

**SOUTHEAST ASIA COMMERCIAL JOINT STOCK BANK**

*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2016**

In accordance with Vietnamese Accounting Standards and  
Accounting Regime applicable to Credit Institutions in  
Vietnam and legal regulations relating to financial reporting



**SOUTHEAST ASIA COMMERCIAL JOINT STOCK BANK**

25 Tran Hung Dao, Hoan Kiem

Hanoi, S.R. Vietnam

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**SOUTHEAST ASIA COMMERCIAL JOINT STOCK BANK**

25 Tran Hung Dao, Hoan Kiem  
Hanoi, S.R. Vietnam

**STATEMENT OF THE BOARD OF MANAGEMENT**

The Board of Management of Southeast Asia Commercial Joint Stock Bank (the "Bank") presents this report together with the Bank's consolidated financial statements for the year ended 31 December 2016.

**BOARDS OF DIRECTORS AND MANAGEMENT**

The members of the Boards of Directors and Management of the Bank who held office during the year and to the date of this report are as follows:

**Board of Directors**

Ms. Nguyen Thi Nga	Chairwoman
Ms. Le Thu Thuy	Permanent Deputy Chairwoman
Ms. Khuc Thi Quynh Lam	Deputy Chairwoman (Appointed on 15 February 2016)
Mr. Le Van Tan	Deputy Chairman
Mr. Le Tuan Anh	Deputy Chairman
Mr. Hoang Minh Tan	Member
Mr. Alexandre Maymat	Member
Ms. Thai Thi Phuong Hoa	Member
Ms. Doan Thi Thanh Huong	Independent member

**Board of Management**

Mr. Dang Bao Khanh	General Director
Ms. Le Thu Thuy	First Deputy General Director
Mr. Le Quoc Long	Deputy General Director
Ms. Khuc Thi Quynh Lam	Deputy General Director (Resigned on 15 February 2016)
Mr. Nguyen Tuan Cuong	Deputy General Director
Mr. Vu Dinh Khoan	Deputy General Director
Ms. Van Thi Hang	Deputy General Director
Ms. Tran Thi Thanh Thuy	Deputy General Director
Ms. Duong Bich Hang	Deputy General Director (Appointed on 01 February 2016)
Mr. Nguyen Ngoc Quynh	Deputy General Director (Appointed on 01 June 2016)
Ms. Nguyen Thi Thu Huong	Deputy General Director (Appointed on 01 June 2016)

**BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY**

The Board of Management of the Bank is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Bank and of its consolidated financial statements and its consolidated cash flows for the year in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting. In preparing these consolidated financial statements, the Board of Management is required to:

**SOUTHEAST ASIA COMMERCIAL JOINT STOCK BANK**

25 Tran Hung Dao, Hoan Kiem

Hanoi, S.R. Vietnam

**STATEMENT OF THE BOARD OF MANAGEMENT (Continued)**

- Select suitable accounting policies and then applying them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize risks and frauds.

The Board of Management of the Bank is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Bank and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Bank has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Management,



**Dang Bao Khanh**  
**General Director**

Hanoi, 30 March 2017



No.: 867 /VN1A-HN-BC

## INDEPENDENT AUDITORS' REPORT

**To:** The shareholders  
The Board of Directors and Board of Management  
Southeast Asia Commercial Joint Stock Bank

We have audited the accompanying consolidated financial statements of Southeast Asia Commercial Joint Stock Bank (the "Bank"), prepared on 30 March 2017 as set out from page 05 to page 51, which comprise the consolidated balance sheet as at 31 December 2016, the consolidated statement of income and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting and for such internal control as the management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as at 31 December 2016 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting.

## INDEPENDENT AUDITORS' REPORT (Continued)

### **Emphasis of Matters**

Without qualifying our opinion, we would like to draw readers' attention to the following matters:

- As presented in Note 7 of the Notes to the consolidated financial statements, as at 31 December 2016, a number of loans to Shipbuilding Industry Corporation (formerly known as Vietnam Shipbuilding Industry Group - "Vinashin") and a number of subsidiaries of Vietnam National Shipping Lines ("Vinalines") were classified and made provision by the Bank in accordance with official guidance of the State authorities.
- As presented in Note 15 of the Notes to the consolidated financial statements, foreclosed assets include a number of assets whose values were recorded based on certificate of advisory and valuation issued by an independent valuation firm. The Board of Management asserts that the foreclosed assets above were fairly valued at foreclosure date.



**Khúc Thị Lan Anh**  
**Deputy General Director**  
Audit Practicing Registration Certificate  
No. 0036-2013-001-1

**For and on behalf of**  
**DELOITTE VIETNAM COMPANY LIMITED**

30 March 2017  
Hanoi, S.R. Vietnam

**Pham Tuan Linh**  
**Auditor**  
Audit Practicing Registration Certificate  
No. 3001-2014-001-1



## CONSOLIDATED BALANCE SHEET

As at 31 December 2016

NO.	ITEMS	Notes	Unit: Million VND	
			Closing balance	Opening balance
<b>A.</b>	<b>ASSETS</b>			
<b>I.</b>	<b>Cash, gold and gemstones</b>	<b>4</b>	<b>708,369</b>	<b>564,169</b>
<b>II.</b>	<b>Balances with the State Bank of Vietnam ("SBV")</b>	<b>5</b>	<b>2,364,806</b>	<b>6,084,391</b>
<b>III.</b>	<b>Placements with and loans to other credit institutions</b>	<b>6</b>	<b>15,215,142</b>	<b>11,892,423</b>
1.	Placements with other credit institutions		10,755,668	9,227,423
2.	Loans to other credit institutions		4,459,474	2,665,000
<b>IV.</b>	<b>Loans to customers</b>		<b>58,445,297</b>	<b>42,439,383</b>
1.	Loans to customers	7	58,988,895	42,805,631
2.	Provisions for credit losses of loans to customers	8	(543,598)	(366,248)
<b>V.</b>	<b>Debt purchasing</b>		<b>50,575</b>	<b>50,575</b>
1.	Purchased debt		63,818	63,818
2.	Provisions for credit risk of purchased debts		(13,243)	(13,243)
<b>VI.</b>	<b>Investment securities</b>	<b>9</b>	<b>19,731,935</b>	<b>17,525,520</b>
1.	Available-for-sale investment securities		15,446,564	12,002,991
2.	Held-to-maturity investment securities		4,897,110	5,659,934
3.	Provisions for impairment of investment securities	10	(611,739)	(137,405)
<b>VII.</b>	<b>Long-term investments, capital contribution</b>	<b>11</b>	<b>183,187</b>	<b>183,187</b>
1.	Other long-term investments		183,187	183,187
<b>VIII.</b>	<b>Fixed assets</b>		<b>347,157</b>	<b>349,309</b>
1.	Tangible fixed assets	12	243,208	256,201
a.	Cost		546,079	522,939
b.	Accumulated depreciation		(302,871)	(266,738)
2.	Intangible assets	13	103,949	93,108
a.	Cost		187,729	165,720
b.	Accumulated amortization		(83,780)	(72,612)
<b>IX.</b>	<b>Investment property</b>	<b>14</b>	<b>290,134</b>	<b>317,318</b>
a.	Cost		293,904	320,317
b.	Accumulated depreciation		(3,770)	(2,999)
<b>X.</b>	<b>Other assets</b>	<b>15</b>	<b>6,028,360</b>	<b>5,350,567</b>
1.	Other receivables		1,592,150	1,864,724
2.	Interest and fee receivables		2,130,200	1,909,070
3.	Other assets		2,312,200	1,580,744
4.	Provisions for impairment of other balance sheet assets		(6,190)	(3,971)
<b>TOTAL ASSETS</b>			<b>103,364,962</b>	<b>84,756,842</b>

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

**CONSOLIDATED BALANCE SHEET (Continued)**

As at 31 December 2016

Unit: Million VND

NO.	ITEMS	Notes	Closing balance	Opening balance
<b>B.</b>	<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>I.</b>	<b>Borrowings from the Government and the SBV</b>	<b>16</b>	<b>348,189</b>	<b>181,477</b>
<b>II.</b>	<b>Deposits and borrowings from other credit institutions</b>	<b>17</b>	<b>20,779,035</b>	<b>18,073,040</b>
1.	Deposits from other credit institutions		12,939,085	10,653,524
2.	Borrowings from other credit institutions		7,839,950	7,419,516
<b>III.</b>	<b>Deposits from customers</b>	<b>18</b>	<b>72,130,806</b>	<b>57,018,437</b>
<b>IV.</b>	<b>Derivative financial instruments and other financial liabilities</b>		<b>65,794</b>	<b>14,315</b>
<b>V.</b>	<b>Grants, trusted funds and borrowings at risk of credit institutions</b>	<b>19</b>	<b>393</b>	<b>16,033</b>
<b>VI.</b>	<b>Valuable papers issued</b>	<b>20</b>	<b>2,900,000</b>	<b>2,900,000</b>
<b>VII.</b>	<b>Other liabilities</b>	<b>21</b>	<b>1,260,915</b>	<b>784,679</b>
1.	Accrued fees and interest expenses		1,187,167	649,110
2.	Other payables and liabilities		73,748	135,569
<b>TOTAL LIABILITIES</b>			<b>97,485,132</b>	<b>78,987,981</b>
<b>VIII.</b>	<b>Owners' equity</b>	<b>22</b>	<b>5,879,830</b>	<b>5,768,861</b>
1.	Capital of credit institutions		5,465,881	5,465,881
a.	Charter capital		5,465,826	5,465,826
b.	Other funds		55	55
2.	Reserves		173,629	156,111
3.	Retained earnings		240,320	146,869
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>			<b>103,364,962</b>	<b>84,756,842</b>

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



## CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2016

Unit: Million VND

## OFF-BALANCE SHEET ITEMS

NO.	ITEMS	Notes	Closing balance	Opening balance
1.	Loan guarantee	35	12,500	12,500
2.	Commitments for foreign exchange transaction	35	41,747,320	2,161,641
	Commitments to purchase foreign currency	35	3,350,333	622,396
	Commitments to sell foreign currency	35	3,365,180	649,330
	Commitments for cross currency swap transactions	35	35,031,807	889,915
3.	Letter of credit commitments	35	627,427	463,699
4.	Other guarantees	35	662,703	1,044,919

Prepared by

Approved by

Approved by

\_\_\_\_\_  
Nguyen Thi Hoan  
Preparer\_\_\_\_\_  
Nguyen Thi Thu Huong  
Chief Accountant\_\_\_\_\_  
Dang Bao Khanh  
General Director

30 March 2017

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2016

Unit: Million VND

NO.	ITEMS	Notes	Current year	Prior year
1.	Interest and similar income	23	6,149,615	4,337,090
2.	Interest and similar expenses	24	(4,306,583)	(3,190,529)
<b>I.</b>	<b>Net interest income</b>		<b>1,843,032</b>	<b>1,146,561</b>
3.	Income from services		149,651	101,263
4.	Expenses on services		(105,456)	(60,760)
<b>II.</b>	<b>Net profit from services</b>	<b>25</b>	<b>44,195</b>	<b>40,503</b>
<b>III.</b>	<b>Net loss from trading foreign currencies</b>	<b>26</b>	<b>(15,548)</b>	<b>(22,678)</b>
<b>IV.</b>	<b>Net gain from trading securities</b>	<b>27</b>	<b>-</b>	<b>1,497</b>
<b>V.</b>	<b>Net gain from trading investment securities</b>	<b>27</b>	<b>36,589</b>	<b>2,023</b>
5.	Other operating income		3,559	7,062
6.	Other operating expenses		(1,365)	(2,527)
<b>VI.</b>	<b>Net profit from other activities</b>		<b>2,194</b>	<b>4,535</b>
<b>VII.</b>	<b>Income from capital contribution, equity investments</b>	<b>28</b>	<b>3,031</b>	<b>5,457</b>
<b>VIII.</b>	<b>Operating expenses</b>	<b>29</b>	<b>(1,119,317)</b>	<b>(967,923)</b>
<b>IX.</b>	<b>Net profit from operating activities before credit provision expenses</b>		<b>794,176</b>	<b>209,975</b>
<b>X.</b>	<b>Provision expenses for credit losses</b>		<b>(648,279)</b>	<b>(93,009)</b>
<b>XI.</b>	<b>Profit before tax</b>		<b>145,897</b>	<b>116,966</b>
7.	Current corporate income tax expenses	30	(29,108)	(25,081)
<b>XII.</b>	<b>Corporate income tax expenses</b>		<b>(29,108)</b>	<b>(25,081)</b>
<b>XIII.</b>	<b>Profit after corporate income tax</b>		<b>116,789</b>	<b>91,885</b>
<b>XIV.</b>	<b>Basic earnings per share (VND)</b>	<b>31</b>	<b>203</b>	<b>159</b>

Prepared by

Approved by



\_\_\_\_\_  
**Nguyen Thi Hoan**  
 Preparer

30 March 2017



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**Nguyen Thi Thu Huong**  
 Chief Accountant



Approved by

\_\_\_\_\_  
**Dang Bao Khanh**  
 General Director

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

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2016

Unit: Million VND  
Prior year

NO.	ITEMS	Current year	Prior year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01.	Interest and similar income received	5,574,889	3,981,118
02.	Interest and similar expenses paid	(3,769,439)	(3,139,502)
03.	Income from services	46,855	40,503
04.	Net cash from dealing in foreign currencies, gold and trading securities	21,041	(19,158)
05.	Other income	1,686	4,535
06.	Receipts from debts written-off or paid off by risk fund	509	-
07.	Payments to employees and for operating management	(957,614)	(871,372)
08.	Corporate income tax paid	(28,199)	(24,954)
	<b>Operating profit/(loss) before movements in assets and working capital</b>	<b>889,728</b>	<b>(28,830)</b>
	<b>Movement in operating assets</b>	<b>(20,885,513)</b>	<b>(6,940,912)</b>
09.	Changes in placements with and loans to other credit institutions	(1,794,474)	8,895,240
10.	Changes in securities trading	(3,384,445)	(682,778)
11.	Changes in loans to customers	(15,875,841)	(15,646,276)
12.	Changes in other operating assets	169,247	492,902
	<b>Movement in operating liabilities</b>	<b>17,968,460</b>	<b>4,580,484</b>
13.	Changes in borrowings from the Government and the State Bank of Vietnam	166,712	181,477
14.	Changes in deposits and borrowings from other credit institutions	2,705,995	(7,523,289)
15.	Changes in deposits from customers (including State Treasury)	15,112,372	11,988,301
16.	Changes in grants, trusted funds and borrowings at risk of credit institutions	(15,640)	(3,920)
17.	Changes in derivative financial instruments and other financial liabilities	51,479	14,315
18.	Changes in other operating liabilities	(52,458)	(76,400)
<b>I.</b>	<b>Net cash (used in) operating activities</b>	<b>(2,027,325)</b>	<b>(2,389,258)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
01.	Acquisition of fixed assets	(48,922)	(97,025)
02.	Proceeds from sales, disposal of fixed assets	260	2,063
03.	Acquisition of investment properties	(19,000)	(25,432)
04.	Proceeds from sales, disposal of investment properties	44,816	10,990
05.	Dividends and profits received from long-term investments and capital contribution	3,031	5,457
<b>II.</b>	<b>Net cash used in investing activities</b>	<b>(19,815)</b>	<b>(103,947)</b>

The accompanying notes are an integral part of these financial statements



**CONSOLIDATED CASH FLOW STATEMENT (Continued)***For the year ended 31 December 2016**Unit: Million VND*

NO. ITEMS	Current year	Prior year
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
01. Dividends paid, profit received	-	(124,510)
<b>III. Net cash used in financing activities</b>	-	<b>(124,510)</b>
<b>IV. Net decrease in cash</b>	<b>(2,047,140)</b>	<b>(2,617,715)</b>
<b>V. Cash and cash equivalents at the beginning of the year</b>	<b>15,875,983</b>	<b>18,493,698</b>
<b>VI. Cash and cash equivalents at the end of the year (Note 32)</b>	<b>13,828,843</b>	<b>15,875,983</b>

Prepared by

\_\_\_\_\_  
Nguyen Thi Hoan  
Preparer

30 March 2017

Approved by \_\_\_\_\_  
Nguyen Thi Thu Huong  
Chief Accountant

Approved by

\_\_\_\_\_  
Dang Bao Khanh  
General Director



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**1. GENERAL INFORMATION**

Southeast Asia Commercial Joint Stock Bank (hereinafter referred to as the "Bank" or "SeABank") is a commercial joint stock bank incorporated in the Socialist Republic of Vietnam under License of Establishment and Operation No. 0051/NH-GP dated 25 March 1994 issued by the State Bank of Vietnam on 25 March 1994 with the term of 99 years. The Bank's charter capital under the 26<sup>th</sup> amended Certificate of Business Registration dated 01 March 2016 issued by Hanoi Planning and Investment Department is VND 5,465,826 million.

**Branch network and operations**

The Head Office of the Bank is located at No. 25 Tran Hung Dao Street, Hoan Kiem District, Hanoi. As at 31 December 2016, the Bank has one (01) Head Office, one (01) Domestic Representative Office, thirty nine (39) branches, one hundred and twenty one (121) transaction offices across the country and one (01) subsidiary.

The Bank's main activities are to provide banking services including mobilizing and receiving short-term, medium-term, and long-term deposits from organizations and individuals; providing short-term, medium-term, and long-term loans based on the nature and capability of the Bank's sources of capital; providing payment, treasury and other services as approval of the State Bank of Vietnam; investing in associates, joint ventures and other companies; investing in bonds and conducting foreign exchange transactions in accordance with prevailing regulations.

**Subsidiary**

As at 31 December 2016, the Bank has one (01) subsidiary as follows:

Name	License of Establishment and Operation No.	Principal activities	% of ownership held by the Bank	Charter capital (million VND)
SeABank Asset Management Company Limited	01040044839 dated 16 December 2008 and 0103099985 dated 10 March 2011 by Hanoi Department of Planning and Investment	Debt management and assets exploitation	100%	500,000

**Employees**

As at 31 December 2016, the total number of employees of the Bank is 2,736 (as at 31 December 2015: 2,633).

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**

**Accounting convention**

The accompanying consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal relating to financial reporting. However, due to the Bank's large scale of operation, for the purpose of preparing the consolidated financial statements, figures are rounded to and presented in millions of Vietnam Dong (million VND). This presentation does not have material effect on the consolidated financial statements in term of the consolidated financial position, consolidated results of operations and consolidated cash flows of the Bank and its subsidiary. With regard to the number of shares and basic earnings per share, the Bank presented the items in unit as shown in Note 22 and 31.

The accompanying consolidated financial statements are not intended to present the consolidated financial position, results of consolidated operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

**Financial year**

The Bank's financial year begins on 01 January and ends on 31 December.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies, which have been adopted by the Bank in the preparation of these consolidated financial statements, are as follows:

**Accounting estimates**

The preparation of the consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Bank and enterprise controlled by the Bank (its subsidiary) up to 31 December 2016. Control is achieved where the Bank has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiary acquired or disposed during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiary to bring the accounting policies used in line with those used by the Bank.

All internal transactions and balances the Bank and its subsidiary are eliminated on consolidation.



**Business combinations**

The assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to consolidated profit and loss in the year of acquisition.

**Financial instruments**

***Initial recognition***

***Financial assets***

At the date of initial recognition, financial assets are recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Bank comprise cash on hand, gold, gemstones, balances with the State Bank of Vietnam, placements with and loans to other credit institutions, trading securities, loans to customers, purchased debts, investment securities, other long-term investments, interest and fee receivables, other receivables and other assets.

***Financial liabilities***

At the date of initial recognition financial liabilities are recognized at cost plus transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Bank comprise borrowings from the Government and the State Bank of Vietnam, deposits and borrowings from other credit institutions, customer deposits, derivative financial instruments and other financial liabilities, grants, trusted funds and borrowings at risk of credit institution, valuable papers issued, accrued fees and interest expenses, and other payables and liabilities.

***Subsequent measurement after initial recognition***

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash and cash equivalents on hand, demand deposits, highly-liquid term deposits and investments with terms of less than 3 months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Loans to customers and purchased debts**

Loans to customers and purchased debts are disclosed at their principal amounts outstanding at the end of the financial year.

**Provision for credit losses**

***Loan classification***

In accordance with Law on Credit Institutions No. 47/2010/QH12 effective from 01 January 2011, Decision No. 1627/2011/QĐ-NHNN dated 31 December 2001 of the Governor of State Bank on lending regulations of credit institutions, Decision No. 127/2005/QĐ-NHNN dated 03 February 2005 amending and supplementing a number of articles of the regulations on lending by credit institutions to customers issued in conjunction with Decision No. 1627/2001/QĐ-NHNN, Circular No. 02/2013/TT-NHNN dated 21 January 2013 ("Circular 02")

stipulating classification of assets, levels and method of provisioning and use of provision against credit risk in activities by credit institutions and branches of foreign banks and Circular No. 09/2014/TT-NHNN dated 18 March 2014 ("Circular 09") amending and supplementing Circular 02 on classification of assets, levels, method of provisioning and use of provision against credit risk in banking activities by credit institutions and branches of foreign banks, credit institutions are required to classify loans and make provisions for credit losses.

Accordingly, the classification and making provisions for credit losses under Circular 02 and Circular 09 are applied for the following assets:

- Loans;
- Finance lease;
- Discounts, rediscounts of negotiable instruments and other valuable papers;
- Factoring;
- Credit facilities in the form of credit card issuance;
- Payments on customer behalf under off-balance sheet commitments;
- Cost and entrusted amounts for purchase of corporate bonds unlisted on the stock market or unregistered for trading on trading market of unlisted public companies (Upcom) (hereinafter referred to as unlisted bonds), excluding purchase of unlisted bonds by entrustment amount which the trustors bear risks;
- Entrusted credit facilities;
- Deposits (excluding demand deposits) at domestic credit institutions, Vietnam-based foreign banks' branches as prescribed by law and deposits at foreign credit institutions.

The Bank performs the classification of loans by the quantitative method as stipulated in Article 10 of Circular 02. Accordingly, loans are graded using the following risk classifications: *Current, Special-mentioned, Sub-standard, Doubtful and Loss* based on the overdue status and other qualitative factors.

Credit risk exposure of loans to customers is calculated by subtracting from the loan balance the related determined value of collateral which is subject to certain accepted discount rates in accordance with Circular 02.

***Specific provision***

Specific provision is established based on the net credit risk exposure for loans using the prescribed provision rates applicable to that loan classifications as follows:

<b>Group</b>	<b>Category</b>	<b>Provision rate</b>
1	Current	0%
2	Special-mentioned	5%
3	Sub-standard	20%
4	Doubtful	50%
5	Loss	100%

In accordance with Circular 02, loan classification is to be made at the end of each quarter for the first three quarters and on 30 November for the last quarter of each year.



***General provision***

In accordance with Circular 02, general provision is made for credit losses which are yet to be identified during the loan classification and specific provision making process as well as in case of the Bank's potential financial difficulty due to deterioration in loan quality. General provision at the end of the year is made at 0.75% of total loan balances from Group 1 to Group 4 as at 30 November of that year.

These provisions are recorded in the consolidated income statement as an expense that will be used to write off any credit losses incurred. According to Circular 02, the Bank sets up Risk Settlement Committee in order to write off loans if they are classified under Group 5 or if the borrowers being legal entities are liquidated or go bankrupt, or if individual borrowers pass away or are missing.

***Investments***

***Held-to-maturity securities***

Held-to-maturity investment securities are debt securities that the Bank purchases for investment purpose in order to gain interest and the Bank has intention and ability to hold the securities until maturity. Held-to-maturity securities have fixed or determinable payments and fixed maturities. In case the securities are sold before maturity, these securities will be reclassified to trading or available-for-sale securities.

Held-to-maturity investment securities are initially recognized at par value as at the transaction date, accrued interest income before the purchasing date (for debt securities with interest payment in arrears) or interest income received upfront awaiting amortization (for debt securities with interest payment in advance) are recorded in a separate account. Any discount or surplus which is the difference between par value and the amount equal to par value plus (+) accumulative interest income before purchasing date (if any) or minus (-) interest income received upfront waiting for amortization (if any) is also recorded in a separate account.

In subsequent period, held-to-maturity investment securities are recognized at par value, any discount or surplus (if any) is amortized in consolidated income statement using straight-line method over the estimated remaining term of securities.

Interest payment in arrears is recorded as follows: accumulative interest income before purchasing date is recorded as a decrease in value of such securities and the same amount is credited into accrued interest; accumulative interest income after purchasing date is recognized as the Bank's income, based on accrual basis. Interest received upfront is recognized and amortized in interest income of securities investment using straight-line method over investment period.

***Bad debts trading transactions between Vietnam Asset Management Company ("VAMC") and credit institutions***

Pursuant to Official Letter No. 8499/NHNN-TCKT dated 14 November 2013 of the State Bank of Vietnam guiding the accounting treatment of the bad debts trading transactions between VAMC and credit institutions, when the Bank involves in bad debts selling transactions to receive special bonds from VAMC and the formal selling procedures are completed, the Bank will record the special bonds received from VAMC on the "Held-to-maturity investment securities" account.

Periodically, the Bank shall determine and make provision for those special bonds in accordance with the regulations stipulated in Decree No. 53/2013/ND-CP ("Decree 53") dated 18 May 2013 of the Government and Circular No. 19/2013/TT-NHNN dated 06 September 2013 ("Circular 19") and Circular No.14/2015/TT-NHNN date 28 August 2015 of the State Bank of Vietnam amending and supplementing a number of articles of Decree 53 and Circular 19. Accordingly, during the term of the special bonds, the Bank shall record the provision for impairment of those special bonds in the operating expenses. Every year, within 5 working days preceding the day corresponding to the date of the special bond maturity date, the Bank shall make specific minimum provision for each individual special bond calculated by the following formula:



Specific provision made in the year = (Face value of the special bond x Number of years from issuance of special bonds to provision time)/Term of the special bond - Accrued bad debt repayment up to provision time - Accumulated specific provision for special bonds up to provision time.

The Bank is not required to make general provision for special bonds.

The special bonds are redeemed in the following cases:

- a) The loan loss provision made for special bonds is not lower than the carrying amount of outstanding principal of the bad debts being recorded by VAMC, including the cases below:
  - (i) VAMC sells bad debts to other organizations and individuals, including the selling back bad debts bought with special bonds to debt-selling credit institutions at market prices or agreed prices;
  - (ii) VAMC converts part or all bad debts bought into charter capital, share capital of borrowers being companies.
- b) The special bonds are matured: When the special bonds are redeemed and the Bank receives the previously sold debts from VAMC, the Bank might use the provision made annually for special bonds to settle bad debts. The difference between provisions made for special bonds and unrecoverable amount of debts is recorded as "Other operating income" in the consolidated income statement.

#### ***Available-for-sale securities***

Available-for-sale investments include debt securities that the Bank holds for investment purpose and that are ready for sale. These securities are not frequently traded but could be sold at any time once they are profitable.

Available-for-sale debt securities are initially recognized at par value as at the transaction date. Accrued interest income before the purchasing date (for debt securities with interest payment in arrears) or interest income received upfront (for debt securities with interest payment in advance) is recorded in a separate account. Any discount or premium which is the negative/positive difference between par value and the amount equal to par value plus (+) accumulative interest income before the purchasing date or minus (-) interest received upfront which is also recorded in a separate account.

Subsequently, available-for-sale debt securities are recorded at par value deduct/plus remaining discount/premium after amortizing into the consolidated income statement using the straight-line method over the remaining term of securities. Interest payment in arrears is recorded as follows: accumulative interest income before the purchasing date is recorded as a decrease in the value of such securities and the same amount is credited into the accrued interest income; accumulative interest income after the purchasing date is recognized in the Bank's income, on an accrual basis. Interest received upfront is amortized into the consolidated income statement using the straight-line method over the investment period.

#### ***Provisions for impairment of investment securities***

For special bond issued by Vietnam Asset Management Company in order to buy the bad debts of credit institutions, provisions are made and utilize in accordance with Circular No. 19/2013/TT-NHNN dated 06 September 2013 issued by the Governor of the State Bank of Vietnam on the purchase, sale and settlement of bad debts of Vietnam Asset Management Company and other relevant regulations.

Other investments in unlisted corporate bonds are classified and made provision in accordance with Circular No. 02/2013/TT-NHNN and Circular No. 09/2014/TT-NHNN (similar to loans represented in **Provision for credit losses**).

Except for cases above, provisions for impairment of such securities are made in accordance with Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 and Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance.

***Other long-term investments***

Other long-term investments represent the investments in unlisted equity securities and other entities in which the Bank holds less than 20% of the voting right and the Bank has no significant influence, control or joint control over the investee. The long-term investments are recognized at cost less provision (if any).

Provision for impairment of long-term investments is made when the investees make losses (except that such losses were intended in the entities' original business plans) in accordance with Circular No. 228/2009/TT-BTC ("Circular 228") dated 07 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 amending and supplementing Circular 228 issued by the Ministry of Finance. Accordingly, provision to be made is the difference between the Bank's actual contributed capital to the investees and the Bank's share of the owner's equity of the investee. The provision for impairment of long-term investments is recorded as an operating expense in the Bank's consolidated income statement.

***Recognition***

The Bank records investment securities and other investments at the date when contracts are signed and effective (transaction-date based policy).

Investment securities and other investments are recorded at cost. After initial recognition, investment securities and other investments are recorded under the above accounting policies.

***Derecognition***

Investments in securities are derecognised when the rights to receive cash flows from the investments are ended or when the Bank has transferred significant risks and benefits attached to the ownership of the investments. Upon derecognition, the value of derecognised investments is determined using the weighted average method.

***Trust activities and trust funds***

The Bank's trust activities include discretionary investment trusts and client-directed investment trusts. The value of investment trust and trust funds received are recorded when the trust contracts have been signed and trust funds have been realized. Rights and obligations of the trustor and trustee relating to profit and profit sharing, trust fee, other rights and obligations are in compliance with the terms of the contracts. The assets that are held under custody services are not assets of the Bank and therefore, they are not included in the Bank's consolidated financial statements.



**Tangible fixed assets and depreciation**

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

Tangible fixed assets are depreciated using the straight-line method over the following estimated useful lives:

<b>Asset types</b>	<b>Years</b>
Building, structures	10 - 50
Office equipment	05 - 08
Motor vehicles	08 - 10
Others	08 - 12

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between proceeds from sales or disposals of assets and their residual values and is recognized in the consolidated income statement.

**Intangible assets and amortization**

Intangible assets comprise of land use rights granted with indefinite term which are not amortized; computer software and other intangible assets which are stated at cost less accumulated amortization.

Intangible assets are amortized using the straight-line method over the following estimated useful lives, details as below:

<b>Asset types</b>	<b>Years</b>
Land use rights granted with indefinite term	Not amortized
Land use rights granted with definite term	According to useful lives
Computer software	10 - 15
Other intangible assets	08 - 20

Loss or gain resulting from sales and disposals of intangible assets is the difference between profit from sales or disposals of assets and their residual values and is recognized in the consolidated income statement.

**Investment properties**

Investment properties, which are composed of land use rights and buildings and structures held by the Bank to earn rentals or for capital appreciation, are stated at cost less accumulated depreciation. The cost of purchased investment properties comprises its purchase price and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs. The costs of investment properties are the finally accounted construction or directly attributable costs of the properties. The Bank does not charge amortization on land use rights with infinite term. Investment properties which are buildings and structures are depreciated on a straight-line basis over the estimated useful lives from 10 to 20 years.



### **Leasing**

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease.

### **Prepayments**

Prepayments comprise of prepaid expenses for office rental and other prepaid expenses.

Office rental expense represents the amount which has been prepaid to lease the office. Prepaid expense for office rental is amortized in the consolidated income statement using the straight-line method over the rental period.

Other long-term prepayments include repair, maintenance cost for assets, tools and supplies issued for consumption, and are considered to bring future economic benefits to the Bank with term of one year or more. These expenses are capitalized as prepayments and are charged to the consolidated income statement, using the straight-line method over the period of more than one year but not exceeding three years in accordance with prevailing accounting regulations.

### **Receivables**

Receivables apart from receivables from credit activities in the Bank's operations are initially recognized at cost and subsequently carried at cost.

Other receivables are subject to review for provision which is made based on the overdue status or based on the expected loss for the following cases: institutional debtors which have fallen into bankruptcy or have been in the process of dissolution; or individual debtors who are missing, escaping or being prosecuted, on trial or pass away even though loans are not overdue. Provision expense incurred is recorded as "Operating expenses" in the consolidated income statement during the year.

The Bank makes provision for overdue receivables in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance. Accordingly, provisions for overdue receivables at year end are made based on the following provision rates applied to receivables as at the closing date of the financial year after deducting the value of evaluated collaterals.

<b>Overdue status</b>	<b>Rate of provision</b>
From 6 months to below 1 year	30%
From 1 year to below 2 years	50%
From 2 years to below 3 years	70%
From 3 years and above	100%

### **Capital and reserves**

#### **Common stocks**

Common stocks are classified as owners' equity. Incurred expenses that directly relate to the issuance of common stocks are recognized as a decrease in owners' equity.

#### **Share premium**

When capital is received from shareholders, the difference between selling price and par value is recorded as share premium in owners' equity.

***Treasury shares***

When issued stocks are repurchased, the aggregate amount paid, including expenses that directly relate to the repurchase of stocks, after deducting taxes, is recorded as treasury shares and are stated as a decrease in the owners' equity.

***Reserves***

Reserves are used for specific purposes and are appropriated from the Bank's profit after tax based on the following regulated ratios:

- Charter capital supplementary reserves: 5% of profit after tax, not exceeding the Bank's charter capital;
- Financial reserve fund: 10% of profit after tax but not exceeding 25% of the Bank's charter capital;
- Bonus fund for the Board of Management, bonus and welfare funds are established in accordance with the Decisions approved in the Annual General Shareholders' Meetings.

***Revenue and expenses***

***Interest income***

Income from interest is recorded on accrual basis for the loans which are identified as being able to claim both principals and interests on time and the Bank shall not appropriate provisions according to prevailing regulations. The interest amounts which have been recorded as income, in the event that the customer could not pay both principal and interest on the maturity date, would be tracked as off-balance sheet items to urge the collection of those loans. When collected, interests are recorded as income from operating activities.

The accrued interest income arising from the loans that is classified from either group 2 to group 5 according to the criteria set out in Circular 02 and Circular 09 is not recognized in the consolidated income statement for the year. Accrued interest income of impaired loans is recorded as off-balance sheet item and is only recognized in the consolidated income statement when it is actually received.

***Interest expense***

Interest expenses are recorded in the consolidated income statement on accrual basis.

***Income from services***

Revenue of a transaction involving the rendering of services is recognized when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognized in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- a) The amount of revenue can be measured reliably;
- b) it is probable that the economic benefits associated with the transaction will flow to the Bank;
- c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

***Recognition of dividends and profit received***

Cash dividends and profit received from investment activities are recorded into the consolidated income statement when the Bank's right to receive dividends and profits has been established. Stock dividends, which are distributed from profits of joint-stock companies, are not recognized in the consolidated financial statements.



**Foreign currencies**

Transactions arising in currencies other than VND are translated into VND at the exchange rates ruling at the transaction date. Foreign exchange differences arising from these transactions are recognized in the consolidated income statement.

Monetary assets and liabilities denominated in currencies other than VND at the balance sheet date are retranslated into VND at the rates of exchange prevailing on that date. Exchange differences arising from the translation of these accounts are recorded in the "Foreign exchange reserve" in owners' equity in the consolidated balance sheet. The difference is realized in the consolidated income statement at the end of the financial year.

**Other provisions**

Other provisions are recognized when the Bank has a present obligation as a result of a past event, and it is probable that the Bank will be required to settle that obligation. Other provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the closing date.

**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all temporary differences except that deferred tax liabilities arise from initial recognition of an asset or a liability of a transaction which does not affect the accounting profit or taxable profit (or loss) at the transaction date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Bank intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.



**Employee's benefits**

*Resignation allowance*

In accordance with Article 42 of amended Labor Code dated 02 April 2002, when employees who have from 12 months of service or more voluntarily terminate their labor contracts, the Bank is obligated to pay these employees a half month salary for each year of service plus allowances (if any).

*Severance allowance*

In accordance with Article 47 of Labor Code, the Bank is responsible to pay severance allowance to employees who lose their jobs due to change in organizational structure or technology. In these cases, the Bank is obligated to pay these employees severance allowance worth of one month salary for each year of service but not less than two - month - salary.

*Unemployment insurance*

In accordance with the Law on Social Insurance, since 01 January 2009, the Bank and its employees are obligated to contribute to Unemployment Fund which is managed by Vietnam Social Security. Contribution rate of each party is 1% of the lower of employees' basic salaries or 20 times minimum wages which are imposed by the Government in each period. By complying with unemployment insurance regulations, the Bank is not required to make provisions for severance allowances for time of service after 01 January 2009. However, severance allowance payables to eligible employees is calculated based on numbers of years on service prior to 31 December 2008 and average six-monthly-salary prior to resignation date.

**Currency derivatives contracts**

*Forward and swap contracts*

For currency forward, swap and future contracts, the difference of VND amounts equivalent to the foreign currencies committed for trading between forward exchange rate and spot exchange rate as at effective date of the contract is recognized as "Derivative instruments and other financial assets" when it is positive, or as "Derivative instruments and other financial liabilities" when it is negative. The difference is subsequently amortized in the consolidated income statement as "Net gain/(loss) from trading foreign currencies" over the term of the contracts. As at the consolidated balance sheet date, commitments of currency forward, swap and future contracts are re-measured using the official inter-bank exchange rate announced by the State Bank of Vietnam. Gain or loss from revaluation is recorded in "Net gain/loss from trading foreign currencies".

**Related parties**

The parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making decisions on financial and operating policies. A party is considered as a related party with the Bank if:

(a) Directly or indirectly through one or more intermediaries, the party:

- Has capability to control the Bank or is controlled by the Bank (including holding company and subsidiaries);
- Has capital contribution into the Bank that accordingly, 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 venturer;
- (c) The party is a close member of the Bank's Board of Directors, Board of Management and Board of Supervisors;
- (d) The party is a close member of the family of any individual referred to in (a) or (c);
- (e) The party is the one that the Bank is controlled, jointly controlled or significantly influenced by, or of which, significant voting power in the Bank resides with, directly or indirectly, any individual referred to in (c) or (d).

**Off-balance sheet commitments and guarantees**

At any time during the course of business, the Bank always has outstanding commitments. These commitments are in the form of approved loans and overdraft facilities. The Bank also provides financial guarantee services to guarantee the contract performance of customers to third parties. These transactions are recorded in the consolidated financial statements when performed or when related expenses are incurred or received.

According to Circular 02 and Circular 09 issued by the State Bank of Vietnam, the Bank is required to classify guarantee amounts, payment acceptances, lending commitments which are unconditional and irrevocable and have specific date of the implementation (hereinafter referred to as off-balance sheet commitments) as prescribed in Article 10 of Circular 02 in order to manage and supervise quality of credit extension activity. Accordingly, the off-balance sheet commitments are graded using the following risk classifications: *Current, Special-mentioned, Sub-standard, Doubtful and Loss* based on the overdue status and other qualitative factors.

The Bank does not make general provision and specific provisions for off-balance sheet commitments in accordance with the guidance in Circular 02 and Circular 09.

**4. CASH, GOLD AND GEMSTONES**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>million VND</b>	<b>million VND</b>
Cash in VND	585,768	444,463
Cash in foreign currencies	121,326	117,356
Other precious metal and gemstones	1,275	2,350
	<b>708,369</b>	<b>564,169</b>



**5. BALANCES WITH THE STATE BANK OF VIETNAM**

	<u>Closing balance</u> million VND	<u>Opening balance</u> million VND
Current account at the State Bank of Vietnam in VND	2,135,458	1,837,203
Current account at the State Bank of Vietnam in foreign currencies	229,348	4,247,188
	<u>2,364,806</u>	<u>6,084,391</u>

Deposit at the State Bank of Vietnam ("SBV") consists of compulsory reserves for deposits and current accounts.

According to Decision No. 379/QD-NHNN dated 24 February 2011, Decision No. 1209/QD-NHNN dated 01 June 2011, Decision No. 1925/QD-NHNN dated 28 August 2011 and Decision No. 1972/QD-NHNN dated 31 August 2011 on compulsory reserves, the Bank is allowed to keep a floating balance at compulsory reserve account.

**6. PLACEMENTS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS**

	<u>Closing balance</u> million VND	<u>Opening balance</u> million VND
<b>Placements with other credit institutions</b>		
Demand deposits	3,929,588	1,081,723
- In VND	3,517,927	21,888
- In foreign currencies	411,661	1,059,835
Term deposits	6,826,080	8,145,700
- In VND	5,380,000	5,300,000
- In foreign currencies	1,446,080	2,845,700
	<u>10,755,668</u>	<u>9,227,423</u>
<b>Loans to other credit institutions</b>		
Loans in VND	4,127,089	2,665,000
Loans in foreign currencies	332,385	-
	<u>4,459,474</u>	<u>2,665,000</u>
<b>Total placement with and loans to other credit institutions</b>	<u>15,215,142</u>	<u>11,892,423</u>

**Analysis of loans, term deposits at other credit institutions by quality**

	<u>Closing balance</u> million VND	<u>Opening balance</u> million VND
Current loans	11,285,554	10,810,700
Special-mentioned loans	-	-
Sub-standard loans	-	-
Doubtful loans	-	-
Loss loans	-	-
	<u>11,285,554</u>	<u>10,810,700</u>



**7. LOANS TO CUSTOMERS**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>million VND</b>	<b>million VND</b>
Loans to local business entities and individuals	57,805,409	41,620,412
Payments on behalf of customers	-	-
Loans by grants, investment trusts	1,283	1,424
Loans to foreign organizations and individuals	437,021	438,613
Outstanding loans pending for resolution	745,182	745,182
	<b>58,988,895</b>	<b>42,805,631</b>

**Analysis of loan balances by quality**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>million VND</b>	<b>million VND</b>
Current loans	57,082,270	41,261,319
Special-mentioned loans	156,742	187,692
Sub-standard loans	739,728	438,473
Doubtful loans	21,930	29,830
Loss loans	243,043	143,135
Outstanding loans pending for resolution	745,182	745,182
	<b>58,988,895</b>	<b>42,805,631</b>

As at 31 December 2016, a number of loans to Shipbuilding Industry Corporation (formerly known as Vietnam Shipbuilding Industry Group - "Vinashin") and Vietnam National Shipping Lines ("Vinalines") were classified and made provision by the Bank in accordance with official guidance of the State authorities.

**Analysis of loan balances by terms**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>million VND</b>	<b>million VND</b>
Short-term loans	10,235,116	7,193,690
Medium-term loans	28,384,397	20,715,521
Long-term loans	20,369,382	14,896,420
	<b>58,988,895</b>	<b>42,805,631</b>

Short-term, medium-term and long-term loans have initial terms of 12 months or less, from more than 12 months to 60 month and more than 60 months, respectively.

**Analysis of loan balances by type of business entity**

	<b>Closing balance</b> <b>million VND</b>	<b>Opening balance</b> <b>million VND</b>
State-owned enterprises	928,973	919,604
State-owned one-member limited enterprises	2,156,309	1,767,352
Other limited companies	13,967,228	15,570,815
Joint stock companies with more than 50% of the State's share-holding	1,215,312	799,299
Other joint stock companies	25,700,731	11,604,863
Partnership companies	-	4,447
Private companies	1,142,135	1,253,373
Foreign invested enterprises	1,928,956	696,925
Cooperatives, cooperative unions	17,500	13,928
Household businesses, individuals	11,754,920	9,969,514
Administrative units, the Party, unions and associations	176,831	205,511
	<b>58,988,895</b>	<b>42,805,631</b>

**Analysis of loan balances by currency**

	<b>Closing balance</b> <b>million VND</b>	<b>Opening balance</b> <b>million VND</b>
Loans in VND	56,532,858	40,619,406
Loans in foreign currencies	2,456,037	2,186,225
	<b>58,988,895</b>	<b>42,805,631</b>

**Analysis of loan balances by industry**

	<b>Closing balance</b> <b>million VND</b>	<b>Opening balance</b> <b>million VND</b>
Agriculture, forestry and aquaculture	1,238,341	1,228,600
Mining and quarrying	1,374,204	1,343,387
Manufacturing and processing	7,444,362	3,592,247
Electricity, petroleum & hot water	1,527,707	1,005,574
Water supplying, garbage and sewage treatment and management	25,032	32,774
Construction	3,170,979	3,166,330
Wholesale and retail trade, repair of motor vehicles, motor cycles	12,487,074	9,315,656
Transport, warehouse	2,092,807	1,957,236
Hospitality services	4,558,072	2,631,860
Information and communications	130,946	123,126
Financial, banking and insurance	235,027	213,162
Real estate	3,778,208	3,807,860
Profession, science and technology	2,385,343	1,153,421
Administrative activities and supporting service	600,512	593,803
Activities of Party, socio-political organization, State management, security and national defense, social guarantee	126,354	94,825
Education and training	239,146	215,315
Health care and social work	270,779	249,946
Recreational, culture, sporting activities	4,870,980	1,274,912
Other service activities	4,985,600	3,935,488
Households	7,447,422	6,870,109
	<b>58,988,895</b>	<b>42,805,631</b>



**8. PROVISIONS FOR CREDIT LOSSES OF LOANS TO CUSTOMERS**

**Movement in provision for credit losses of loans to customers:**

	<b>General provision</b>	<b>Specific provision</b>	<b>Total</b>
	<b>million VND</b>	<b>million VND</b>	<b>million VND</b>
<b>Opening balance</b>	<b>292,532</b>	<b>73,716</b>	<b>366,248</b>
Provision charged for the year	120,709	57,149	177,858
Provision utilized for the year	-	(508)	(508)
<b>Closing balance</b>	<b>413,241</b>	<b>130,357</b>	<b>543,598</b>

**9. INVESTMENT SECURITIES**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>million VND</b>	<b>million VND</b>
<b>Available-for-sale investment securities</b>	<b>15,446,564</b>	<b>12,002,991</b>
<b>Debt securities</b>	<b>15,446,564</b>	<b>12,002,991</b>
Government bonds	8,576,890	4,993,762
Debt securities issued by other local credit institutions	5,519,674	3,517,303
Debt securities issued by local business entities	1,350,000	3,491,926
<b>Held-to-maturity investment securities</b>	<b>4,897,110</b>	<b>5,659,934</b>
Debt securities issued by local business entities (i)	4,897,110	5,659,934
	<b>20,343,674</b>	<b>17,662,925</b>
Provision for impairment of available-for-sale investment securities	(16,989)	(24,300)
Provision for impairment of held-to-maturity investment securities	(594,750)	(113,105)
	<b>19,731,935</b>	<b>17,525,520</b>

**Listing status of investment securities:**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>million VND</b>	<b>million VND</b>
<b>Available-for-sale investment securities</b>		
<b>Debt securities</b>		
Government bonds		
- Listed	8,576,890	4,993,762
Debt securities issued by other local credit institutions		
- Listed	519,674	167,303
- Unlisted	5,000,000	3,350,000
Debt securities issued by local business entities		
- Unlisted	1,350,000	3,491,926
<b>Held-to-maturity investment securities</b>		
Debt securities issued by local business entities		
- Unlisted (i)	4,897,110	5,659,934
	<b>20,343,674</b>	<b>17,662,925</b>

- (i) Unlisted debt securities issued by local business entities include special bonds issued by Vietnam Asset Management Company (VAMC) and bonds issued by Debt and Asset Trading Corporation (DATC) with the amounts of VND 4,577,746 million (31 December 2015: VND 5,340,570 million) and VND 319,364 million (31 December 2015: VND 319,364 million), respectively.

**Special bonds issued by VAMC**

	<b>Closing balance</b> <b>million VND</b>	<b>Opening balance</b> <b>million VND</b>
Par value of special bonds	4,577,746	5,340,570
Provision for impairment of special bonds	(594,750)	(113,105)
	<b>3,982,996</b>	<b>5,227,465</b>

**Quality status of bonds issued by unlisted companies**

	<b>Closing balance</b>	<b>Opening balance</b>
Current loans	1,350,000	3,491,926

**10. PROVISIONS FOR IMPAIRMENT OF INVESTMENT SECURITIES**

Details of movements in provisions for impairment of investment securities for the year ended 31 December 2016 are as below:

	<b>General provisions for impairment of AFS securities</b> <b>million VND</b>	<b>Specific provisions for held-to-maturity securities (*)</b> <b>million VND</b>	<b>Total</b> <b>million VND</b>
<b>Opening balance</b>	<b>24,300</b>	<b>113,105</b>	<b>137,405</b>
Provisions made during the period	-	481,645	481,645
(Reversal) of provisions during the year	(7,311)	-	(7,311)
<b>Closing balance</b>	<b>16,989</b>	<b>594,750</b>	<b>611,739</b>

- (\*) Specific provisions for investment securities as at 31 December 2016 represent provisions for special bonds issued by VAMC related to debt trading transactions between the Bank and VAMC in 2013, 2014 and 2015.



**11. LONG-TERM INVESTMENTS, CAPITAL CONTRIBUTION**

Detail of other long-term investments are as follows:

	Closing balance			Opening balance		
	Par value	Carrying value	Owner-ship interest held by the Bank	Par value	Carrying value	Owner-ship interest held by the Bank
	million VND	million VND	%	million VND	million VND	%
<b>Business entities</b>						
Vietnam National Financial Switching JSC	2,600	2,000	0.83	2,600	2,000	0.83
Bao Minh Securities Joint stock Company	15,000	15,000	5.00	15,000	15,000	5.00
AJC Joint Stock Company	20,600	24,102	10.00	20,600	24,102	10.00
Vietcombank Cardiff Life Insurance Company Limited	72,000	72,000	12.00	72,000	72,000	12.00
Nam Dinh Oil and Gas Petroleum JSC	4,163	4,163	6.25	4,163	4,163	6.25
Thua Thien Hue Oil and Gas Petroleum JSC	4,800	4,800	6.00	4,800	4,800	6.00
Saigon Oil and Gas Petroleum JSC	10,000	10,000	5.00	10,000	10,000	5.00
Vung Tau Oil and Gas Petroleum JSC	10,000	10,000	8.33	10,000	10,000	8.33
Phu My Oil and Gas Production and Processing JSC	11,000	11,000	2.20	11,000	11,000	2.20
Tay Ninh Oil and Gas Petroleum JSC	12,470	12,470	9.59	12,470	12,470	9.59
Thai Binh Oil and Gas Petroleum JSC (*)	8,512	8,512	7.81	10,152	10,152	7.81
Thai Binh Petroleum Service JSC (*)	1,640	1,640	7.81	-	-	-
Hanoi Oil and Gas Petroleum JSC	7,500	7,500	3.00	7,500	7,500	3.00
	<b>180,285</b>	<b>183,187</b>		<b>180,285</b>	<b>183,187</b>	

(\*) On 25 March 2016, the General Meeting of Shareholders of Thai Binh Oil and Gas Petroleum JSC issued a resolution to split the company into 2 independent legal entities which are Thai Binh Oil and Gas Petroleum JSC and Thai Binh Oil and Gas Services JSC. The percentage of capital contribution of existing shareholders at the split date at these two new legal entities will be the same as the percentage of initial capital contribution.

12. TANGIBLE FIXED ASSETS

	Buildings, structures million VND	Office equipment million VND	Motor vehicles million VND	Others million VND	Total million VND
<b>Cost</b>					
Opening balance	4,175	329,993	179,725	9,046	522,939
Acquisitions during the year	150	21,689	4,848	226	26,913
Other additions	-	-	1,131	-	1,131
Disposals	(151)	(2,034)	(583)	(272)	(3,040)
Other decreases	(411)	(1,437)	-	(16)	(1,864)
<b>Closing balance</b>	<b>3,763</b>	<b>348,211</b>	<b>185,121</b>	<b>8,984</b>	<b>546,079</b>
<b>Accumulated depreciation</b>					
Opening balance	2,685	148,475	108,342	7,236	266,738
Charge for the year	453	25,677	12,389	806	39,325
Other additions	22	-	359	-	381
Disposals	(135)	(1,790)	(583)	(272)	(2,780)
Other decreases	(313)	(51)	-	(429)	(793)
<b>Closing balance</b>	<b>2,712</b>	<b>172,311</b>	<b>120,507</b>	<b>7,341</b>	<b>302,871</b>
<b>Net book value</b>					
Closing balance	1,051	175,900	64,614	1,643	243,208
Opening balance	1,490	181,518	71,383	1,810	256,201

13. INTANGIBLE ASSETS

	Indefinite land-use rights million VND	Computer software million VND	Others million VND	Total million VND
<b>Cost</b>				
Opening balance	12,802	143,971	8,947	165,720
Acquisitions during the year	-	22,009	-	22,009
<b>Closing balance</b>	<b>12,802</b>	<b>165,980</b>	<b>8,947</b>	<b>187,729</b>
<b>Accumulated amortization</b>				
Opening balance	-	66,514	6,098	72,612
Charged for the year	-	8,988	2,180	11,168
Other increases	-	2,005	-	2,005
Other decreases	-	-	(2,005)	(2,005)
<b>Closing balance</b>	<b>-</b>	<b>77,507</b>	<b>6,273</b>	<b>83,780</b>
<b>Net book value</b>				
Closing balance	12,802	88,473	2,674	103,949
Opening balance	12,802	77,457	2,849	93,108



**14. INVESTMENT PROPERTIES**

	<u>Land-use rights</u> million VND	<u>Buildings and structures</u> million VND	<u>Total</u> million VND
<b>Cost</b>			
Opening balance	285,988	34,329	320,317
Acquisitions during the year	13,637	5,363	19,000
Disposals	(44,137)	(1,276)	(45,413)
<b>Closing balance</b>	<b>255,488</b>	<b>38,416</b>	<b>293,904</b>
<b>Accumulated amortization</b>			
Opening balance	-	2,999	2,999
Charge for the year	-	1,318	1,318
Disposals	-	(547)	(547)
<b>Closing balance</b>	<b>-</b>	<b>3,770</b>	<b>3,770</b>
<b>Net book value</b>			
Closing balance	255,488	34,646	290,134
Opening balance	285,988	31,330	317,318

**15. OTHER ASSETS**

	<u>Closing balance</u> million VND	<u>Opening balance</u> million VND
External receivables	1,507,307	1,770,361
Internal receivables	84,843	94,363
Interests and fees receivable	2,130,200	1,909,070
Prepaid expenses	575,522	690,982
Foreclosed assets (*)	1,736,678	889,762
Provisions for devaluation of other assets	(6,190)	(3,971)
	<b>6,028,360</b>	<b>5,350,567</b>

(\*) Foreclosed assets include a number of assets whose values were recorded based on certificate of advisory and valuation issued by an independent valuation firm. The Board of Management assert that the foreclosed assets above were fairly valued at foreclosure date.

**16. BORROWINGS FROM THE GOVERNMENT AND THE SBV**

The borrowings from the Government and the SBV represent the fund granted to the Bank to remove difficulties against production and business, support the market and deal with non-performing loans according to Resolution No. 02/NQ-CP dated 07 January 2013 and Resolution No. 61/NQ-CP dated 21 August 2014 by the Government.

**17. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS**

**Analysis by type of deposits**

	<u>Closing balance</u> million VND	<u>Opening balance</u> million VND
<b>Demand deposits</b>	<b>3,559,566</b>	<b>34,024</b>
- In VND	3,532,368	7,287
- In foreign currencies	27,198	26,737
<b>Term deposits</b>	<b>9,379,519</b>	<b>10,619,500</b>
- In VND	8,471,000	9,525,000
- In foreign currencies	908,519	1,094,500
<b>Borrowings</b>	<b>7,839,950</b>	<b>7,419,516</b>
- In VND	7,479,321	5,230,516
- In foreign currencies	360,629	2,189,000
	<b>20,779,035</b>	<b>18,073,040</b>

In the year 2016, the Bank does not have any borrowing which the Bank does not have the ability to repay or the Bank violates the contracts.

**18. DEPOSITS FROM CUSTOMERS**

**Analysis by the type of deposits**

	<u>Closing balance</u> million VND	<u>Opening balance</u> million VND
<b>Demand deposits in cash and gold</b>	<b>6,875,576</b>	<b>6,236,356</b>
- Demand deposits in VND	3,957,775	2,801,158
- Demand saving deposits in VND	13,131	17,432
- Demand deposits in gold, foreign currencies	2,904,669	3,417,765
- Demand saving deposits in gold, foreign currencies	1	1
<b>Term deposits in cash and gold</b>	<b>65,100,639</b>	<b>50,600,617</b>
- Term deposits in VND	31,641,420	15,382,431
- Term saving deposits in VND	29,968,562	30,799,802
- Term deposits in gold, foreign currencies	3,323	142,018
- Term saving deposits in gold, foreign currencies	3,487,334	4,276,366
<b>Deposits for specific purpose</b>	<b>75,100</b>	<b>23,658</b>
- Deposits for specific purpose in VND	156	29
- Deposits for specific purpose in foreign currencies	74,944	23,629
<b>Margin deposits</b>	<b>79,491</b>	<b>157,806</b>
- Margin deposits in VND	72,626	150,496
- Margin deposits in foreign currencies	6,865	7,310



	<u>72,130,806</u>	<u>57,018,437</u>
<b>Analysis by type of customers and type of business entity</b>		
	<b>Closing balance</b>	<b>Opening balance</b>
	<b>million VND</b>	<b>million VND</b>
State-owned enterprises	619,768	171,255
State-owned one-member limited enterprises	8,313,986	8,566,053
Two or more member limited liability enterprises with more than 50% of the State's share holding	-	96,804
Other limited companies	2,741,540	1,220,346
Joint stock companies with more than 50% of the State's share-holding	3,855,392	9,199,490
Other joint stock companies	5,322,955	2,972,039
Partnership companies	9,216	19,764
Private companies	340,168	478,973
Foreign invested enterprises	1,614,965	622,463
Cooperatives, cooperative unions	4,316	1,945
Household businesses, individuals	49,183,490	33,606,260
Administrative units, Party, unions and associations	125,010	62,881
Others	-	164
	<u><b>72,130,806</b></u>	<u><b>57,018,437</b></u>

**19. GRANTS, TRUSTED FUNDS AND BORROWINGS AT RISK OF CREDIT INSTITUTION**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>million VND</b>	<b>million VND</b>
Trusted fund from other entities and individuals	393	16,033

Grants, trusted funds and borrowings at risk of credit institution represent credit contracts on Rural Development III Project (RDF III) between the Bank and Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV").

**20. VALUABLE PAPERS ISSUED**

Represent bonds issued in the year 2014 with terms of 10 year 01 day and bearing annual interest rate from 8.0% per annum to 8.5% per annum.

**21. OTHER PAYABLES AND LIABILITIES**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>million VND</b>	<b>million VND</b>
Accrued fees and interest expenses	1,187,167	649,110
Other payables and other liabilities	73,748	135,569
<i>Payables for technical support program</i>	-	81,481
<i>Provision for tax payables (Note 34)</i>	20,826	20,142
<i>Other payables</i>	52,922	33,946
	<u><b>1,260,915</b></u>	<u><b>784,679</b></u>

**SOUTHEAST ASIA COMMERCIAL JOINT STOCK BANK**  
**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

FORM B05/TCTD-HN

**22. OWNERS' EQUITY**

**The movement of major items in owner's equity**

	Charter capital	Other owners' equity	Retained earnings	Financial reserve	Charter capital supplementary reserve	Other reserves	Total
	Million VND	Million VND	Million VND	Million VND	Million VND	Million VND	Million VND
<b>Prior year's opening balance</b>	<b>5,465,826</b>	<b>55</b>	<b>73,815</b>	<b>58,364</b>	<b>83,962</b>	<b>2</b>	<b>5,682,024</b>
Allocation to bonus and welfare funds	-	-	(4,293)	-	-	-	(4,293)
Profit for the year	-	-	91,885	-	-	-	91,885
Allocation to reserves in the year	-	-	(13,783)	9,183	4,594	6	-
Other decreases	-	-	(755)	-	-	-	(755)
<b>Prior year's closing balance</b>	<b>5,465,826</b>	<b>55</b>	<b>146,869</b>	<b>67,547</b>	<b>88,556</b>	<b>8</b>	<b>5,768,861</b>
Allocation to bonus and welfare funds	-	-	(5,237)	-	-	-	(5,237)
Profit for the year	-	-	116,789	-	-	-	116,789
Allocation to reserves	-	-	(17,517)	11,678	5,839	-	-
Other decreases	-	-	(584)	5	2	(6)	(583)
<b>Current year's closing balance</b>	<b>5,465,826</b>	<b>55</b>	<b>240,320</b>	<b>79,230</b>	<b>94,397</b>	<b>2</b>	<b>5,879,830</b>



**Share capital**

	<b>Closing balance</b>		<b>Opening balance</b>	
	<b>Total (shares)</b>	<b>million VND</b>	<b>Total (shares)</b>	<b>million VND</b>
<b>Number of issued shares</b>				
Common shares	546,582,589	5,465,826	546,582,589	5,465,826
<b>Number of outstanding shares</b>				
Common shares	546,582,589	5,465,826	546,582,589	5,465,826

Nominal value of the Bank's ordinary share is VND 10,000. Each share is entitled to one vote at the Bank's General Shareholders' Meeting. Shareholders are entitled to receive dividend as declared by the Bank from time to time. All common shares have equal rights and obligations towards the Bank's residual assets.

**23. INTEREST AND SIMILAR INCOME**

	<b>Current year</b>	<b>Prior year</b>
	<b>million VND</b>	<b>million VND</b>
Interest from deposits	76,245	172,424
Interest from loans to customers	4,989,712	3,074,575
Interest from debt securities	1,023,753	998,762
Income from guarantee services	8,555	7,570
Other income from credit activities	51,350	83,759
	<b>6,149,615</b>	<b>4,337,090</b>

**24. INTEREST AND SIMILAR EXPENSES**

	<b>Current year</b> <b>million VND</b>	<b>Prior year</b> <b>million VND</b>
Interest expense on deposits	3,856,682	2,634,825
Interest expense on borrowings	193,823	295,911
Interest expense on valuable papers issued	244,500	244,500
Expenses on other credit activities	11,578	15,293
	<b>4,306,583</b>	<b>3,190,529</b>

**25. NET GAIN FROM SERVICE ACTIVITIES**

	<b>Current year</b> <b>million VND</b>	<b>Prior year</b> <b>million VND</b>
<b>Income from services</b>	<b>149,651</b>	<b>101,263</b>
Income from remittance services	38,195	35,133
Income from funding activities	3,183	2,635
Income from trust and agency services	-	9
Others	108,273	63,486
<b>Expense on services</b>	<b>105,456</b>	<b>60,760</b>
Expense on remittance services	9,194	5,203
Expense on funding activities	7,285	4,627
Others	88,977	50,930
<b>Net gain from service activities</b>	<b>44,195</b>	<b>40,503</b>

**26. NET (LOSS) FROM FOREIGN EXCHANGE ACTIVITIES**

	<b>Current year</b> <b>VND million</b>	<b>Prior year</b> <b>VND million</b>
<b>Income from foreign exchange activities</b>	<b>73,759</b>	<b>49,021</b>
- Income from trading foreign currencies	53,472	44,820
- Income from trading gold	205	11
- Income from trading derivative financial instruments	20,082	4,190
<b>Expenses on foreign exchange activities</b>	<b>89,307</b>	<b>71,699</b>
- Expenses on trading foreign currencies	39,124	5,651
- Expenses on trading gold	3	205
- Expenses on trading derivative financial instruments	50,180	65,843
<b>Net loss from foreign exchange</b>	<b>(15,548)</b>	<b>(22,678)</b>



**27. NET GAIN FROM SECURITIES TRADING, INVESTMENT**

	<b>Current year</b> <b>million VND</b>	<b>Prior year</b> <b>million VND</b>
Income from trading of investments in available-for-sale securities	46,867	9,364
Expense on trading of investments in available-for-sale securities	(10,278)	(7,341)
<b>Net gain from investment in available-for-sale securities</b>	<b>36,589</b>	<b>2,023</b>
Income from trading securities	-	1,497
<b>Net gain from trading securities</b>	<b>-</b>	<b>1,497</b>
<b>Net gain from securities trading</b>	<b>36,589</b>	<b>3,520</b>

**28. INCOME FROM CAPITAL CONTRIBUTION, EQUITY INVESTMENTS**

	<b>Current year</b> <b>million VND</b>	<b>Prior year</b> <b>million VND</b>
Dividend income	3,031	5,457
	<b>3,031</b>	<b>5,457</b>

**29. OPERATING EXPENSES**

	<b>Current year</b> <b>million VND</b>	<b>Prior year</b> <b>million VND</b>
<b>Taxes and fees, charges</b>	<b>18,521</b>	<b>26,841</b>
<b>Staff cost</b>		
- Salaries and allowances	384,684	326,749
- Expenses for uniforms and labor protection measures	4,119	2,439
- Salary-based expenses	26,558	24,843
- Other benefits	358	325
- Other staff cost	21,196	19,025
<b>Expenses for fixed assets</b>		
- Depreciation and amortization expenses	50,509	45,724
- Others	233,597	201,067
<b>Expenses for operating management</b>		
- Per diem	12,518	15,063
- Others	157,413	148,626
<b>Insurance premium for customers' deposits</b>	<b>55,449</b>	<b>29,240</b>
<b>Other operating expenses</b>	<b>154,395</b>	<b>127,981</b>
	<b>1,119,317</b>	<b>967,923</b>

**30. CURRENT CORPORATE INCOME TAX EXPENSE**

	<b>Current year</b>	<b>Prior year</b>
	<b>million VND</b>	<b>million VND</b>
<b>Profit before corporate income tax</b>	<b>145,897</b>	<b>116,966</b>
<i>Adjustments for:</i>		
- Non-deductible expenses for tax purposes	2,675	2,496
- Non-taxable dividends income and profits received	(3,031)	(5,457)
- Loss from land use right transfer	3,593	2,021
<b>Taxable profit from operating activities</b>	<b>149,134</b>	<b>116,026</b>
<i>Land use right transfer</i>		
Income from real estate transferred	41,257	10,991
Expense on real estate transferred	(44,850)	(13,012)
<b>Taxable profit from real estate transfer</b>	<b>(3,593)</b>	<b>(2,021)</b>
<b>Taxable profit</b>	<b>145,541</b>	<b>114,005</b>
Corporate income tax rate	20%	22%
<b>Current corporate income tax expense on taxable income</b>	<b>29,108</b>	<b>25,081</b>
Other adjustments	-	-
<b>Total corporate income tax expense</b>	<b>29,108</b>	<b>25,081</b>

**31. BASIC EARNINGS PER SHARE**

	<b>Current year</b>	<b>Prior year</b>
Earnings for the purposes of basic earnings per share (million VND)	116,789	91,885
Estimation of allocation to bonus and welfare fund (million VND)	(5,839)	(5,237)
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share (share)	546,582,589	546,582,589
<b>Basic earnings per share (VND/share)</b>	<b>203</b>	<b>159</b>

(\*) In 2016, the Bank made adjustment to earnings for the purpose of calculating basic earnings per share for the year ended 31 December 2015 due to the effect of subtraction of amount distributed to bonus and welfare funds from profit after tax as per approval of the Board of Directors dated 13 April 2016.

**32. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents presented in the consolidated cash flow statement include the items in the consolidated balance sheet as follows:

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>million VND</b>	<b>million VND</b>
Cash, gold and gemstones (*)	708,369	564,169
Deposits at the State Bank of Vietnam (*)	2,364,806	6,084,391
Current deposits at other credit institutions (*)	3,929,588	1,081,723
Deposits at other credit institutions with term of not exceeding 3 months	6,826,080	8,145,700
	<b>13,828,843</b>	<b>15,875,983</b>

(\*) Balance of cash, gold and gemstones and deposits at the State Bank of Vietnam are presented at Note 4 and Note 5, respectively.



**33. EMPLOYEE'S BENEFITS**

	<u>Current year</u>	<u>Prior year</u>
<b>I. Total number of employees (persons)</b>	<b>2,661</b>	<b>2,520</b>
<b>II. Employees' income (million VND)</b>		
1. Total salary fund	403,343	343,852
2. Bonus	3,967	1,443
3. Total income (1+2)	407,310	345,295
4. Average monthly salary	12.63	11.37
5. Average monthly income	12.76	11.42

**34. THE BANK'S OBLIGATIONS TO THE STATE BUDGET**

	<u>Opening balance</u>	<u>Movement during the year</u>		<u>Closing balance</u>
	<u>million VND</u>	<u>Payable</u>	<u>Paid</u>	<u>million VND</u>
		<u>million VND</u>	<u>million VND</u>	
Value Added Tax	1,169	7,929	(8,153)	945
Corporate Income Tax	17,424	29,108	(28,199)	18,333
Other taxes	1,549	18,235	(18,236)	1,548
	<b>20,142</b>	<b>55,272</b>	<b>(54,588)</b>	<b>20,826</b>

**35. CONTINGENT LIABILITIES AND COMMITMENTS**

In normal course of business, the Bank uses financial instrument which are related to off consolidated balance sheet items. These financial instruments mainly comprise financial guarantees and commercial letters of credit. These instruments involve elements of credit risk apart from those recognized in the consolidated balance sheet.

Credit risk for off-balance sheet financial instruments is defined as the Bank's possibility of sustaining a loss because any other party to a financial instrument fails to perform in accordance with the terms of the contract.

Financial guarantees are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party including guarantee for borrowings, settlement, contract performance and bidding. The credit risk associated with issuing guarantees is essentially the same as that associated with extending facilities to customers; other guarantees have risk concentration at lower level.

Letter of credit (L/C) transaction is a transaction where the Bank issues financial guarantees to its customers (buyer or importer) in which seller or the exporter is the beneficiary. There are 2 types of L/C analyzed by term: L/C at sight and usance L/C.

Credit risk of L/C is limited if the Bank can manage the receipt of goods. Usance L/C represents higher risk than L/C at sight. If the Bank makes payment to the beneficiary under L/C or financial guarantees but the Bank's customer does not reimburse to the Bank, the Bank has the right to record a loan to the customer under their agreement before issuing L/C or financial guarantees.

The Bank requires margin deposits to support credit-related financial instrument when it is deemed necessary. The margin deposit required varies from nil to 100% of the value of a commitment granted, depending on the creditworthiness of clients as assessed by the Bank.

**Detail of contingent liabilities and commitments as at 31 December 2016:**

	<u>Closing balance</u> million VND	<u>Opening balance</u> million VND
<b>Contingent liabilities</b>	<b>43,049,950</b>	<b>3,682,759</b>
Loan guarantee	12,500	12,500
Commitments for foreign exchange transaction	41,747,320	2,161,641
Commitments to purchase foreign currency	3,350,333	622,396
Commitments to sell foreign currency	3,365,180	649,330
Commitments for cross currency swap transactions	35,031,807	889,915
Letter of credit commitments	627,427	463,699
Other guarantees	662,703	1,044,919

**36. GEOGRAPHICAL STRUCTURE OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS**

	<u>Total loan balance</u> million VND	<u>Total placements and loans (Assets)</u> million VND	<u>Total borrowings and deposits (Liabilities)</u> million VND	<u>Credit commitments</u> million VND	<u>Securities trading and investment (Difference between debit - credit)</u> million VND
Domestic	58,551,874	17,579,948	96,224,217	43,049,950	20,343,674
Overseas	437,021	-	-	-	-
	<b>58,988,895</b>	<b>17,579,948</b>	<b>96,224,217</b>	<b>43,049,950</b>	<b>20,343,674</b>

**37. RELATED PARTY TRANSACTIONS AND BALANCES**

During the course of operations, the Bank had deposits, borrowings and other transactions with its related parties.

**List of related parties with transactions and/or balances for the year:**

<b>Related parties</b>	<b>Relationship</b>
Societe Generale S.A	Major shareholder
Opera House Hotel Company Limited	Having mutual BOD/BOM members

**Significant balances with related parties as at balance sheet date:**

	<u>Closing balance</u> million VND	<u>Opening balance</u> million VND
<b>Societe Generale Bank S.A</b>		
Demand deposit of SeABank	16,213	25,344
Demand deposit at SeABank	24,448	25,470
<b>Opera House Hotel Company Limited</b>		
Demand deposit of SeABank	120,408	89,411
Borrowings from SeABank	17,203	41,598



**Significant transactions with related parties during the year:**

	<u>Current year</u> million VND	<u>Prior year</u> million VND
<b>Opera House Hotel Company Limited</b>		
Interest expense	1,750	2,768

**38. FINANCIAL INSTRUMENTS**

On 06 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC ("Circular 210") guiding the application of International Financial Reporting Standards on presentation of financial statements and disclosures of financial instruments, which is effective for the financial year beginning on or after 01 January 2011. Circular 210 provides the definitions of the financial instruments, including financial assets and financial liabilities, derivatives and equity instruments as well as requirements on classification, presentation and disclosure of these instruments.

As Circular 210 only regulates the presentation and disclosure of financial instruments, the following terms under Circular 210 are only adopted to Note 39 of the consolidated financial statements. Assets and liabilities of the Bank are recognized in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting.

**Financial assets**

Under Circular 210, the Bank's financial assets includes cash, gold, gemstones, balances with the State Bank of Vietnam, placements with and loans to other credit institutions, loans to customers, purchased debt, trading securities, investment securities, other long-term investments, interest and fee receivables, other receivables and other assets.

Financial assets within the scope of Circular 210 are classified, for disclosures in the consolidated financial statements, into either of the followings:

- *Financial assets at fair value through profit and loss:*

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

- a) A financial asset is classified as held for trading if:

- ✓ It is acquired or incurred principally for the purpose of selling or repurchasing in the near term;
- ✓ There is evidence of a actual pattern of short-term profit-taking; or
- ✓ It is a derivative (except for the derivative that is a financial guarantee contract or effective hedging instrument).

- b) Upon initial recognition, it is designated by the Bank as at fair value through profit or loss.

- *Held-to-maturity investments:*

Held-to-maturity investments are non-derivative financial assets with determinable payments and fixed maturity that the Bank has the positive intention and ability to hold to maturity except for:

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

- *Loans and receivables:*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market except for:

- a) Those that the Bank intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the Bank designates as at fair value through profit and loss upon initial recognition;
- b) Those that the Bank designates as available for sale upon initial recognition; or
- c) Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

- *Available-for-sale financial assets:*

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

- a) Loans and receivables;
- b) Held-to-maturity investments or;
- c) Financial assets designated as at fair value through profit or loss.

**Financial liabilities**

According to Circular 210, the Bank's financial liabilities include borrowings from the Government and SBV, deposits and borrowings from other credit institutions, deposits from customers, grants, trusted funds and borrowings at risk of the credit institution, valuable papers issued, accrued fees and interest expenses, other payables and liabilities, and derivative financial instruments and other financial liabilities.

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the consolidated financial statements, into either of the followings:

- *Financial liabilities at fair value through profit or loss:*

- a) A financial liability must meet either of the following conditions:
  - ✓ It is acquired or incurred principally for the purpose of selling or repurchasing in the near term;
  - ✓ There is evidence of a recent actual pattern of short-term profit-taking; or
  - ✓ It is a derivative (except for the derivative that is a financial guarantee contract or effective hedging instrument).



b) Upon initial recognition, it is designated by the Bank as at fair value through profit or loss.

- *Financial liabilities at amortized cost:*

Financial liabilities that are not classified as at fair value through profit or loss are classified as at amortized cost.

**Offsetting financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

The Bank's financial instruments are presented in detail as follows:

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	Book value (Excluding provision)		Fair value	
	Closing balance million VND	Opening balance million VND	Closing balance million VND	Opening balance million VND
<b>Financial assets</b>				
Cash, gold and gemstones	708,369	564,169	708,369	564,169
Balances with the State Bank of Vietnam	2,364,806	6,084,391	2,364,806	6,084,391
Placements with and loans to other credit institutions	15,215,142	11,892,423	(*)	(*)
Loans to customers	58,988,895	42,805,631	(*)	(*)
Purchased debts	63,818	63,818	(*)	(*)
Investment securities - Debt securities	20,343,674	17,662,925	(*)	(*)
Other long-term investments	183,187	183,187	(*)	(*)
Other receivables	1,200,766	1,505,559	(*)	(*)
Interest and fee receivables	2,130,200	1,909,070	(*)	(*)
	<b>101,198,857</b>	<b>82,671,173</b>		
<b>Financial liabilities</b>				
Borrowings from the Government and the SBV	348,189	181,477	(*)	(*)
Deposits and borrowings from other credit institutions	20,779,035	18,073,040	(*)	(*)
Deposits from customers	72,130,806	57,018,437	(*)	(*)
Derivative financial instruments and other financial liabilities	65,794	14,315	(*)	(*)
Grants, trusted funds and borrowings at risk of credit institutions	393	16,033	(*)	(*)
Valuable papers issued	2,900,000	2,900,000	(*)	(*)
Accrued fees and interest expenses	1,187,167	649,110	(*)	(*)
Other payables and liabilities	73,748	135,569	(*)	(*)
	<b>97,485,132</b>	<b>78,987,981</b>		

(\*) Vietnamese Accounting Standards as well as prevailing regulations have not provided specific guidance on fair value determination of such items.



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**Financial assets of the Bank as at 31 December 2016 are classified as follows:**

	Financial assets			
	Held-for-trading million VND	Held-to-maturity million VND	Loans and receivables million VND	Available-for- sale million VND
Cash, gold and gemstones	708,369	-	-	-
Balance with the State Bank of Vietnam	-	-	2,364,806	-
Placements with and loans to other credit institutions	-	-	15,215,142	-
Loans to customers	-	-	58,988,895	-
Purchased debts	-	-	63,818	-
Investment securities	-	4,897,110	-	15,446,564
Other long-term investments	-	-	-	183,187
Other receivables	-	-	1,200,766	-
Interest and fee receivables	-	-	2,130,200	-
	<b>708,369</b>	<b>4,897,110</b>	<b>79,963,627</b>	<b>15,629,751</b>
				<b>101,198,857</b>

**Financial liabilities of the Bank as at 31 December 2016 are classified:**

Except for derivative instrument and other financial liabilities classified as held for trading, financial liabilities of the Bank as at 31 December 2016 are classified as financial liabilities at amortized cost.

**39. RISKS MANAGEMENT**

This section presents details of risks that the Bank may encounter and describes in details methods that the Bank's management uses to monitor risks. The most important risks that the Bank may be exposed to are market risk, credit risk and liquidity risk.

**Market risk**

*Currency risk*

The Bank bears currency risks in foreign currency transactions.

The Bank mainly uses United States Dollar and Vietnam Dong to record its operation. Due to the fact that the Bank's consolidated financial statements are presented in Vietnam Dong, its consolidated financial statements are subject to movements in exchange rate between United States Dollar and Vietnam Dong.

The risk in foreign currency transactions of the Bank causes foreign exchange gains or losses and these amounts are recognized in the consolidated income statement. This risk includes assets and liabilities of the Bank which do not originate in the Bank's currency used to record. The Bank also maintains open position to gain interest income from exchange rate fluctuations.

The following table lists currency position of the Bank's assets and liabilities as at 31 December 2016:

<b>ITEMS</b>	<b>EUR equivalent million VND</b>	<b>USD equivalent million VND</b>	<b>Other currencies equivalent million VND</b>	<b>Total million VND</b>
<b>Assets</b>				
Cash, gold and gemstones	23,559	93,581	591,229	708,369
Balances with the SBV	-	229,347	2,135,459	2,364,806
Placements with and loans to other credit institutions (*)	87,577	2,099,106	13,028,459	15,215,142
Loans to customers (*)	14,444	2,441,593	56,532,858	58,988,895
Purchased debts (*)	-	-	63,818	63,818
Investment securities (*)	-	-	20,343,674	20,343,674
Long-term investments and capital contribution (*)	-	-	183,187	183,187
Fixed assets	-	-	347,157	347,157
Investment properties	-	-	290,134	290,134
Other assets (*)	11,362	101,059	5,922,129	6,034,550
<b>Total assets</b>	<b>136,942</b>	<b>4,964,686</b>	<b>99,438,104</b>	<b>104,539,732</b>
<b>Liabilities</b>				
Borrowings from the Government and the SBV	-	-	348,189	348,189
Deposits and borrowings from other credit institutions	14,070	1,282,248	19,482,717	20,779,035
Deposits from customers	220,052	6,257,027	65,653,727	72,130,806
Derivative financial instruments and other financial liabilities	(96,296)	(1,723,083)	1,885,173	65,794
Grants, trusted funds and borrowings at risk of the credit institution	-	-	393	393
Valuable papers issued	-	-	2,900,000	2,900,000
Other liabilities (*)	353	5,084	1,255,478	1,260,915
<b>Total liabilities</b>	<b>138,179</b>	<b>5,821,276</b>	<b>91,525,677</b>	<b>97,485,132</b>
<b>Balance sheet currency position</b>	<b>(1,237)</b>	<b>(856,590)</b>	<b>7,912,427</b>	<b>7,054,600</b>

(\*) Excluding risk provision.



Exchange rates of some foreign currencies as at the balance sheet date:

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
United States Dollar (USD)	22,159	21,890
Australian Dollar (AUD)	16,572	16,534
Canadian Dollar (CAD)	17,127	16,399
Swiss Franc (CHF)	21,448	22,913
Chinese Yuan (CNY)	2,993	2,993
Euro (EUR)	24,074	24,602
British Pound (GBP)	28,293	33,853
Hong Kong Dollar (HKD)	3,022	3,002
Japanese Yen (JPY)	196	188
Singaporean Dollar (SGD)	15,886	16,497
Gold (XAU)	3,545,000	3,240,000

*Interest rate risk*

The Bank's activities are subject to the risk of market interest rate fluctuations due to the mismatch in interest rate and maturities between assets and liabilities. Some assets do not have specific maturities or are considerably sensitive to interest rate and are not equivalent to specific liabilities.

The following figure presents the Bank's assets and liabilities classified as revaluation date in contracts, or as maturity date, and real interest rate as at the balance sheet date. The asset revaluation date and maturity date are expectedly different from the date regulated in the contracts, especially for the maturity date of customer deposits.

*Interest rate sensitivity*

As Circular 210 provides no specific guidance on interest rate sensitivity analysis, the Bank has not presented the information.

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	Non - interest bearing million VND	Overdue		Current					Total million VND	
		Over 3 months million VND	Within 3 months million VND	Within 1 month million VND	From 1 to 3 months million VND	From 3 to 6 months million VND	From 6 to 12 months million VND	From 1 to 5 years million VND		Over 5 years million VND
<b>Assets</b>										
Cash, gold and gemstones	708,369	-	-	-	-	-	-	-	-	708,369
Balances with the SBV	-	-	-	2,364,806	-	-	-	-	-	2,364,806
Placements with and loans to other credit institutions (*)	-	-	-	7,895,200	6,919,942	400,000	-	-	-	15,215,142
Loans to customers (*)	-	1,749,883	156,742	1,899,743	1,515,030	2,072,625	5,109,662	28,411,410	18,073,800	58,988,895
Purchased debts (*)	-	63,818	-	-	-	-	-	-	-	63,818
Investment securities (*)	4,577,746	-	-	-	-	962,369	1,051,122	8,744,417	5,008,020	20,343,674
Long-term investments, capital contribution (*)	183,187	-	-	-	-	-	-	-	-	183,187
Fixed assets	347,157	-	-	-	-	-	-	-	-	347,157
Investment properties	290,134	-	-	-	-	-	-	-	-	290,134
Other assets (*)	5,887,550	147,000	-	-	-	-	-	-	-	6,034,550
<b>Total assets</b>	<b>11,994,143</b>	<b>1,960,701</b>	<b>156,742</b>	<b>12,159,749</b>	<b>8,434,972</b>	<b>3,434,994</b>	<b>6,160,784</b>	<b>37,155,827</b>	<b>23,081,820</b>	<b>104,539,732</b>
<b>Liabilities</b>										
Borrowings from the Government and the SBV	-	-	-	25,240	60,968	72,367	189,614	-	-	348,189
Deposits and borrowings from other credit institutions	-	-	-	12,041,815	6,928,975	1,808,245	-	-	-	20,779,035
Deposits from customers	-	-	-	18,059,107	12,528,448	7,527,726	6,274,258	27,730,867	10,400	72,130,806
Derivative financial instruments and other financial liabilities	65,794	-	-	-	-	-	-	-	-	65,794
Grants, trusted funds and borrowings at risk of the credit institution	-	-	-	-	-	-	-	393	-	393
Valuable papers issued of the credit institution	-	-	-	-	-	-	-	2,900,000	-	2,900,000
Other liabilities (*)	1,260,915	-	-	-	-	-	-	-	-	1,260,915
<b>Total liabilities</b>	<b>1,326,709</b>	<b>-</b>	<b>-</b>	<b>30,126,162</b>	<b>19,518,391</b>	<b>9,408,338</b>	<b>6,463,872</b>	<b>30,631,260</b>	<b>10,400</b>	<b>97,485,132</b>
<b>Balance sheet net interest gap</b>	<b>10,667,434</b>	<b>1,960,701</b>	<b>156,742</b>	<b>(17,966,413)</b>	<b>(11,083,419)</b>	<b>(5,973,344)</b>	<b>(303,088)</b>	<b>6,524,567</b>	<b>23,071,420</b>	<b>7,054,600</b>

(\*) Excluding risk provision.



**Credit risk**

The Bank is subject to credit risk in lending and investing activities as well as when the Bank acts as an intermediary on behalf of its customers or a third party or provides guarantee services.

The risk which counterparties default on their loans is constantly monitored. In order to monitor credit risk level, the Bank only transacts with parties with good credit rating and when necessary, collaterals are required.

The main credit risk that the Bank is subject to originates from loans and advances of the Bank. The credit risk level is reflected in book value of assets on the consolidated balance sheet. In addition, the Bank is also subject to off-balance sheet credit risk with commitments and guarantees.

The concentration of credit risk (both on and off balance sheet) originates from financial instruments in counterparty groups when these group possess similar economic characteristics which may affect the ability to repay debts of these groups in a similar way when there are changes in economic and other conditions.

The concentration level of credit risk mainly originates from locations and from customers which relate to investing, lending and advance activities, credit commitments and guarantees of the Bank. The Bank is mainly exposed to risks from specific industries.

**Liquidity risk**

Liquidity risk incurs in the Bank's fund mobilization and currency position management. Liquidity risk includes the risk associates with the Bank being unable to mobilize assets with suitable terms and interest rate, and the risk results from the Bank being unable to liquidate an asset at a reasonable price and in a reasonable amount of time.

The following table presents financial assets and liabilities analysis in equivalent maturities calculated as the remaining maturities from the balance sheet date to the payment date. In fact, real maturities of financial assets and liabilities may differ from which specified in the contracts or appendices, if any.

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	Overdue		Current					Total million VND		
	Over 3 months million VND	Within 3 months million VND	Within 1 month million VND	From 1 to 3 months		From 3 to 12 months			From 1 to 5 years million VND	Over 5 years million VND
				million VND	million VND	million VND	million VND			
<b>Assets</b>										
Cash, gold and gemstones	-	-	708,369	-	-	-	-	-	-	708,369
Balances with the SBV	-	-	2,364,806	-	-	-	-	-	-	2,364,806
Placements with and loans to other credit institutions (*)	-	-	7,895,200	6,919,942	400,000	-	-	-	-	15,215,142
Loans to customers (*)	1,749,883	156,742	1,899,743	1,515,030	7,182,287	28,411,410	18,073,800	-	-	58,988,895
Purchased debts (*)	63,818	-	-	-	-	-	-	-	-	63,818
Investment securities (*)	-	-	-	-	2,013,491	8,744,417	9,585,766	-	-	20,343,674
Long-term investments, capital contribution (*)	-	-	-	-	-	-	-	-	-	183,187
Fixed assets	-	-	-	-	-	-	-	-	-	347,157
Investment properties	-	-	-	-	-	-	-	-	-	290,134
Other assets (*)	147,000	-	498,071	684,365	2,209,581	2,495,533	-	-	-	6,034,550
<b>Total assets</b>	<b>1,960,701</b>	<b>156,742</b>	<b>13,366,189</b>	<b>9,119,337</b>	<b>11,805,359</b>	<b>39,651,360</b>	<b>28,480,044</b>	<b>104,539,732</b>		
<b>Liabilities</b>										
Borrowings from the Government and the SBV	-	-	25,240	60,968	72,367	189,614	-	-	-	348,189
Deposits and borrowings from other credit institutions	-	-	12,041,815	6,928,975	1,808,245	-	-	-	-	20,779,035
Deposits from customers	-	-	18,059,106	12,528,448	13,801,984	27,730,867	10,401	-	-	72,130,806
Derivative financial instruments and other financial liabilities	-	-	49,797	15,997	-	-	-	-	-	65,794
Grants, trusted funds and borrowings at risk of the credit institution	-	-	-	-	-	393	-	-	-	393
Valuable papers issued	-	-	-	-	-	-	-	-	-	2,900,000
Other liabilities (*)	-	-	282,355	338,707	582,422	57,431	-	-	-	1,260,915
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>30,458,313</b>	<b>19,873,095</b>	<b>16,265,018</b>	<b>27,978,305</b>	<b>2,910,401</b>	<b>97,485,132</b>		
<b>Net liquidity gap</b>	<b>1,960,701</b>	<b>156,742</b>	<b>(17,092,124)</b>	<b>(10,753,758)</b>	<b>(4,459,659)</b>	<b>11,673,055</b>	<b>25,569,643</b>	<b>7,054,600</b>		

(\*) Excluding risk provision.



**40. CONTINGENT LIABILITIES**

Guarantee at a branch of the Bank are under working with relevant authorities. Legal responsibilities and obligations of related parties will be identified in accordance with the conclusion of relevant authorities. According to the assessment of the Bank's management, the guarantee is classified in accordance with prevailing regulations of the State Bank of Vietnam and are appropriately presented in the consolidated financial statements. Based on results of internal reconciliation, review and investigation procedures that have been taken up to the date of these consolidated financial statements, the Bank's management believes that the Bank neither is jointly liable for nor incurs any financial loss.

**41. COMPARATIVE FIGURES**

Comparative figures are the figures in the Bank's audited consolidated financial statements for the year ended 31 December 2015.

**Prepared by**



**Nguyen Thi Hoan**  
**Preparer**

30 March 2017

**Approved by**



**Nguyen Thi Thu Huong**  
**Chief Accountant**

**Approved by**



**Dang Bao Khanh**  
**General Director**

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