenses arising in foreign currencies during the period are converted into VND at rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities are recognized and monitored in the "Foreign exchange differences" under "Owners' equity" in the interim consolidated balance sheet and will be transferred to the interim consolidated income statement.

4.19 *Payables and accruals*

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Bank.

4.20 *Technical reserves for insurance*

The technical reserves calculated based on Official Letter No. 2821/BTC-QLBH, which was approved by Ministry of Finance on 13 March 2018, include (a) technical reserves for non-life insurance and (b) technical reserve of health insurance. The reserve appropriation methodologies are based on Circular 50.

Details of such reserving methodologies are as follows:

a) Technical reserves for non-life insurance

(i) *Unearned premium reserve*

Unearned premium reserve is calculated as a percentage of total premium or in accordance with a coefficient of the insurance contracts' terms, as such:

- ▶ For insurance policies with a term of less than 1 year: for line of cargo insurance delivered by road, water, inland water, railway and airway, unearned premium reserve is made at 25% of the total insurance premium. For other insurance lines, unearned premium reserve is calculated at 50% of the total insurance premium.
- ▶ For insurance policies with a term of more than 1 year, unearned premium reserve is calculated based on the 1/8 method. This method assumes that premiums for all insurance contracts issued in a quarter equally spread along the quarter. In other words, all insurance contracts of a particular quarter are assumed to be effective at that mid-quarter. Unearned premium reserve is calculated based on the following formula:

$$\text{Unearned premium reserve} = \text{Premiums} \times \text{Unearned premium rate}$$

- ▶ Gross and assumed unearned premium reserve is presented as liabilities. Unearned premium reserve of outward reinsurance is presented as reinsurance asset.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Technical reserves for insurance (continued)

a) Technical reserves for non-life insurance (continued)

(ii) Claim reserve

Claim reserve includes the reserve for outstanding claims and for claims incurred but not reported.

- ▶ Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year after deducting the amount recoverable from reinsurers; and
- ▶ Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established for each insurance operation as per formula below:

$$\begin{array}{l}
 \text{Reserve for payment of losses which have incurred but not yet reported for the current fiscal year} \\
 = \frac{\text{Total indemnity for claims incurred but not reported at the end of the last three years}}{\text{Total indemnity for losses arising in the last three years}} \times \frac{\text{Indemnity for losses arising in the current fiscal year}}{\text{Net operating revenue of current fiscal year}} \times \frac{\text{Average delay in claim intimation of current fiscal year}}{\text{Average delay in claim intimation of previous fiscal year}}
 \end{array}$$

In which:

- The compensation amount arising from a fiscal year includes the compensation amount actually paid in the year plus increase/decrease of the provision for losses incurred under the insurance liability but still unresolved in financial year-end.
- The average time of delaying the claim for compensation is the average time since the loss occurs until the non-life insurance enterprise, foreign branch, reinsurance enterprise receives the notice of loss or a claim form for compensation (in days)
- ▶ Gross and assumed reinsurance claim reserve is presented as liabilities; claim reserve of outward reinsurance is presented as reinsurance asset.

(iii) Catastrophe reserve

- ▶ Catastrophe reserve is accrued annually until such reserve reaches 100% of the retained premiums of the current fiscal year and is made based on retained premiums according to Circular 50.
- ▶ Catastrophe reserve is presented as liabilities.

On 28 December 2005, the Ministry of Finance issued Decision No. 100/2005/QĐ-BTC governing the publication of four new accounting standards, one of which is Vietnamese Accounting Standard ("VAS") 19 – Insurance Contract. Following the issuance of this Standard, starting from January 2006, the provision of catastrophe reserve is no longer required since it represents "possible claims under contracts that are not in existence at the reporting date". However, since the Ministry of Finance has not issued detailed guidance for the implementation of VAS 19 and in accordance with the provision set out in Decree 73/2016/ND-CP issued by the Government of Vietnam on 1 July 2016 ("Decree No. 73") on the details of the implementation of the Law on Insurance Business and amendments to certain articles of the Law on Insurance Business, the Corporation has elected to adopt the policy of providing for the catastrophe reserve at 1% of total retained premiums for the six-month period ended 30 June 2020.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Technical reserves for insurance (continued)

b) Technical reserve for health insurance

(i) Mathematical reserve

- ▶ Regarding health insurance policies with a term of more than 1 year, mathematical reserve is calculated based on the 1/8 method.
- ▶ Regarding health insurance policies provided by a non-life insurer or foreign branch which only cover death or total permanent disability, mathematical reserve is set aside based on a coefficient of the remaining days of insurance policies.
- ▶ Mathematical reserve is recorded in un-earned premium reserve account in the balance sheet.

(ii) Unearned premiums reserve

Regarding insurance policies with a term of less than or equal to 1 year, unearned premiums reserve is calculated at 50% of the total insurance premiums.

(iii) Claim reserve

- ▶ Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year after deducting the amount recoverable from reinsurers; and
- ▶ Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established for each insurance operation as per formula below:

$$\begin{array}{l}
 \text{Reserve for} \\
 \text{payment of} \\
 \text{losses} \\
 \text{which have} \\
 \text{incurred but} \\
 \text{not yet} \\
 \text{reported for} \\
 \text{the current} \\
 \text{fiscal year}
 \end{array}
 = \frac{\text{Total indemnity for} \\
 \text{claims incurred but} \\
 \text{not reported at the} \\
 \text{end of the last three} \\
 \text{years}}{\text{Total indemnity for} \\
 \text{losses arising in the} \\
 \text{last three years}}
 \times \frac{\text{Indemnity} \\
 \text{for losses} \\
 \text{arising in} \\
 \text{the current} \\
 \text{fiscal year}}{\text{Net} \\
 \text{operating} \\
 \text{revenue of} \\
 \text{current} \\
 \text{fiscal year}}
 \times \frac{\text{Average} \\
 \text{delay in} \\
 \text{claim} \\
 \text{intimation of} \\
 \text{current} \\
 \text{fiscal year}}{\text{Average} \\
 \text{delay in} \\
 \text{claim} \\
 \text{intimation of} \\
 \text{previous} \\
 \text{fiscal year}}$$

In which:

- The compensation amount arising from a fiscal year includes the compensation amount actually paid in the year plus increase/decrease of the provision for losses incurred under the insurance liability but still unresolved in financial year-end.
- The average time of delaying the claim for compensation is the average time since the loss occurs until the non-life insurance enterprise, foreign branch, reinsurance enterprise receives the notice of loss or a claim form for compensation (in days).
- ▶ Gross and assumed reinsurance claim reserve is presented as liabilities; claim reserve of outward reinsurance is presented as reinsurance asset.

(iv) Equalization reserve

Equalization reserve for health insurance is established at 1% of net premium and recognised in catastrophe reserve account on balance sheet.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 Corporate income taxes

Current income tax

Current income tax assets and liabilities for the current period and prior years are measured at the amount expected to be paid to (or recovered from) the taxation authorities - using the tax rates and tax laws are applied and enacted at the interim consolidated balance sheet date.

Current income tax is charged or credited to the interim consolidated income statement except when it relates to items recognized directly to equity, in this case the current income tax is also recognized in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Bank to offset current tax assets against current tax liabilities and when the Bank intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided on temporary differences at the interim consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for the financial reporting purposes.

Deferred tax payable is recognized for temporary taxable differences.

Deferred tax assets are recognized for deductible temporary differences, deductible amounts carried over to subsequent years of taxable losses, and unused tax credits when it is probable that there will be sufficient future taxable profit to use deductible temporary differences, taxable losses and tax credits. Deferred tax assets and deferred tax payables are determined on the basis of expected tax rates applied for the accounting period when the assets are recovered or liabilities are settled and on basis of effective an applicable tax rates and tax laws at the end of the accounting period.

4.22 Classification for off-balance-sheet commitments

According to Circular 02, credit institutions should classify guarantees, payment acceptances and irrevocable loan commitments with specific effective date (generally called "off-balance sheet commitments") in compliance with Article 10, Circular 02 for management and monitoring of credit quality. Off-balance sheet commitments are classified into groups which are *Current*, *Special Mention*, *Substandard*, *Doubtful* and *Loss* based on the overdue status and other qualitative factors.

4.23 Derivatives

The Bank involves in currency forward contracts and currency swap contracts to facilitate customers to transfer, modify or minimize foreign exchange risk or other market risks, and also for the business purpose of the Bank.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.23 *Derivatives* (continued)

Currency forward contracts

The currency forward contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates, calculated on the notional amount. The currency forward contracts are recognized at nominal value at the transaction date and are revalued for the reporting purpose at the exchange rate at the reporting date. Gains or losses realized or unrealized are recognized in the "Foreign exchange differences" under "Owners' equity" in the interim consolidated balance sheet and will be transferred to the interim consolidated income statement at the end of six-month period.

Swap contracts

The swap contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates calculated on the notional principal amount or commitments to settle interest based on a floating rate or a fixed rate calculated on the notional amount and in a given period.

Differences in interest rate swaps are recognized in the interim consolidated income statement on an accrual basis.

4.24 *Employee benefits*

4.24.1 *Post - employment benefits*

The employees at the Bank shall be entitled to receive allowance from the Social Insurance Fund upon retirement and shall be subsidized by the Bank for 02 months based on additional salary by the job position attached to the KPIs on an average of the latest six - month period before retirement.

Under the Bank's labor reorganization policy, the employees at the Bank of early retirement are entitled to receive allowance equal to a half of the basic salary for social insurance for one year (12 months) of work and by a half of a month's basic salary for social insurance for each month of retirement before the age (not exceeding 48 months of retirement before the age).

4.24.2 *Voluntary resignation benefits*

Under Section 48 of the Vietnam Labour Code 10/2012/QH13 effective from 1 May 2013, the employee working at the Bank when terminating the labour contract with the Bank in accordance with the law and the Bank is entitled to receive allowance equal to a half month's salary for each year of employment (12 months) up to 31 December 2008. The average monthly salary used in this calculation is the average salary under the labour contract of the latest six – month period up to the resignation date.

4.24.3 *Unemployment insurance*

According to Circular No. 28/2015/TT-BLDTBXH on guidelines for Article 52 of the Law on Employment and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government on guidelines for the Law on Employment in term of unemployment insurance, the Bank is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.25 Capital and reserves

4.25.1 Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognized as a deduction from share premium in equity.

4.25.2 Share premium

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

4.25.3 Reserves

(i) The Bank's reserves

Reserves are for specific purposes and appropriated from net profit after tax of the Bank at prescribed rates as below:

- ▶ Supplementary charter capital reserve: 5% of net profit after tax and does not exceed charter capital;
- ▶ Financial reserve: 10% of net profit after tax;
- ▶ Bonus to the Management, bonus and welfare funds are appropriated according to the decision approved in the General Meeting of Shareholders;
- ▶ Other reserves: are to be made upon the current regulations and decisions of the Annual General Shareholders' Meeting.

(ii) Subsidiaries' reserves

Reserves at subsidiaries are appropriated under the Bank's policy, except for the following companies, which are appropriated in accordance with relevant legal regulations:

VietinBank Securities Joint Stock Corporation and VietinBank Fund Management Company Limited: reserves are appropriated from the Companies' net profit after tax according to Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance at prescribed rates as below:

- ▶ Supplementary charter capital reserve: 5% of net profit after tax and does not exceed 10% of charter capital;
- ▶ Financial and operating risk reserve: 5% of net profit after tax and does not exceed 10% of charter capital.

VietinBank Insurance Joint Stock Corporation: the statutory reserve is made as per Decree No. 73/2016/ND-CP dated 1 July 2016 promulgated by the Government at the following rate:

- ▶ Statutory reserve fund: 5% of profit after tax, not exceeding 10% of the Company's charter capital

These reserves will be appropriated at the end of the accounting period.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.26 *Offsetting*

Financial assets and financial liabilities are offset and the net amount is reported in the interim consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset financial assets against financial liabilities or vice-versa, and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.27 *Business combinations and goodwill*

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of Business combination plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Bank's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the interim consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized ten (10) years on a straight-line basis.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

5. SECURITIES HELD FOR TRADING

	<i>30 June 2020</i> <i>VND million</i>	<i>31 December 2019</i> <i>VND million</i>
Debt securities	1,050,725	3,137,327
Government bonds	577,711	2,363,665
Bonds issued by other domestic credit institutions	-	111,318
Bonds issued by other domestic economic entities	473,014	662,344
Equity securities	888,911	913,918
Equity securities issued by other domestic credit institutions	21,885	23,476
Equity securities issued by other domestic economic entities	867,026	890,442
	1,939,636	4,051,245
Provision for securities held for trading	(219,571)	(225,871)
	1,720,065	3,825,374

6. DERIVATIVES AND OTHER FINANCIAL ASSETS

	<i>30 June 2020</i> <i>VND million</i>	<i>31 December 2019</i> <i>VND million</i>
Currency derivative financial instruments	437,388	460,677
Foreign exchange forward contracts	32,773	45,185
Foreign exchange swap contracts	404,615	415,492
Other derivative financial instruments	23,683	9,035
Interest rate swap	23,683	9,035
	461,071	469,712

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

7. LOANS TO CUSTOMERS

	<i>30 June 2020</i> <i>VND million</i>	<i>31 December 2019</i> <i>VND million</i>
Loans to domestic economic entities and individuals	926,959,854	920,678,908
Discounted bills and valuable papers	1,120,446	1,389,621
Financial lease	2,776,857	2,785,755
Payments on behalf of customers	10,768	10,337
Loans financed by entrusted funds	151,320	348,928
Loans to foreign economic entities and individuals	10,468,279	10,057,396
	941,487,524	935,270,945

7.1 Analysis of loan portfolio by quality

	<i>30 June 2020</i> <i>VND million</i>	<i>31 December 2019</i> <i>VND million</i>
Current	919,638,767	918,780,095
Special mention	5,875,543	5,677,439
Substandard	7,155,748	2,062,615
Doubtful	2,853,062	1,546,701
Loss	5,964,404	7,204,095
	941,487,524	935,270,945

7.2 Analysis of loan portfolio by original maturity

	<i>30 June 2020</i> <i>VND million</i>	<i>31 December 2019</i> <i>VND million</i>
Short term loans	545,389,961	537,206,295
Medium term loans	58,179,740	61,930,487
Long term loans	337,917,823	336,134,163
	941,487,524	935,270,945

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

8. PROVISION FOR CREDIT LOSSES ON LOANS TO CUSTOMERS

Movement of provision for credit losses on loans to customers during the six-month period ended 30 June 2020 are as follows:

	<i>General provision VND million</i>	<i>Specific provision VND million</i>	<i>Total VND million</i>
Opening balance as at 1 January 2020	6,857,832	6,087,862	12,945,694
Provision charged in the period	179,674	3,787,378	3,967,052
Provision used to write-off bad debts	-	(3,988,310)	(3,988,310)
Closing balance as at 30 June 2020	7,037,506	5,886,930	12,924,436

Movement of provision for credit losses on loans to customers during the six-month period ended 30 June 2019 are as follows:

	<i>General provision VND million</i>	<i>Specific provision VND million</i>	<i>Total VND million</i>
Opening balance as at 1 January 2019 (restated)	6,768,218	6,291,746	13,059,964
Provision charged in the period	(62,876)	4,209,593	4,146,717
Provision used to write-off bad debts	-	(4,047,293)	(4,047,293)
Closing balance as at 30 June 2019 (restated)	6,705,342	6,454,046	13,159,388

9. INVESTMENT SECURITIES

9.1 Available-for-sale securities

	<i>30 June 2020 VND million</i>	<i>31 December 2019 VND million</i>
Debt securities	103,024,341	96,755,014
Government bonds	46,313,668	44,898,960
Bonds issued by other domestic credit institutions	42,625,076	34,998,124
Bonds issued by other domestic economic entities	14,085,597	16,857,930
Equity securities	376,615	376,615
Equity securities issued by domestic economic entities	376,615	376,615
	103,400,956	97,131,629
Provision for available-for-sale securities	(566,234)	(1,292,424)
Provision for diminution in value	(244,055)	(168,306)
General provision	(322,179)	(293,268)
Specific provision	-	(830,850)
	102,834,722	95,839,205

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

9. INVESTMENT SECURITIES (continued)

9.2 Held-to-maturity securities

	30 June 2020 VND million	31 December 2019 VND million
Face value of held-to-maturity securities	9,259,865	15,367,993
Provision for held-to-maturity securities	(3,339,520)	(6,591,919)
	5,920,345	8,776,074

9.3 Unlisted corporate bonds are classified and made provision according to Circular 02

The Bank classified debts as at 30 June 2020 and made corresponding provision for unlisted corporate bonds in accordance with Circular 02 and Circular 09. Accordingly, provision for credit losses as at 30 June 2020 is made based on unlisted corporate bonds classification result at 30 June 2020.

The classification and provision for credit losses of unlisted corporate bonds in accordance with Circular 02 and Circular 09 as at 30 June 2020 are as follows:

<i>Classification</i>	<i>Book value of bonds VND million</i>	<i>Specific provision VND million</i>	<i>General provision VND million</i>	<i>Total VND million</i>
Current	43,343,894	-	325,079	325,079
Special mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	43,343,894	-	325,079	325,079

10. LONG-TERM INVESTMENTS

Analysis by type of investments:

	30 June 2020 VND million	31 December 2019 VND million
Investment in a joint venture (Note 10.1)	2,915,450	3,018,057
Other long-term investments	240,662	264,652
Provision for long-term investments	(33,224)	-
	3,122,888	3,282,709

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

10. LONG-TERM INVESTMENTS (continued)

10.1 Investment in a joint venture

	30 June 2020			31 December 2019		
	Cost VND million	Carrying value (equity method) VND million	% owned	Cost VND million	Carrying value (equity method) VND million	% owned
Indovina Bank Limited	1,688,788	2,915,450	50%	1,688,788	3,018,057	50%
	1,688,788	2,915,450		1,688,788	3,018,057	

Indovina Bank Limited was established in Vietnam with Head Office located in Ho Chi Minh City; its main activity is providing banking services. This is a joint venture between the Bank and Cathay United Bank, a bank established in Taiwan. Indovina Bank Limited was granted Operating License No. 101/GP-NHNN dated 11 November 2019 (amended for Operating License No. 08/NH-GP dated 29 October 1992 issued by the State Bank of Vietnam) for the operating period of 99 years with the charter capital of USD 193,000,000.

Since its establishment, with the approval of the State Bank, Indovina Bank Limited has made many capital increases, in which the value of capital contributed by the two parties to the joint venture increased but the proportion of contributed capital did not change. As at 30 June 2020, the charter capital of Indovina Bank Limited is USD 193,000,000.

11. OTHER ASSETS

11.1 Receivables

	30 June 2020 VND million	31 December 2019 VND million
Internal receivables	370,477	285,104
External receivables	16,864,667	15,275,062
Construction in progress	5,719,231	5,730,014
- Constructions in the North	5,293,325	5,247,938
- Constructions in the Central	320,527	304,640
- Constructions in the South	105,379	177,436
Fixed assets in purchase or under repair	1,177,928	1,059,318
	24,132,303	22,349,498

11.2 Other assets

	30 June 2020 VND million	31 December 2019 VND million
Materials and tools	128,723	130,007
Prepaid expenses	3,226,106	3,398,502
Goodwill (Note 12)	-	-
Deferred tax assets relate to the deductible temporary difference	121,652	91,609
Other assets	16,793	16,792
	3,493,274	3,636,910

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

12. GOODWILL

Goodwill represents business goodwill resulting from the enterprise valuation for purpose of equitizing VietinBank Securities Joint Stock Corporation - a subsidiary of the Bank.

	<i>30 June 2020</i> <i>VND million</i>	<i>31 December 2019</i> <i>VND million</i>
Total value of goodwill	18,149	18,149
Amortized period	10 years	10 years
Value of accumulated amortized goodwill at the beginning of the period	(18,149)	(17,242)
Value of unamortized goodwill at the beginning of the period	-	907
Decrease in goodwill during the period	-	(907)
Goodwill amortized during the period	-	(907)
Total value of unamortized goodwill at the end of the period	-	-

13. DUE TO THE GOVERNMENT AND THE STATE BANK OF VIETNAM

	<i>30 June 2020</i> <i>VND million</i>	<i>31 December 2019</i> <i>VND million</i>
Borrowings from the SBV	2,291,897	2,616,734
Borrowings based on the credit files	2,284,939	2,609,776
Borrowings to support State-owned enterprises	6,958	6,958
Deposits from the State Treasury and other liabilities	42,088,304	67,986,159
	44,380,201	70,602,893

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

14. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

14.1 Deposits from other credit institutions

	30 June 2020 VND million	31 December 2019 VND million
Demand deposits	40,268,246	41,418,294
In VND	38,110,656	40,981,731
In foreign currencies	2,157,590	436,563
Term deposits	56,456,781	41,119,746
In VND	48,725,000	35,846,997
In foreign currencies	7,731,781	5,272,749
	96,725,027	82,538,040

14.2 Borrowings from other credit institutions

	30 June 2020 VND million	31 December 2019 VND million
In VND	3,150,350	3,500,812
In foreign currencies	13,846,558	23,444,207
	16,996,908	26,945,019

15. CUSTOMER DEPOSITS

	30 June 2020 VND million	31 December 2019 VND million
Demand deposits	143,303,064	146,420,659
- Demand deposits in VND	116,471,284	120,166,477
- Demand deposits in foreign currencies	26,831,780	26,254,182
Term deposits	763,488,929	740,861,362
- Term deposits in VND	734,909,919	712,001,684
- Term deposits in foreign currencies	28,579,010	28,859,678
Deposits for specific purpose	2,620,830	2,336,638
- Deposits for specific purpose in VND	1,645,869	1,507,119
- Deposits for specific purpose in foreign currencies	974,961	829,519
Margin deposits	3,906,973	3,166,569
- Margin deposits in VND	3,203,431	2,815,590
- Margin deposits in foreign currencies	703,542	350,979
	913,319,796	892,785,228

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

16. VALUABLE PAPERS ISSUED

	<i>30 June 2020</i> <i>VND million</i>	<i>31 December 2019</i> <i>VND million</i>
In VND	51,265,476	57,065,477
Par value	51,265,476	57,065,477
In foreign currencies	878	876
Par value	878	876
	51,266,354	57,066,353

Details of the term of valuable papers issued at the end of the period are as follows:

	<i>Bills of exchange VND million</i>	<i>Bearer bonds VND million</i>	<i>Book-entry bonds VND million</i>	<i>Certificates of deposits VND million</i>	<i>Total VND million</i>
Less than 12 months	197	-	-	-	197
- <i>In VND</i>	197	-	-	-	197
From 12 months to under 5 years	-	166	550,000	18,100,891	18,651,057
- <i>In VND</i>	-	166	550,000	18,100,013	18,650,179
- <i>In foreign currencies</i>	-	-	-	878	878
From 5 years	-	-	32,615,100	-	32,615,100
- <i>In VND</i>	-	-	32,615,100	-	32,615,100
- <i>In foreign currencies</i>	-	-	-	-	-
Closing balance	197	166	33,165,100	18,100,891	51,266,354

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

17. OTHER LIABILITIES

17.1 Other payables

	<u>30 June 2020</u> VND million	<u>31 December 2019</u> VND million
Internal payables	3,105,967	3,472,757
External payables (*)	7,381,805	5,519,040
Bonus, welfare funds	1,893,818	330,366
	<u>12,381,590</u>	<u>9,322,163</u>

(*) Details of external payables are as follows:

	<u>30 June 2020</u> VND million	<u>31 December 2019</u> VND million
Collection, payment on behalf of other organizations	1,712,028	1,477,465
Amounts kept for customers and awaiting settlement	71,826	150,451
Corporate income tax payable	1,425,813	619,096
Other items awaiting for payment	1,865,352	1,483,731
Other payables related to securities operation	354,551	635,988
Deferred income tax liabilities arise from taxable temporary differences	141,811	117,066
Other Tax and fee payables	172,957	194,236
Payables to the SBV due to the collection of written-off debts	94,309	92,380
Payables related to trade finance activities	8,767	6,008
Money transfer payable	964,253	250,237
Other payables	570,138	492,382
	<u>7,381,805</u>	<u>5,519,040</u>

18. TAX AND OTHER OBLIGATIONS TO THE STATE BUDGET

	<u>Opening balance</u> VND million	<u>Movements during the period</u>		<u>Closing balance</u> VND million
		<u>Payables</u> VND million	<u>Paid</u> VND million	
Value added tax	20,403	229,350	160,883	88,870
Corporate income tax	619,096	1,450,520	644,853	1,424,763
Other taxes	129,429	456,444	513,671	72,202
	<u>768,928</u>	<u>2,136,314</u>	<u>1,319,407</u>	<u>1,585,835</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

18. TAX AND OTHER OBLIGATIONS TO THE STATE BUDGET (continued)

18.1 Current corporate income tax

From 1 January 2016, the Bank has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits according to Circular No. 78/2014/TT-BTC which became effective from 2 August 2014.

For VietinBank Lao Limited, the Bank shall calculate and determine the CIT payable according to the income tax regulations in Laos. According to Tax Law No. 70 issued by the National Assembly on 15 December 2015, the CIT amount of VietinBank Lao Limited is determined by 24% of the earned profit.

The Bank's tax reports are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amount reported in the interim consolidated financial statements could be changed at a later date upon final determination of the tax authorities.

Current corporate income tax payables are determined based on taxable income of the period. Taxable income differs from the one reported in the interim consolidated income statement since taxable income excludes incomes which are taxable or expenses which are deducted in prior years due to the differences between the Bank's accounting policies and the tax regulations. It also excludes tax exempted income and non-deductible expenses. The current corporate income tax payable of the Bank is calculated based on the statutory tax rates applicable at the end of six-month period.

Provision for current income tax expense is computed as follows:

	<i>For the six- month period ended 30 June 2020 VND million</i>	<i>For the six- month period ended 30 June 2019 VND million</i>
Profit before tax	7,460,005	5,334,904
<i>Plus/(minus)</i>		
- Non-bearing tax dividend income	(344,216)	(29,717)
- Subsidiaries' profits	(243,162)	(340,734)
- Income from increase in interest at joint venture	117,463	(70,312)
- Movement of general provision for loans arising from consolidation	(31,577)	17,460
- Others	(1,177)	(114,330)
Estimated taxable income	6,957,336	4,797,271
Parent Bank's CIT expenses	1,391,467	959,454
Subsidiaries' CIT expenses	58,875	62,542
Total CIT expenses in the period	1,450,342	1,021,996
CIT payable at the beginning of the period	619,096	(136,488)
CIT paid during the period	(644,853)	(466,220)
Adjustment CIT differences of previous year	178	(367)
Current income tax payable at the end of the period	1,424,763	418,921

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

19. OWNERS' EQUITY AND RESERVES

19.1 Statement of changes in equity

	Charter capital VND million	Share premium VND million	Other owned capital VND million	Capital reserve VND million	Financial reserve VND million	Investment and development fund VND million	Foreign exchange difference VND million	Undistributed profits VND million	Non-controlling interests VND million	Total VND million
Balance as at 1 January 2019	37,234,046	8,974,698	207,470	2,732,611	5,369,065	65,941	599,602	11,836,676	296,225	67,316,334
Net profit for the year	-	-	-	-	-	-	-	9,461,267	15,722	9,476,989
Appropriation to reserves	-	-	-	477,851	954,582	10,671	-	(1,443,104)	-	-
Appropriation of the Bank bonus and welfare funds in 2018	-	-	-	-	-	-	-	(41,812)	(2,927)	(44,739)
Increase from subsidiaries' share issue	-	-	308,438	-	-	-	-	-	278,444	586,882
Increase from translation of financial statements for consolidation purposes	-	-	-	-	-	-	26,412	-	-	26,412
Utilization of reserves	-	-	-	-	(2,220)	-	-	-	-	(2,220)
Dividends in 2018 paid for non-controlling interests	-	-	-	-	-	-	-	-	(26,124)	(26,124)
Other adjustments	-	(15)	-	-	1,022	538	-	19,656	83	21,284
Balance as at 31 December 2019	37,234,046	8,974,683	515,908	3,210,462	6,322,449	77,150	626,014	19,832,683	561,423	77,354,818
Net profit for the period	-	-	-	-	-	-	-	5,986,116	28,844	6,014,960
Appropriation to reserves	-	-	-	2,049	1,750	598	-	(4,397)	-	-
Appropriation/temporary appropriation of the Bank bonus and welfare funds in 2019	-	-	-	-	-	-	-	(2,208,604)	(6,538)	(2,215,142)
Decrease from translation of financial statements for consolidation purposes	-	-	-	-	-	-	(82,454)	-	-	(82,454)
Dividends in 2019 paid to non-controlling interests	-	-	-	-	(4,215)	(2,626)	-	-	(19,527)	(19,527)
Other adjustments	-	-	-	-	-	-	-	(26,271)	(102)	(33,214)
Balance as at 30 June 2020	37,234,046	8,974,683	515,908	3,212,511	6,319,984	75,122	543,560	23,579,527	564,100	81,019,441

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

19. OWNERS' EQUITY AND RESERVES (continued)

19.2 Equity

Details of the Bank's shares are as follows:

	30 June 2020		31 December 2019	
	Shares	VND million	Shares	VND million
Number of registered shares	3,723,404,556	37,234,046	3,723,404,556	37,234,046
Number of shares issued	3,723,404,556	37,234,046	3,723,404,556	37,234,046
- Ordinary shares	3,723,404,556	37,234,046	3,723,404,556	37,234,046
Number of shares circulated	3,723,404,556	37,234,046	3,723,404,556	37,234,046
- Ordinary shares	3,723,404,556	37,234,046	3,723,404,556	37,234,046

The face value of each share of the Bank is VND10,000.

19.3 Basic earnings per share

Profit for calculation of basic earnings per share

	For the six-month period ended 30 June 2020 VND million	For the six-month period ended 30 June 2019 VND million
Net profit	5,986,116	4,294,865
Number of ordinary shares for calculation of basic earnings	3,723,404,556	3,723,404,556
Basic earnings per share (VND/share)	1,608	1,153

20. INTEREST AND SIMILAR INCOME

	For the six-month period ended 30 June 2020 VND million	For the six-month period ended 30 June 2019 VND million
Interest income from deposits	1,368,592	1,616,627
Interest income from loans to customers	36,441,965	34,281,695
Interest income from debt securities	3,275,792	3,295,461
Income from guarantee activities	348,050	371,470
Income from finance leases	140,166	130,112
Other income from credit activities	289,538	259,802
	41,864,103	39,955,167

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

21. INTEREST AND SIMILAR EXPENSES

	<i>For the six-month period ended 30 June 2020 VND million</i>	<i>For the six-month period ended 30 June 2019 VND million</i>
Interest expenses for deposits	23,086,491	21,275,464
Interest expenses for borrowings	413,518	513,243
Interest expenses for valuable papers issued	1,991,155	1,845,209
Other expenses for credit activities	156,602	144,410
	25,647,766	23,778,326

22. NET GAIN FROM SECURITIES

22.1 *Net gain from securities held for trading*

	<i>For the six-month period ended 30 June 2020 VND million</i>	<i>For the six-month period ended 30 June 2019 VND million</i>
Income from securities held for trading	400,633	147,259
Expenses for securities held for trading	(17,864)	(5,777)
Provision reversed/(charged) for securities held for trading	6,300	(5,493)
Net gain from securities held for trading	389,069	135,989

22.2 **Net gain/(loss) from investment securities**

	<i>For the six-month period ended 30 June 2020 VND million</i>	<i>For the six-month period ended 30 June 2019 VND million</i>
Income from trading in investment securities	135	11,220
Expenses for trading in investment securities	(855)	(448)
Provision reversed/(charged) for investment securities	136,190	(253,591)
Net gain/(loss) from investment securities	135,470	(242,819)

23. INCOME FROM INVESTMENTS IN OTHER ENTITIES

	<i>For the six-month period ended 30 June 2020 VND million</i>	<i>For the six-month period ended 30 June 2019 VND million</i>
Income from equity securities	372	1,084
Income from capital contribution	24,326	185,545
Share from net profit under equity method of investment in a joint venture	225,253	228,178
	249,951	414,807

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

24. TOTAL OPERATING EXPENSES

	<i>For the six-month period ended 30 June 2020 VND million</i>	<i>For the six-month period ended 30 June 2019 VND million</i>
Expenses on taxes, fees, charges	9,107	10,142
Personnel expenses	4,125,993	4,451,416
Salary and allowances	3,383,894	3,627,296
Expenses related to salary	276,828	274,878
Allowances	3,594	6,776
Other expenses	461,677	542,466
Expenses on assets	933,750	908,920
Depreciation and amortization expenses	461,974	458,810
Others	471,776	450,110
Administrative expenses	1,176,076	1,159,677
Per-diem	49,621	65,014
Expenses for union activities	5,715	6,540
Other expenses	1,120,740	1,088,123
Insurance premium for customers' deposits	354,352	326,903
Other provision reverse	-	-
	6,599,278	6,857,058

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the interim consolidated cash flow statement include items on the interim consolidated balance sheet are as follows:

	<i>30 June 2020 VND million</i>	<i>31 December 2019 VND million</i>
Cash and cash equivalents on hand	8,172,306	8,282,726
Balances with the SBV	12,877,566	24,873,714
Current accounts at other credit institutions	67,125,686	59,830,519
Placements with other credit institutions with terms not exceeding three (3) months	58,274,286	62,059,785
	146,449,844	155,046,744

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

26. COLLATERAL AND MORTGAGES

26.1 Assets, valuable papers taken for mortgage, pledge and discount, rediscount

	30 June 2020 VND million	31 December 2019 VND million
Real estates	1,462,291,441	1,280,623,861
Movables	65,909,683	66,317,982
Deposits, gold, gemstones and valuable papers	141,901,115	143,377,428
Other assets	512,525,692	496,795,576
	2,182,627,931	1,987,114,847

Collaterals and mortgages held by the Bank which are permitted to sell to or re-pledge for a third party in the absence of default by the customers (owner of the collaterals) who are able to pay off the debts according to the law.

As at 30 June 2020, the Bank did not hold any collateral which the Bank is permitted to sell or re-pledge for a third party in the absence of default by the customers (owner of the collaterals) who are able to pay off the debt according to the law.

27. RELATED PARTY TRANSACTIONS

During normal business operation, the Bank has undertaken transactions with other parties to which the Bank is related. A party is considered to be related if the party has ability to control or to influence other parties in making decision of financial policies and operational activities. A party is related to the Bank if:

- (a) Directly, or indirectly through one or more intermediaries, the party:
 - ▶ controls, is controlled by, or is under common control by the Bank (including parents and subsidiaries);
 - ▶ has an interest (owning 5% or more of the charter capital or voting share capital) in the Bank that gives it significant influence over the Bank;
 - ▶ has joint control over the Bank.
- (b) The party is a joint venture in which the Bank is a venture or an associate (owning over 11% of the charter capital or voting share capital, but is not a subsidiary of the Bank);
- (c) The party has a member which is the member of the key management personnel of the Bank;
- (d) The party is a close member of the family of any individual referred to in (a) or (c); or
- (e) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such company resides with, directly or indirectly, any individual referred to in (c) or (d).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

27. RELATED PARTY TRANSACTIONS (continued)

Details of significant balances with related parties as at 30 June 2020 are as follows:

Related organizations

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2020 VND million</i>	<i>31 December 2019 VND million</i>
The State Bank of Vietnam	Owner and direct management agency	Deposits of the Bank at the SBV Due to the SBV	12,877,566 2,291,897	24,873,714 2,616,734
Indovina Bank Limited	Joint venture	Deposits of the Bank at Indovina Bank Limited Deposits of Indovina Bank Limited at the Bank	4,017,811 4,165,090	4,015,808 4,044,912

Details of significant transactions with related parties in the period are as follows:

Related organizations

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>For the six-month period ended 30 June 2020 VND million</i>	<i>For the six-month period ended 30 June 2019 VND million</i>
The State Bank of Vietnam	Owner and direct management agency	(Decrease)/ increase in deposits of the Bank at the SBV (Decrease)/ increase in due to the SBV	(11,996,148) (324,837)	8,636,887 371,907
Indovina Bank Limited	Joint venture	Increase/(decrease) in deposits of Indovina Bank Limited at the Bank Increase deposits of the Bank at Indovina Bank Limited	120,178 2,003	(11,371) 1,989

Related Individual

<i>Related parties</i>	<i>Transactions</i>
Board of Directors, Supervisory Board and Management (*)	Salaries and remunerations: Payment in accordance with the Bank's internal regulations on salary payment, ensuring the interrelation between managerial level's average salary and staff level's average salary within the banking system.

(*) The salary and remuneration of the Board of Directors and Supervisory Board comply with Resolution No. 21/NQ-DHDCC dated 23 May 2020 approved by the General Meeting of Shareholders.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

28. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY GEOGRAPHICAL REGIONS

	<i>Total loans VND million</i>	<i>Total deposits VND million</i>	<i>Credit commitments VND million</i>	<i>Derivative financial instruments VND million</i>	<i>Trading and investment of securities VND million</i>
Domestic	935,178,476	1,046,201,109	85,848,025	461,071	114,600,457
Overseas	10,192,015	5,932,018	30,743	-	-
	945,370,491	1,052,133,127	85,878,768	461,071	114,600,457

29. FINANCIAL RISK MANAGEMENT POLICIES

Under the guidance of the State Bank of Vietnam on enhancing the role of risk management in credit institutions, the Bank continues implementing risk management policies for its entire business to support the safe and steady growth of business activities.

Due to the goal of sustainable development, improving operational efficiency and competitive advantage, the Bank has always been one of the pioneers in researching and applying international practices on governance. In particular, the application of Basel II is one of the Bank's priority solutions. Projects under the Basel II Accord focus on comprehensive enhancing of risk management capacity on material areas. So far, the Bank has completed inspection of phase one projects according to the standard method and is preparing for the second phase according to the State Bank's orientation.

The application of advanced practices and risk management is a prerequisite for the integration and expansion of the Bank's influence in the global financial banking industry. The Bank has always played a pioneering role in the modernization of the banking system. In addition, after the Circular No.13/2018/TT-NHHH (Circular 13) stipulating the internal control system of commercial banks and foreign bank branches, the Bank took initiatives in reviewing control and adjusting regulations and processes in accordance with the requirements of Circular 13 to ensure compliance with the standards of internal control system, risk management, internal audit from 1 January 2019 and have preparation for the implementation of the internal assessment on capital adequacy which will take effect on 1 January 2021.

In 2020, the Bank will continue to actively study and implement projects under the Basel II in order to comprehensively enhance the management capacity for all types of risks. Moreover, the Bank has continued to complete its policies system in 5 levels, namely: (i) General policy regime, (ii) Detailed policies, (iii) Guidance documents on policies, (iv) General processes, and (v) Detailed processes for each product in order to ensure consistency and overall effectiveness of the policy system.

To manage risk related to financial instruments, the Bank issues regulations, procedures, detailed guidance and internal indicators as well as strictly manages the balance between assets and liabilities, tightly controls the growth in business activities and credit quality; complies with limitation and safety rate for its operation and requirements on risk management as stipulated in Circular 22/2019/TT-NHNN (applied from 01 January 2020), Circular 13/2018/TT-NHNN and regulations of the State Bank of Vietnam and meets requirements on risk management in accordance with Basel II.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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30. CREDIT RISK

Credit risk is the risk that results in the Bank's loss because its customers or counterparties default on their contractual obligations or fail to fulfil their committed obligations.

Tools that the Bank uses to manage credit risk include:

For credit activities: The Bank manages and controls credit risk by setting credit limits for each counterparty and industrial concentration, and by monitoring exposures in relation to such limits.

The Bank has established a credit quality review process to provide early identification of possible changes in the financial position as well as solvency of counterparties based on the qualitative and quantitative factors. Credit limit is established for each counterparty based on its risk rating assigned by the credit rating system, in which each customer is rated at a risk rating. Risk rating can be modified and updated regularly.

For investment activities/interbank lending activities: The Bank controls and manages risks by setting the interbank and investment limit for each specific counterparty based on the analysis and assessment of the counterparty's risks. These limits are set by the Financial Institution Committee and executed by the Treasury Dealing Department.

Methods of minimize credit risk

Credit bearing assets of the Bank are divided into the following groups:

▶ ***Financial assets which are neither past due nor impaired***

The Bank's financial assets which are neither past due nor impaired include loans classified as Current loans, except for the loans overdue less than 10 days, under Circular 02; securities, receivables and other financial assets which are not past due and no provision is required under Circular No. 48/2019/TT-BTC. The Bank believes that the Bank has the ability to collect adequately and timely these financial assets in the future.

▶ ***Financial assets which are past due but not impaired***

Financial assets are overdue but not impaired as the Bank is currently holding sufficient collateral assets to offset credit risk in accordance with the SBV's regulations.

The Bank is currently holding collateral in the forms of real estates, movable assets, valuable papers and other types for the above financial assets.

The maturity of overdue but not impaired financial assets is presented as follows:

Unit: VND million

	Overdue				Total
	Less than 90 days	91-180 days	181-360 days	Over 360 days	
Loans to customers	453,257	185,289	171,044	842,441	1,652,031
	453,257	185,289	171,044	842,441	1,652,031

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

30. CREDIT RISK (continued)

Methods of minimize credit risk (continued)

► *Financial assets which are impaired*

The maturity of impaired financial assets is presented as follows:

Unit: VND million

	Overdue				Total
	Less than 90 days	91-180 days	181-360 days	Over 360 days	
Loans to customers	5,422,286	6,970,459	2,682,018	5,121,963	20,196,726
	5,422,286	6,970,459	2,682,018	5,121,963	20,196,726

31. MARKET RISK

31.1 *Interest rate risk*

Interest rate risk is the possibility of the Bank's income or asset value being affected when market interest rate fluctuates.

Interest rate risk to the Bank possibly derives from investment activities and fund mobilization and lending activities.

The effective interest rate re-pricing term of assets and liabilities is the remaining period from the date of interim consolidated financial statements to the nearest interest rate re-pricing date. The following assumptions and conditions have been adopted in the analysis of effective interest rate re-pricing term of the Bank's assets and liabilities:

- Cash, gold and gemstones, fixed assets and long-term investments are classified as non-interest-bearing items;
- Balances with the SBV are considered demand deposits, thus the effective interest rate re-pricing term is assumed to be within one month;
- The maturity of securities held-for-trading is calculated on the basis of the probable time to convert bonds into cash because this portfolio includes highly liquid bonds with fixed interest rates;
- The effective interest rate re-pricing term of placements with and loans to other credit institutions; investment securities; loans to customers; borrowings from the Government and the SBV; deposits and borrowings from other credit institutions; deposits from customers, valuable papers issued, grants, trusted funds and borrowings at risk of the credit institution is determined as follows:
 - Items with fixed interest rate during the contractual period: the effective interest rate re-pricing term is determined from the interim consolidated balance sheet date to maturity date;
 - Items with floating interest rate: the effective interest rate re-pricing term is determined from the interim consolidated balance sheet date to the nearest interest rate re-pricing date;
 - Accrued income and accrued expenses: classified as non-interest-bearing items.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

31. MARKET RISK (continued)

31.1 Interest rate risk (continued)

The Bank's interest rate risk policies

For interbank lending (short-term activities), investment interest rate is based on the fluctuation of the market and the Bank's funding cost. The interbank loans usually have short terms (less than 3 months).

The Bank forecasts fluctuation of the market interest rate and its fund balancing ability in order to make appropriate investment decisions.

For fund mobilization, interest rate is determined based on the market price, business orientation of the Bank's management, the Bank's fund balance and regulations of the State Bank of Vietnam. Fund is mobilized mainly with short interest rate re-pricing term.

For lending activities, the Bank determines lending interest rate based on the funding cost, management expenses, risk considerations, collateral value and market interest rate to ensure competitiveness as well as the efficiency. The Head Office regulates the lending interest rate floor for each period; branches can themselves decide lending interest rates for each period based on credit risk analysis and assessment provided that the rates are not less than the regulated floor rate and annual budgeted profit is assured. Besides, due to the fact that assets were mainly financed by the short interest rate re-pricing term funds, the Bank requires that all long-term and medium-term loans' interest must be floating (interest rate are not fixed during the whole loans' periods) to minimize possible interest rate risk to arise.

Interest rate risk management

The Bank manages interest rate risk at 2 levels: transaction level and portfolio level, of which the former is more focused.

Interest rate risk management at portfolio level

- Since 2013, the Bank has issued regulations and procedures for managing interest rate risk on banking book which stipulate the principles for managing interest rate risk on banking book through the process of identification, measurement, control and monitoring of risk aims to ensure a balance between the interest rate risk control/prevention goal and the maximization of net interest income as well as the economic value of equity in the business operations of the Bank.
- The Bank completed the design, officially applied and continuously upgraded the software system of Assets-Liabilities Management (ALM), which runs to the transaction level under international practices, automatically provides reports of term differences, revaluation under nominal term and behaviour, scenarios analysis reports on interest rate increase/decrease situation, etc. in order to facilitate the Bank's interest rate management activities.
- Re-pricing terms of all loans are required to be adjusted based on the re-pricing terms of funds mobilized and are controlled within established limits by the Bank.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

31. MARKET RISK (continued)

31.1 Interest rate risk (continued)

Interest rate risk management (continued)

Interest rate risk management at transaction level

- All credit contracts are required to include terms relating to interest rate risk prevention to ensure that the Bank can hold initiative in coping with fluctuations of the market, lending interest rate must reflect the Bank's actual funding cost;
- Management through the Fund Transfer Pricing (FTP) system: the Bank has completed and continuously improved of internal fund transfer pricing system - FTP, which enhanced the Bank's capital and interest management. Depending on the orientation of the Bank and the market movements, the Head Office can change the fund price for each type of customers or products, etc. to give signals for the business units to determine their lending/fund mobilization rates for each transaction.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

31. MARKET RISK (continued)

31.1 Interest rate risk (continued)

Below table shows an analysis of the interest re-pricing period of assets and liabilities of the Bank as at 30 June 2020:

	Interest re-pricing period										Total VND million
	Overdue		Interest re-pricing period								
	Non-interest bearing VND million	Over 3 months VND million	Up to 3 months VND million	Up to 1 month VND million	From 1 to 3 months VND million	From 3 to 6 months VND million	From 6 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million		
Assets											
Cash, gold and gemstones	8,172,306	-	-	-	-	-	-	-	-	-	8,172,306
Balances with the SBV	-	-	-	12,877,566	-	-	-	-	-	-	12,877,566
Placements with and loans to other credit institutions (*)	-	-	-	93,280,762	35,130,400	500,000	1,100,000	-	-	-	130,011,162
Securities held for trading (*)	-	-	-	1,939,636	-	-	-	-	-	-	1,939,636
Derivatives and other financial assets	-	-	-	461,071	-	-	-	-	-	-	461,071
Loans to customers (*)	-	15,973,214	5,875,543	371,835,634	252,159,868	229,061,534	53,042,985	12,314,785	1,223,961	941,487,524	
Investment securities (*)	376,615	-	-	3,963,065	9,625,498	8,939,195	8,103,652	55,055,727	26,597,069	112,660,821	
Long-term investments (*)	3,156,112	-	-	-	-	-	-	-	-	3,156,112	
Fixed assets	10,795,062	-	-	-	-	-	-	-	-	10,795,062	
Other assets (*)	20,477,976	-	-	3,785,452	5,555,819	5,224,615	67,400	-	-	35,111,262	
Total assets	42,978,071	15,973,214	5,875,543	488,143,186	302,471,585	243,725,344	62,314,037	67,370,512	27,821,030	1,256,672,522	
Liabilities											
Due to the Government and the State Bank of Vietnam	-	-	-	42,478,768	-	383,936	1,517,497	-	-	44,380,201	
Deposits and borrowings from other credit institutions	-	-	-	87,505,283	20,468,176	5,651,257	66,028	31,191	-	113,721,935	
Customer deposits	-	-	-	388,625,102	158,539,259	155,064,822	200,395,895	10,490,910	203,808	913,319,796	
Other borrowed and entrusted funds	-	-	-	-	1,130,502	1,671,480	2,901,875	-	-	5,703,857	
Valuable papers issued	-	-	-	1,000,000	-	17,550,000	2,001,254	30,715,100	-	51,266,354	
Other liabilities (*)	29,729,492	-	-	-	-	-	-	-	-	29,729,492	
Total liabilities	29,729,492	-	-	519,609,153	180,137,937	180,321,495	206,882,549	41,237,201	203,808	1,158,121,635	
Interest sensitivity gap of balance sheet items	13,248,579	15,973,214	5,875,543	(31,465,967)	122,333,648	63,403,849	(144,568,512)	26,133,311	27,617,222	98,550,887	
Interest sensitivity gap of off-balance sheet items	-	-	-	-	-	-	-	-	-	-	
Interest sensitivity gap of on, off-balance sheet items	13,248,579	15,973,214	5,875,543	(31,465,967)	122,333,648	63,403,849	(144,568,512)	26,133,311	27,617,222	98,550,887	

(*): Excluding provision

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

31. MARKET RISK (continued)

31.2 Currency risk

Currency risk is the risk that values of financial instruments will be affected by the changes in foreign exchange rate.

The Bank was incorporated and operates in Vietnam and its reporting currency is Vietnam Dong (VND), while part of the Bank's asset-equity is in foreign currencies (USD, EUR, etc.). Thus, currency risk may arise.

To prevent the risk of exchange rate fluctuations, the Bank has applied the following synchronous measures:

Based on the actual data, the growth demand of affiliates and business orientation, Treasury and Financial Planning Department analyses and projects cash inflows and outflows and proposes fund planning projection for each currency unit (in VND, USD, and EUR equivalent) to the Bank's management based on actual cash flows to ensure safety and effectiveness of the whole system. All foreign currency loans are financed through mobilized funds in the same currency, thus no currency risk arises in lending and mobilization activities.

The Bank's capital mobilization and lending activities are mainly denominated in VND, a small part is USD, EUR and other foreign currencies. According to the business plan for each period, the Bank has a monetary position in its capital trading when conducting financial transactions on the market. The Bank establishes limits of positions for each major currency based on its risk appetite and internal risk limits and the regulations of the relevant regulatory authorities

The currency position is managed on a daily basis and hedging strategies are used to ensure that the currency position is maintained within established limits.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

31. MARKET RISK (continued)

31.2 Currency risk (continued)

The following table presents assets and liabilities in foreign currencies translated into VND as at 30 June 2020:

	EUR equivalent VND million	USD equivalent VND million	Other currencies equivalent VND million	Total VND million
Assets				
Cash, gold and gemstones	100,115	797,098	41,985	939,198
Balances with the SBV	-	3,644,417	-	3,644,417
Placements with and loans to other credit institutions	7,490,617	32,624,463	7,977,131	48,092,211
Securities held for trading (*)	-	-	-	-
Derivatives and other financial assets	-	-	-	-
Loans to customers (*)	4,527,059	69,427,827	4,131,093	78,085,979
Investment securities (*)	-	-	-	-
Long-term investments (*)	-	-	-	-
Fixed assets	39,496	-	-	39,496
Other assets (*)	1,506,971	13,818,355	478,136	15,803,462
Total assets	13,664,258	120,312,160	12,628,345	146,604,763
Liabilities				
Due to the Government and the State Bank of Vietnam	-	-	-	-
Deposits and borrowings from other credit institutions	181,584	23,077,766	476,579	23,735,929
Customer deposits	2,484,393	54,405,410	199,490	57,089,293
Derivatives and other financial liabilities	7,833,850	42,856,808	7,436,087	58,126,745
Other borrowed and entrusted funds	167,452	4,837,694	4,122	5,009,268
Valuable papers issued	-	878	-	878
Other liabilities (*)	2,921,587	2,072,601	-	4,994,188
Owners' equity	-	-	-	-
Total liabilities	13,588,866	127,251,157	8,116,278	148,956,301
FX position on balance sheet	75,392	(6,938,997)	4,512,067	(2,351,538)
FX position off-balance sheet	-	-	-	-
Net on, off-balance sheet FX position	75,392	(6,938,997)	4,512,067	(2,351,538)

(*): Excluding provision

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

31. MARKET RISK (continued)

31.3 Liquidity risk

Liquidity risk is defined as the risk that results in the Bank's difficulty in meeting obligations associated with its financial liabilities. Liquidity risk arises since the Bank might be unable to meet its payment obligations when they fall due under both normal and stressed circumstances or when the Bank has to mobilize funds at a higher cost to meet its payment obligations.

The Bank had issued regulations and procedures on the liquidity risk management which establishes rules of managing the liquidity gap through maturity, liquidity risk ratios, designs stress test scenarios and backup plan to proactively handle measures in facing with the market volatility. To minimize this risk, the management plans to diversify its funding sources and also develops fund management report system to calculate liquidity position on a daily basis as well as prepares analysis and forecast report on future liquidity position on a regular basis.

At ALCO Council regular meeting, fund balance and liquidity of the Bank is one of the key contents to be discussed. At Risk Management Council meeting, the compliance of risk appetite and liquidity risk limits is also reviewed and reported. Based on analysis and evaluation, ALCO/Risk Council makes recommendations to the Management to best remain the Bank's solvency in a safe and effective way.

In addition, the Bank also maintains a list of secondary liquid assets such as the Government bonds, which may be sold or under repurchased contracts with the State Bank of Vietnam. It is not only the secondary reserve in liquidity stress circumstances (if any) but also the profitable investments for the Bank.

The maturity of assets and liabilities represents the remaining time to the contractual maturity date from the balance sheet date until the payment date regulated in the contract or terms of issuance.

The following assumptions and conditions have been adopted in the analysis of the Bank's maturity relating to its assets and liabilities:

- ▶ Cash, gold and gemstones and balance with the State Bank of Vietnam are classified into maturity up to one month;
- ▶ The maturity term of deposits with and loans to other credit institutions and loans to customers, investment securities, borrowings from the Government and the SBV, deposits, loans from other credit institutions, valuable papers issued, other borrowed and entrusted funds are based on the contractual maturity date;
- ▶ The maturity of securities held-for-trading is calculated on the basis of the probable time to convert bonds into cash because this portfolio includes highly liquid bonds;
- ▶ The maturity term of deposits from customers are determined based on the customer's behaviour analysis and the forecast on interest rate policy and other macroeconomic factors.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

31. MARKET RISK (continued)

31.3 Liquidity risk (continued)

Based on the management's approval of annual business plan, the Treasury and Financial Planning Department together with some other departments does analysis and makes forecasts of cash inflows and outflows of the system according to the approved plans; and also based on the actual daily fluctuations of fund mobilization and utilization, the Bank makes decisions on appropriate management of capital adequacy.

Based on the projection of capital adequacy, the Treasury and Financial Planning Department in cooperation with the Treasury Dealing Department creates the Bank's liquidity buffer through purchasing highly liquid valuable papers, which could be converted into cash on the secondary market. The Treasury and Financial Planning Department in cooperation with the Treasury Dealing Department may decide to sell valuable papers to the SBV in the open market, or to borrow to replenish working capital's deficiency to ensure liquidity position of the whole system.

Based on the SBV's regulations, the Treasury and Financial Planning Department in cooperation with the Treasury Dealing Department proposes available fund management plan in order to assure that the actual average balance of deposits in VND and foreign currencies at the SBV is not less than the required level of compulsory reserve. Besides, the Bank also establishes credit limit with other banks and other credit institutions for mutual support when needed. The Market Risk Management Department acts as an independent supervisor to ensure that the liquidity risks are managed and comply with the regulations and procedures on the liquidity management of the Bank.

The process of capital adequacy of the Bank is performed in the Core Sunshine system, the interbank payment program CITAD, Asset-Liability management software, liquidity management software, information about large cash flows from business units. Therefore, the Bank actively performs liquidity risk management on a daily basis.

The Bank's liquidity risk management activities are monitored closely in compliance with the regulations of the State Bank of Vietnam and the Bank's criteria for internal liquidity management for each major currency unit (such as VND, USD, EUR) on deposit and loan portfolios.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

31. MARKET RISK (continued)

31.3 Liquidity risk (continued)

The table below presents the analysis of remaining maturity of assets and liabilities of the Bank as at 30 June 2020:

	Overdue		Current					Total VND million
	Over 3 months VND million	Up to 3 months VND million	Up to 1 month VND million	From 1 month to 3 months VND million	From 3 months to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million	
Assets								
Cash, gold and gemstones	-	-	8,172,306	-	-	-	-	8,172,306
Balances with the SBV	-	-	12,877,566	-	-	-	-	12,877,566
Placements with and loans to other credit institutions (*)	-	-	93,280,762	35,130,400	1,600,000	-	-	130,011,162
Securities held for trading (*)	-	-	1,939,636	-	-	-	-	1,939,636
Derivatives and other financial assets	-	-	461,071	-	-	-	-	461,071
Loans to customers (*)	15,973,214	5,875,543	50,740,626	185,949,997	340,468,043	147,416,500	195,063,601	941,487,524
Investment securities (*)	-	-	974,197	5,888,832	13,428,708	64,221,782	28,147,302	112,660,821
Long-term investments (*)	-	-	-	-	-	-	3,156,112	3,156,112
Fixed assets	-	-	-	-	-	-	10,795,062	10,795,062
Other assets (*)	-	-	3,602,174	5,286,827	4,971,658	64,137	21,186,466	35,111,262
Total assets	15,973,214	5,875,543	172,048,338	232,256,056	360,468,409	211,702,419	258,348,543	1,256,672,522
Liabilities								
Due to the Government and the State Bank of Vietnam	-	-	42,478,768	-	1,901,433	-	-	44,380,201
Deposits and borrowings from other credit institutions	-	-	87,241,146	20,381,220	5,636,861	332,335	130,373	113,721,935
Customer deposits	-	-	180,989,404	171,070,010	396,762,649	163,805,227	692,506	913,319,796
Other borrowed and entrusted funds	-	-	-	-	-	2,901,875	2,801,982	5,703,857
Valuable papers issued	-	-	1,000,000	-	17,550,000	2,101,254	30,615,100	51,266,354
Other liabilities (*)	-	-	9,932,934	3,126,875	6,957,324	9,130,883	581,476	29,729,492
Total liabilities	-	-	321,642,252	194,578,105	428,808,267	178,271,574	34,821,437	1,158,121,635
Net liquidity gap	15,973,214	5,875,543	(149,593,914)	37,677,951	(68,339,858)	33,430,845	223,527,106	98,550,887

(*): Excluding provision

Other market price risk

Except for the assets and liabilities disclosed in the previous section, the Bank does not bear any other market price risks that account for 5% of its net profit or the value of its assets, liabilities accounted for 5% of total assets.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

32. EVENTS AFTER THE INTERIM CONSOLIDATED BALANCE SHEET DATE

There is no other matter or circumstance that has arisen since the interim consolidated balance date that requires adjustment or disclosure in the interim consolidated financial statements.

33. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VIETNAM DONG AT THE BALANCE SHEET DATE

	30 June 2020 VND	31 December 2019 VND
USD	23,215	23,167
EUR	26,017	26,164
GBP	28,466	30,450
CHF	24,386	23,938
JPY	215.42	213.52
SGD	16,615	17,265
CAD	16,950	17,874
AUD	15,877	16,350
NZD	14,984	15,598
THB	751.30	748.09
SEK	2,474	2,480
NOK	2,378	2,635
DKK	3,491	3,492
HKD	2,995	2,933
CNY	3,280	3,326
KRW	20.23	20.46
LAK	2.57	2.82
MYR	5,329	5,329

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14 August 2020