

**Joint Stock Commercial Bank for
Foreign Trade of Vietnam**

Consolidated financial statements
31 December 2015



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Joint Stock Commercial Bank for Foreign Trade of Vietnam

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Joint Stock Commercial Bank for Foreign Trade of Vietnam

GENERAL INFORMATION

Banking Licence	No. 138/GP-NHNN dated 23 May 2008 issued by the State Bank of Vietnam (“the SBV”) and Decision No. 2719/QĐ-NHNN dated 27 December 2011 promulgated by the Governor of the State Bank of Vietnam on amending and supplementing the contents of the Bank’s operations. The Banking Licence validity is 99 years from the issuance date of the Banking Licence No. 138/GP-NHNN.
Business Registration Certificate	Business Registration Certificate No. 0103024468 dated 2 June 2008 issued by Hanoi Authority for Planning and Investment, Business Registration Certificate No. 0100112437 renewed for the eleventh time on 7 November 2014.

Members of the Board of Directors during the year and at the date of this report

Mr. Nghiem Xuan Thanh	Chairman	Appointed on 1 November 2014
Ms. Le Thi Hoa	Member	Reappointed on 25 April 2013
Mr. Nguyen Danh Luong	Member	Reappointed on 25 April 2013
Mr. Yutaka Abe	Member	Reappointed on 25 April 2013
Mr. Pham Quang Dung	Member	Reappointed on 25 April 2013
Ms. Nguyen Thi Dung	Member	Appointed on 25 April 2013
Mr. Nguyen Manh Hung	Member	Appointed on 26 December 2014

Members of the Board of Management during the year and at the date of this report

Mr. Pham Quang Dung	Chief Executive Officer	Appointed on 1 November 2014
Mr. Dao Minh Tuan	Deputy CEO	Reappointed on 15 June 2012
Mr. Nguyen Danh Luong	Deputy CEO	Reappointed on 2 October 2014
Mr. Dao Hao	Deputy CEO	Reappointed on 1 August 2015
Mr. Pham Thanh Ha	Deputy CEO	Reappointed on 1 August 2015
Mr. Yukata Abe	Deputy CEO	Appointed on 30 September 2012
Ms. Truong Thi Thuy Nga	Deputy CEO	Appointed on 1 December 2012
Mr. Pham Manh Thang	Deputy CEO	Appointed on 10 March 2014
Ms. Nguyen Thi Kim Oanh	Deputy CEO	Appointed on 26 December 2014
Ms. Dinh Thi Thai	Deputy CEO	Appointed on 1 June 2015
Mr. Nguyen Van Tuan	Deputy CEO	Resigned on 5 March 2015

Members of the Supervisory Board during the year and at the date of this report

Ms. Truong Le Hien	Head of the Board	Reappointed on 25 April 2013
Ms. La Thi Hong Minh	Member	Reappointed on 25 April 2013
Ms. Do Thi Mai Huong	Member	Reappointed on 25 April 2013
Ms. Vu Thi Bich Van	Member	Reappointed on 25 April 2013

Joint Stock Commercial Bank for Foreign Trade of Vietnam

GENERAL INFORMATION (continued)

Chief Accountant	Ms. Phung Nguyen Hai Yen Appointed on 16 June 2011
Legal Representative	Since 1 November 2014 Mr. Nghiem Xuan Thanh Title: Chairman of the Board of Director
Authorised signature on financial statements <i>(According to Letter of Authorisation No. 528/UQ-VCB-TH&CDKT dated 1 November 2014)</i>	Since 1 November 2014 Mr. Nguyen Danh Luong Title: Deputy CEO
The Bank's Head Office	198 Tran Quang Khai Street Hoan Kiem District, Hanoi, Vietnam
The Bank's auditors	Ernst & Young Vietnam Limited

Joint Stock Commercial Bank for Foreign Trade of Vietnam

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Joint Stock Commercial Bank for Foreign Trade of Vietnam (“the Bank”) is pleased to present its report and the consolidated financial statements of the Bank and its subsidiaries for the year ended 31 December 2015.

The Board of Management’s responsibility in respect of the consolidated financial statements

The Board of Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Bank and its subsidiaries, and of the consolidated results of their operations and their consolidated cash flows for the year. In preparing those consolidated financial statements, the Board of Management is required to:

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

The Board of Management is responsible for ensuring that proper accounting records are kept to disclose, with reasonable accuracy at any time, the consolidated financial position of the Bank and its subsidiaries, and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Bank and its subsidiaries, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement by the Board of Management

The Board of Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2015, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and comply with relevant regulations stipulated by the State Bank of Vietnam and other statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of the Board of Management:



Mr. Nguyễn Danh Luong
Deputy CEO

Hanoi, Vietnam

11 March 2016

Reference: 61039047/17820108-HN

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Joint Stock Commercial Bank for Foreign Trade of Vietnam ("the Bank") and its subsidiaries, as prepared on 11 March 2016 and set out on pages 6 to 83, which comprise the consolidated balance sheet as at 31 December 2015, the consolidated income statement and the consolidated statement of cash flows for the year then ended and the notes thereto.

The Board of Management's responsibility

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

Auditor's responsibility

Our responsibility is to express our 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 of the Bank and its subsidiaries are free from material misstatement.

An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the consolidated financial statements in order to design appropriate audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of 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 separate financial statements present truly and fairly, in all material respects, the separate financial position of the Bank as at 31 December 2015, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and comply with relevant regulations stipulated by the State Bank of Vietnam and other statutory requirements relevant to preparation and presentation of separate financial statements.

Ernst & Young Vietnam Limited



Mr. Nguyễn Xuân Dai
Deputy General Director
Audit Practising Registration
Certificate No. 0452-2013-004-1

Ms. Dang Phuong Ha
Auditor
Audit Practising Registration
Certificate No. 2400-2013-004-1

Ho Chi Minh City, Vietnam

11 March 2016

Joint Stock Commercial Bank for Foreign Trade of Vietnam
CONSOLIDATED BALANCE SHEET
as at 31 December 2015

Form B02/TCTD-HN
(Issued in accordance with SBV
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

	Notes	31/12/2015 VND million	31/12/2014 VND million (Restated)
A ASSETS			
I Cash on hand, gold, silver and gemstones	4	8,519,334	8,323,385
II Balances with the State Bank of Vietnam	5	19,715,035	13,267,101
III Balances with and loans to other credit institutions	6	131,527,373	146,076,521
1 Balances with other credit institutions		92,587,537	88,909,474
2 Loans to other credit institutions		38,939,836	57,189,924
3 Allowance for balances with and loans to other credit institutions		-	(22,877)
IV Trading securities	7	9,467,305	10,122,143
1 Trading securities		9,468,255	10,126,592
2 Allowance for trading securities		(950)	(4,449)
V Derivative financial instruments and other financial assets	18	628	-
VI Loans to customers		378,541,826	316,253,747
1 Loans to customers	8	387,151,704	323,338,118
2 Allowance for loans to customers	9	(8,609,878)	(7,084,371)
VII Investment securities		108,055,236	67,124,323
1 Available-for-sale securities	10(a)	42,941,175	49,197,775
2 Held-to-maturity securities	10(b)	65,818,278	18,200,985
3 Allowance for investment securities		(704,217)	(274,437)
VIII Long-term investments		3,556,750	3,546,171
1 Investments in joint-ventures	11(a)	753,772	693,144
2 Investments in associates	11(b)	9,349	9,773
3 Other long-term investments	11(c)	2,829,418	2,869,095
4 Allowance for diminution in the value of long-term investments	11(c)	(35,789)	(25,841)
IX Fixed assets		5,039,473	4,464,529
1 Tangible fixed assets	12	3,385,622	2,829,004
A Cost		7,661,735	6,554,667
B Accumulated depreciation		(4,276,113)	(3,725,663)
2 Intangible fixed assets	13	1,653,851	1,635,525
a Cost		2,211,799	2,138,297
b Accumulated amortization		(557,948)	(502,772)
XI Other assets		9,971,680	7,817,731
1 Receivables	14(a)	3,532,456	2,588,216
2 Accrued interest and fee receivables	14(b)	4,842,275	3,659,679
3 Deferred tax assets		1,943	2,234
4 Other assets	14(c)	1,596,073	1,567,602
5 Allowances for other assets		(1,067)	-
TOTAL ASSETS		674,394,640	576,995,651

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

Joint Stock Commercial Bank for Foreign Trade of Vietnam

CONSOLIDATED BALANCE SHEET
as at 31 December 2015 (continued)

Form B02/TCTD-HN
(Issued in accordance with SBV
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

	Notes	31/12/2015 VND million	31/12/2014 VND million (Restated)
B	LIABILITIES AND SHAREHOLDERS' EQUITY		
I	Amounts due to the Government and the State Bank of Vietnam		
	15	41,479,553	54,093,072
II	Deposits and borrowings from other credit institutions		
	16	72,135,381	43,237,798
1	Deposits from other credit institutions	51,743,682	33,697,181
2	Borrowings from other credit institutions	20,391,699	9,540,617
III	Deposits from customers		
	17	500,528,267	422,203,780
IV	Derivative financial instruments and other financial liabilities		
	18	-	75,278
VI	Valuable papers issued		
	19	2,479,070	2,208,641
VII	Other liabilities		
		12,600,027	11,704,319
1	Accrued interest and fee payables	4,988,305	4,797,481
2	Deferred tax liabilities	19,444	17,723
3	Other liabilities	7,592,278	6,889,115
	TOTAL LIABILITIES	629,222,298	533,522,888
VIII	Capital and reserves		
1	Capital	32,420,681	32,420,681
a	Charter capital	26,650,203	26,650,203
b	Share premium	5,725,318	5,725,318
c	Other capital	45,160	45,160
2	Reserves	4,941,362	4,151,991
3	Foreign exchange differences	79,969	67,236
4	Asset revaluation differences	89,222	83,405
5	Retained profits	7,475,808	6,601,598
a	Previous years' retained profits	3,921,494	3,509,025
b	Current year's retained profits	3,554,314	3,092,573
6	Non-controlling interests	165,300	147,852
	TOTAL SHAREHOLDERS' EQUITY	45,172,342	43,472,763
	TOTAL LIABILITIES, SHAREHOLDERS' EQUITY AND NON-CONTROLLING INTERESTS	674,394,640	576,995,651

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

CONSOLIDATED BALANCE SHEET
as at 31 December 2015 (continued)

(Issued in accordance with Circular No.
49/2014/TT-NHNN dated 31 December
2014 of the Governor of the SBV)

No.	OFF-BALANCE SHEET ITEMS	Notes	31/12/2015 VND million	31/12/2014 VND million (Restated)
1	Credit guarantees		74,143	150,024
2	Foreign exchange commitments		19,757,401	11,078,553
a	Forward buying		8,852,550	3,179,688
b	Forward selling		10,904,851	7,898,865
3	Letters of credit		27,283,715	32,442,694
4	Other guarantees		30,826,079	21,020,044
5	Other commitments		26,797	567,188
36			77,968,135	65,258,503

Hanoi, 11 March 2016

Prepared by:

Ms. Nguyen Thi Thu Huong

Ms. Phung Nguyen Hai Yen

Approved by:

Mr. Nguyen Danh Luong


Deputy Director of
Accounting Policy Department


Chief Accountant


Deputy CEO



Joint Stock Commercial Bank for Foreign Trade of Vietnam
CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2015

Form B03/TCTD-HN
*(Issued in accordance with SBV
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)*

		Notes	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million (Restated)
1	Interest and similar income	22	31,360,729	28,222,389
2	Interest and similar expenses	23	(15,907,697)	(16,213,598)
I	Net interest income		15,453,032	12,008,791
3	Fee and commission income	24	3,557,304	2,912,389
4	Fee and commission expenses	24	(1,684,656)	(1,395,518)
II	Net fee and commission income	24	1,872,648	1,516,871
III	Net gain/(loss) from trading foreign currencies	25	1,572,574	1,345,079
IV	Net gain/(loss) from trading securities	26	178,362	199,124
V	Net gain/(loss) from investment securities	27	171,467	219,751
5	Other income	28	2,140,550	1,939,628
6	Other expenses	28	(235,271)	(154,985)
VI	Net other income	28	1,905,279	1,784,643
VII	Dividend and net income from investments in associates and joint-ventures	29	48,435	210,979
	TOTAL OPERATING INCOME		21,201,797	17,304,169
VIII	TOTAL OPERATING EXPENSES	30	(8,306,249)	(6,849,726)
IX	Net profit before allowances for credit losses		12,895,548	10,435,512
X	Allowances for credit losses	31	(6,068,091)	(4,591,445)
XI	PROFIT BEFORE TAX		6,827,457	5,844,067

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

Joint Stock Commercial Bank for Foreign Trade of Vietnam

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2015 (continued)

Form B03/TCTD-HN
(Issued in accordance with SBV
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

		Notes	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million (Restated)
7	Current corporate income tax expenses	32	(1,495,100)	(1,257,692)
8	Deferred corporate income tax expenses		(290)	(665)
XII	Corporate income tax expenses		(1,495,390)	(1,258,357)
XIII	NET PROFIT AFTER TAX		5,332,067	4,585,710
XIV	Net profit attributable to the minority interests		(18,139)	(19,196)
XVI	NET PROFIT		5,313,928	4,566,514
XV	Basic earnings per share (VND)	21(c)	1,626	1,533

Hanoi, 11 March 2016

Prepared by:

Ms. Nguyen Thi Thu Huong

Ms. Phung Nguyen Hai Yen

Approved by:

Mr. Nguyen Danh Luong

*Deputy Director of
Accounting Policy Department*

Chief Accountant

Deputy CEO



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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2015

	Notes	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
1	Interest and similar income receipts	30,098,366	28,155,859
2	Interest and similar expenses payments	(15,705,220)	(15,821,810)
3	Fee and commission income receipts	1,872,648	1,515,728
4	Net receipts from foreign currencies, gold and securities trading	2,121,067	1,891,363
5	Other income receipts	67,753	354,603
6	Receipts from recovery of bad debts previously written off	1,834,236	1,419,966
7	Payments to employees and for other operating activities	(7,138,869)	(6,236,857)
8	Income tax paid	(1,663,605)	(1,160,768)
	Net cash flows from operating activities before changes in operating assets and working capital	11,486,376	10,118,084
	(Increase)/Decrease in operating assets		
9	Balances with and loans to other credit institutions	5,898,690	(10,225,572)
10	Trading securities	(49,255,547)	(9,705,295)
11	Derivative financial instruments and other financial assets	(628)	136,725
12	Loans to customers	(63,813,586)	(49,017,828)
13	Utilization of allowance for loans to customers	(4,031,616)	(4,397,547)
14	Other operating assets	(1,073,098)	(1,241,129)
	Increase/(Decrease) in operating liabilities		
15	Amounts due to the Government and the SBV	(12,613,519)	21,470,661
16	Deposits and borrowings from other credit institutions	28,897,583	(806,491)
17	Deposits from customers	78,324,486	89,958,181
18	Valuable papers issued	270,429	195,044
20	Derivative financial instruments and other financial liabilities	(75,278)	75,278
21	Other operating liabilities	(254,738)	(4,032,611)
22	Payments from reserves	(497,726)	(522,245)
I	Net cash flows (used in)/generated from operating activities	(6,738,172)	42,005,255

Joint Stock Commercial Bank for Foreign Trade of Vietnam

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2015 (continued)

Form B04/TCTD-HN
(Issued in accordance with SBV
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

	Notes	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
1	Payments for purchases of fixed assets	(1,194,037)	(987,172)
2	Proceeds from disposals of fixed assets	5,254	5,900
3	Payments for disposals of fixed assets	(2,059)	(2,511)
4	Payments for investments in other entities	(108,464)	(517,102)
5	Proceeds from disposals of investments in other entities	12,100	9,565
6	Dividends and interest received from long-term investments in the period	86,693	160,541
7	Dividends of prior year received in the year	3,562	-
II	Net cash flows (used in) investing activities	(1,196,951)	(1,330,779)
CASH FLOWS FROM FINANCING ACTIVITIES			
1	Expenses from issuance of bonus shares in 2014	-	(47)
2	Dividends of prior year paid in cash	(2,665,020)	(2,801,395)
III	Net cash flows (used in) financing activities	(2,665,020)	(2,801,442)
IV	Net cash flows during the year	(10,600,143)	37,873,034
V	Cash and cash equivalents at the beginning of the year	33 175,012,996	137,139,962
VII	Cash and cash equivalents at the end of the year	33 164,412,853	175,012,996

Hanoi, 11 March 2016

Prepared by:

Approved by:

Ms. Nguyen Thi Thu Huong

Ms. Phung Nguyen Hai Yen

Mr. Nguyen Danh Luong

*Deputy Director of
Accounting Policy Department*

Chief Accountant

Deputy CEO



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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015

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

1. Reporting entity

(a) Establishment and operations

Joint Stock Commercial Bank for Foreign Trade of Vietnam (“the Bank”) was established upon the transformation from a State-owned commercial bank following the approval of the Prime Minister on the equitization plan of the Bank for Foreign Trade of Vietnam and in accordance with other relevant regulations. The Bank was granted Banking Licence No. 138/GP-NHNN dated 23 May 2008 by the State Bank of Vietnam (“SBV”) for a period of 99 years, Business Registration Certificate No. 0103024468 dated 2 June 2008 by Hanoi Authority for Planning and Investment and Business Registration Certificate No. 0100112437 renewed for the eleventh time on 7 November 2014.

The principal activities of the Bank in accordance with Decision No. 2719/QĐ-NHNN dated 27 December 2011 which amends and supplements Banking Licence No. 138/GP-NHNN on the contents of the Bank’s operations are to mobilize and receive short, medium and long-term deposits from organizations and individuals; to lend to organizations and individuals up to the nature and capability of the Bank’s capital resources; to conduct settlement and cash services; to provide other banking services as approved by the SBV; to invest in associates, joint-ventures and other companies; to invest in stocks and bonds; and to trade in foreign exchange and real-estate business in accordance with the relevant regulations.

(b) Charter capital

Under Banking Licence No. 138/GP-NHNN dated 23 May 2008 issued by the SBV; and Business Registration Certificate No. 0103024468 dated 2 June 2008 issued by Hanoi Authority for Planning and Investment, the Bank’s charter capital was VND12,100,860,260,000. Under Business Registration Certificate No. 0100112437 renewed for the eleventh time on 7 November 2014, the Bank’s charter capital was VND26,650,203,340,000. The face value per share is VND10,000.

	31/12/2015		31/12/2014	
	Number of shares	%	Number of shares	%
Shares owned by the State of Vietnam	2,055,076,583	77.10%	2,055,076,583	77.10%
Shares owned by foreign strategic shareholder (Mizuho Bank Ltd., Japan)	399,754,446	15.00%	399,754,446	15.00%
Shares owned by other shareholders	210,189,305	7.90%	210,189,305	7.90%
	2,665,020,334	100%	2,665,020,334	100%

(c) Location and network

The Bank’s Head Office is located at 198 Tran Quang Khai Street, Hoan Kiem District, Hanoi. As at 31 December 2015, the Bank had one (1) Head Office, one (1) Operation Centre, one (1) Training Centre and ninety-five (95) branches nationwide, three (3) local subsidiaries, two (2) overseas subsidiaries, three (3) joint-ventures, one (1) associate and one (1) overseas representative office located in Singapore.

The Bank and its subsidiaries hereinafter are referred as “Vietcombank”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

1. Reporting entity (continued)

(d) Subsidiaries, joint-ventures and associates

Subsidiaries

Subsidiaries	Operating Licence	Business sector	% direct shareholding by the Bank
Vietcombank Financial Leasing Company Limited	Operating Licence No. 05/GP-CTCTTC dated 25 May 1998 granted by the SBV	Financial leasing	100%
Vietcombank Securities Company Limited	Operating Licence No. 09/GPHDKD dated 24 April 2002 and Licence No. 12/GPHDLK dated 23 May 2002 granted by the State Securities Commission (“SSC”)	Securities	100%
Vietcombank Tower 198 Company Limited	Investment Licence No. 1578/GP dated 30 May 1996 granted by the Ministry of Planning and Investment	Office leasing	70%
Vietnam Finance Company Limited	Investment Licence No. 05456282-000-02-11-7 dated 10 February 2011 granted by the Hong Kong Monetary Authority	Financial services	100%
Vietcombank Money Incorporation	Business Licence No. E0321392009-6 dated 15 June 2009 granted by the Authority of the State of Nevada, the United States of America	Remittance	87.5%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

1. Reporting entity (continued)

(d) Subsidiaries, joint-ventures and associates (continued)

Joint-ventures

Joint-ventures	Operating Licence	Business sector	% direct shareholding by the Bank
Vietcombank - Bonday - Ben Thanh Company Limited	Operating Licence No. 2458/GP dated 7 February 2005 granted by the Ministry of Planning and Investment	Office leasing	52%
Vietcombank Fund Management Company	Investment Licence No. 06/UBCK-GPHDQLQ dated 2 December 2005 granted by the State Securities Commission	Investment fund management	51%
Vietcombank - Cardif Life Insurance Company Limited	Investment Licence No. 55/GP dated 23 October 2008 granted by the Ministry of Finance	Life insurance	45%

Associates

Associates	Operating Licence	Business sector	% direct shareholding by the Bank
Vietcombank Bonday Limited	Investment Licence No. 283/GP dated 5 December 1991 granted by the Department of Planning and Investment	Office leasing	16%

(e) Number of employees

As at 31 December 2015, Vietcombank has 14,755 employees (as at 31 December 2014: 14,099 employees).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies

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

(a) Basis for the preparation of the financial statements

The consolidated financial statements, presented in Vietnam Dong (“VND”), and rounded to the nearest million VND (“VND million”), have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and requirements stipulated by the SBV and other statutory regulations relevant to the preparation and presentation of consolidated financial statements. The Bank also prepares the separate financial statements for the year ended 31 December 2015.

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

(b) Changes in accounting policies

The accounting policies adopted by the Bank in the preparation and presentation of these consolidated financial statements are consistent with those used in the preparation and presentation of the consolidated financial statements for the year ended 31 December 2014, except for the changes in the accounting policies and notes in relation to the following operations:

Loan classification in compliance with Circular No. 02/2013/TT-NHNN (“Circular 02”) and Circular No. 09/2014/TT-NHNN (“Circular 09”)

From 1 January 2015, credit institutions and foreign banks’ branches shall update the result of loan classification received from the Credit Information Center of the State Bank of Vietnam (“CIC”) to adjust their loan and off-balance sheet commitment classification. If loans and off-balance sheet commitments are classified into the group of lower risk than the one indicated by CIC, credit institutions and foreign banks’ branches shall adjust their result of loan, off-balance sheet commitment classification to CIC’s result. Within 23 days from the last day of the previous quarter, credit institutions shall update the result of loan classification of CIC and make corresponding allowance. Therefore, for the year ended 31 December 2015, the Bank adjusted the loan classification results as at 30 November 2015 according to the information from CIC.

In addition, Clause 3a, Article 10 of Circular 02 has expired since 1 April 2015. Accordingly, the Bank is not permitted to restructure the repayment term and remain the loan group of the customers as stipulated in Clause 3a, Article 10.

Circular No. 49/2014/TT-NHNN (“Circular 49”) – modifying, supplementing certain articles of Financial Reporting Regime for credit institutions issued under Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 and Chart of Accounts for credit institutions, issued under Decision No. 479/2004/QĐ-NHNN dated 29 April 2004 by the SBV Governor.

On 31 December 2014, the SBV issued Circular 49, which comes into effect from 15 February 2015. Compared to previous regulations, Circular 49 has modified, supplemented several articles regarding the Financial Reporting Regime for credit institutions, issued under Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 by the SBV Governor:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(b) Changes in accounting policies (continued)

- Subsidiaries/associates: subsidiaries and associates of credit institutions are defined by Laws on Credit Institutions;
- Replacement of financial statement templates issued under Decision No. 16/2007/QĐ-NHNN by new respective templates under Circular 49.

Circular No. 202/2014/TT-BTC providing guidance for the preparation and presentation of consolidated financial statements ("Circular 202")

On 22 December 2014, the Ministry of Finance issued Circular No.202/2014/TT-BTC providing guidance on the preparation and presentation of consolidated financial statements, which replace Section XIII of Circular No.161/2007/TT BTC dated 31 December 2007, and is effective for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting treatment in accordance with Circular 202 are applied on a prospective basis as this Circular does not required for retrospective application.

Circular No.200/2014/TT-BTC providing guidelines for accounting policies for enterprises ("Circular 200")

On 22 December 2014, the Ministry of Finance promulgated Circular No.200/2014/TT-BTC providing guidelines for accounting policies for enterprises which replaces Decision No.15/2006/QĐ-BTC dated 20 March 2006 ("Decision 15") and Circular No.244/2009/TT-BTC dated 31 December 2009. The Circular is applied to financial years beginning on or after 1 January 2015.

Circular No. 14/2015/TT-NHNN issued on 28 August 2015 by the SBV amending some articles of Circular No. 19/2013/TT-NHNN stipulating the purchase, sale and settlement of bad debts of Vietnam Asset Management Company ("Circular 14")

In accordance with Circular 14, each year within 5 consecutive working days prior to the maturity date of special bonds issued by Vietnam Asset Management Company ("VAMC"), credit institutions are obliged to make a minimum specific provision for such year calculated by the formula set out in Clause 2, Article 46 of this Circular. The Circular takes effect from 15 October 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(c) Fiscal year

Vietcombank's fiscal year is from 1 January to 31 December.

(d) Foreign currency transactions

According to the accounting system, the Bank records all transactions in their original currencies. Monetary assets and liabilities denominated in currencies other than VND are converted into VND at the inter-bank exchange rates prevailing on the consolidated balance sheet date. Non-monetary foreign currency assets and liabilities are reported using the exchange rate effective on the date of the transaction. Income and expenses in foreign currencies are converted into VND in the consolidated income statement at the exchange rates on the dates of the transactions.

Foreign exchange differences arise from revaluation of foreign currency trading activities at the end of the period are presented in line "Foreign exchange differences", and are recorded in the consolidated income statement when preparing financial statements.

In order to prepare the consolidated financial statements, for the subsidiaries using the consolidation method and for the associates and joint-ventures using the equity method, which have accounting currencies other than VND, assets, liabilities and equity accounts of these companies are converted into VND at the inter-bank exchange rate on the consolidated balance sheet date, and the income statements are converted at the average exchange rate for the period. The exchange differences arising from the conversion are taken into equity in the consolidated balance sheet.

(e) Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Bank. The control exists when the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing the control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that the control commences until the date that the control ceases.

Inter-company balances, transactions, and profit/loss on transactions between those companies and the Bank are eliminated in full in the consolidated financial statements. The accounting policies of subsidiaries have been changed if necessary to ensure the consistency with the policies adopted by the Bank.

NCI represent the portion of the profit or loss and net assets of a subsidiary attributable to equity interest that are not owned, directly or indirectly through subsidiaries, by the Bank.

(ii) Associates and joint-ventures

Associates are those entities in relation to which the Bank has significant influence, but not control, over the financial and operating policies.

Joint-ventures are those entities over whose activities the Bank has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(e) Consolidation (continued)

(ii) Associates and joint-ventures

Vietcombank uses the equity method for consolidating its investments in associates and joint ventures in the consolidated financial statements. Vietcombank's share of its associates and joint-ventures' post acquisition profits or losses is recognized in the consolidated income statement. When Vietcombank's share of losses in associates and joint-ventures equals or exceeds the cost of its investments in the associates and joint-ventures, Vietcombank does not recognize further losses in its consolidated financial statements, unless it has obligations to pay on behalf of the associates and joint-ventures. Accounting policies of associates and joint-ventures have been changed where necessary to ensure consistency with the policies adopted by Vietcombank.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with the SBV, Treasury bills and other short-term valuable papers which are eligible for discounting with the SBV, balances with other credit institutions with original terms to maturity not exceeding three months from the original date of placements; securities with original maturity not exceeding three months that are readily convertible into known amounts of cash, and that are subjected to an insignificant risk of change in value.

(g) Loans to customers

(i) Loans to customers

Loans to customers are stated in the consolidated balance sheet at the principal amounts outstanding as at the date of the consolidated financial statements.

Allowance for credit risk of loans to customers is recorded and stated in a separate line.

(ii) Specific allowance for credit risk

In accordance with Circular 02 and Circular 09, specific allowance for credit risk is calculated based on loan classification and the corresponding allowance rates against principal outstanding as at 30 November 2015, less discounted value of collateral as follows:

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

Since 1 January 2010, the Bank has applied Article 7, Decision No. 493/2005/QĐ-NHNN to make loan classification as approved by the SBV. However, according to Circular 02, the Bank is required to classify loans to customers and off-balance sheet commitments in accordance with both the Article 10 and Clause 1 of Article 11, Circular 02 for a period of 3 years starting from 1 June 2014. In that case, should classifications of a loan in accordance with Article 10 and Clause 1 from Article 11, Circular 02 differ, the loan is to be classified into the group of higher risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(g) Loans to customers (continued)

(iii) General allowance for credit risk

Vietcombank is required to make and maintain a general allowance of 0.75% of total outstanding balance of loans to customers which are classified into Group 1 to 4 as at 30 November.

(iv) Bad debts written-off

According to Circular 02, the Bank writes off bad debts in the following cases:

- Borrowers who are dissolved, bankrupted under legal regulations (in case of legal entities); or are deceased or missing (in case of individuals);
- Debts are classified into Group 5.

(v) Bad debts sold to Vietnam Asset Management Company

Vietcombank sells bad debts at their book values to Vietnam Asset Management Company ("VAMC") in accordance with Decree No. 53/2013/ND-CP effective from 9 July 2013 on "Establishment, organization and operation of Vietnam Asset Management Company", Circular No. 19/2013/TT-NHNN effective from 15 September 2013 on "Purchase, sale and handling of bad debts of Vietnam Asset Management Company", Official Letter No. 8499/NHNN-TCKT on "Guidance on accounting for bad debts purchase and sale between VAMC and credit institutions", Decree No. 34/2015/ND-CP effective from 5 April 2015 on "Amending, supplementing to some articles of Decree No. 53/2013/ND-CP" and Circular No.14/2015/TT-NHNN effective from 15 December 2015 on "Amendments, supplementation to some articles of Circular No.19/2013/TT-NHNN on purchase, sale and settlement of bad debts of Vietnam Asset Management Company". Accordingly, the selling price is the outstanding balance of a bad debt minus its unused specific allowance.

For the sale of bad debts in exchange for VAMC bonds, upon completing selling bad debts to VAMC, Vietcombank will derecognize both the outstanding principal and specific allowance of the sold debt and recognize the face value of VAMC special bonds, which equals to the outstanding balance of the sold debt less its unused specific allowance. Upon receiving the sold debts back from VAMC, Vietcombank will use the allowance made annually for VAMC special bonds to write off such bad debts. Difference between the allowance made for VAMC bonds and the uncollected outstanding balance of debts/bonds will be recognized as "Other income" in the consolidated income statement.

(h) Allowance for off-balance sheet commitments

According to Circular 02 and Circular 09, the Bank has to classify guarantees, payment acceptances and irrevocable lending commitments with specific effective date into 05 groups, similar to loans to customers for management purpose (presented in Note 2(g)).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(i) Investments

(i) Trading securities

Trading securities are debt securities, equity securities and other securities which are bought and held for the purpose of reselling within one year to gain profit on changes in price.

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

(ii) Investment securities

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

Available-for-sale investment securities

Available-for-sale investment securities are debt securities, equity securities or other securities, which are acquired for an indefinite period and may be sold at any time. Regarding equity securities, Vietcombank is neither a founding shareholder nor a strategic partner; nor has the impact on the entity's planning and determining of financial and operating policies under agreements to appoint personnel to the board of directors/board of management.

Held-to-maturity investment securities

Held-to-maturity investment securities are debt securities, with fixed or determinable payments and maturities where Vietcombank's Management has the positive intention and ability to hold until maturity.

Investment securities are initially recognized at cost of acquisition, including transaction expenses and other directly attributable expenses. They are subsequently measured at the lower of the book value after amortization and the market value. Premiums and discounts arising from purchases of debt securities are amortized in the consolidated income statement using the straight-line method over the period from the acquisition dates to the maturity dates.

In addition, according to Circular 02 and Circular 09, investment securities which are unlisted corporate bonds must be subjected to loan classification and allowance for these investments is calculated similarly to that for loans to customers presented in Note 2(g).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(i) Investments (continued)

(ii) Investment securities (continued)

Special bonds issued by VAMC

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

Special bonds will be settled in one of the following cases:

- The allowance made for special bonds is not less than the book value of relevant bad debts recorded in the accounting books of VAMC, including the following cases:
 - VAMC sells the bad debts to organizations, individuals, including re-sells the special bonds to credit institutions at market price or negotiated price;
 - VAMC converts the debts into charter capital of the corporate borrowers.
- Special bonds are expired.

In accordance with Circular No. 14/2015/TT-NHNN, within 5 working days before the maturity date of special bonds, the Bank shall make minimum specific provision for each special bonds, calculated based on the maturity of special bonds, bad debt repayment up to provision time and face value of special bonds.

Specific provision for each special bond is recognized in the consolidated income statement in "Provision expense for credit losses".

(iii) Long-term investments

Other long-term investments represent Vietcombank's capital investments in other enterprises where Vietcombank owns less than 11% of voting rights and is either a founding shareholder or a strategic partner; or has influences on the entity's planning and determining of financial and operating policies under agreements to appoint personnel to the board of directors/board of management.

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

Other long-term investments are initially recognized at cost. They are subsequently measured at the lower of the carrying value and the market value.

The allowance for diminution in the value of long-term investments is made if the economic entity in which Vietcombank invests suffers a loss (except for cases where losses have been anticipated in the business plans prepared before making investment) in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013. The allowance is the difference between the parties' actual capital contributions to the economic entity and the actual equity multiplied (x) by the ratio of of capital invested by Vietcombank to the total actual capital of the economy entity. For an investment in listed shares or shares which fair value can be determined reliably, provision is made based on the shares' market value (similarly to provision for diminution in value of trading securities).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(j) Repurchase and reverse repurchase agreements

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

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

(k) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, and the cost of dismantling and removing the asset and restoring the site on which it is located.

On 25 April 2013, the Ministry of Finance issued Circular No. 45/2013/TT-BTC guiding the framework of management, use and depreciation of fixed assets. According to this Circular, assets shall be considered as fixed assets if they meet all of the following three criteria:

- It is certain to gain future economic benefits from the use of such assets;
- The useful life of assets is above one year;
- Historical costs of the assets must be determinable reliably, with a minimum value of VND 30,000,000 (thirty million VND).

Expenditures incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to the consolidated income statement for the period in which the costs are incurred. In case it can be clearly demonstrated that these expenditures have resulted in an increase in the expected future economic benefits obtained from the use of these tangible fixed assets beyond their originally assessed standard level of performance, the expenditures will be capitalized as an additional cost of tangible fixed assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(k) Tangible fixed assets (continued)

(ii) Depreciation

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

- | | |
|--|-------------|
| • Premises | 25 years |
| • Office furniture, fittings and equipment | 3 - 5 years |
| • Motor vehicles | 6 years |
| • Others | 4 years |

(l) Intangible fixed assets

(i) Land use rights

According to Circular No. 45/2013/TT-BTC dated 25 April 2013 by the Ministry of Finance, intangible fixed assets recognized as land use rights comprise:

- The land use rights allocated by the State with land use fee or receiving the transfer of legal land use rights (including term and non-term land use rights);
- The rights to use the leased land before the effective date of the Land Law 2003 but the rent has been paid for the leasing time or paid in advance for many years and the remaining paid land lease term is at least five years and granted with certificate of land use rights by the competent authority.

The initial cost of land use rights is determined as the total amount paid to get the land use rights plus (+) costs of site clearance, ground leveling, registration fee (excluding costs of construction on that land) or the value of land use rights with contributed capital.

Land use rights not recognized as intangible assets comprise:

- Land use rights allocated by the State without land use fee;
- Land lease rent paid one time for the entire lease term (the land lease time after the effective date of the Land Law 2003 without certificate of land use rights granted), the rent is amortized into the business costs by the number of lease years;
- Land lease rent paid annually, the rent is recorded into the business costs in the period in proportion to the rent annually paid.

According to Circular No. 45/2013/TT-BTC, intangible fixed assets which are long-term land use rights with land use fee or receiving the legal long-term land use rights are not amortized.

For the intangible fixed assets which are the value of land use rights with term or the leased land use rights, the time of depreciation is the time permitted for land use of Vietcombank.

(ii) Other intangible fixed assets

Copyrights, patents and other intangible fixed assets are amortized on a straight-line basis over 4 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(m) Deposits from customers and certificates of deposits

Deposits from customers and certificates of deposits are stated at cost.

(n) Valuable papers issued

Valuable papers issued are stated at cost, net off amortized premiums and discounts. Cost of valuable papers issued includes the proceeds from the issuance less directly attributable expenses.

(o) Severance allowance

Under the Vietnamese Labor Code, when employees who have worked for Vietcombank in Vietnam for 12 months or more ("eligible employees") voluntarily terminate their labor contracts, the employer is required to pay the eligible employees severance allowance calculated based on years of service up to the end of 2008 and the compensation within their last 6 working months. In accordance with Circular No. 180/2012/TT-BTC dated 24 October 2012, the Bank and its subsidiaries in Vietnam make severance allowance and record as operating expenses in the period.

(p) Capital and reserves

(i) Ordinary shares

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

(ii) Share premium

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

(iii) Treasury shares

When Vietcombank repurchases its own issued shares, the total paid amount which includes directly attributable costs, net off any tax effects, is recognized as a deduction from equity and referred to as treasury shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(p) Capital and reserves (continued)

(iv) Reserves

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

- Supplementary charter capital reserve: 5% of net profit after tax and does not exceed charter capital.
- Financial reserve: 10% of net profit after tax and does not exceed 25% of charter capital.
- Investment and development reserve and other reserves: are to be made upon the resolutions of the Annual General Shareholders' Meeting. The allocation ratios are decided in the Annual General Shareholders' Meeting and in accordance with relevant statutory requirements.

The appropriation to reserves is made in accordance with the resolutions of the Annual General Shareholders' Meeting and relevant statutory requirements.

The remaining of the net profit after tax, after appropriation to reserves and dividend payment, is recorded as retained profits of the Bank.

Vietcombank Securities Company Limited sets up reserves according to Circular No.146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014.

(q) Revenue and expenses

(i) Interest income and interest expenses

Interest income of outstanding loans classified in Group 1 (as defined in Note 2(g)) is recognized on an accrual basis. Accrued interest on loans classified in Group 2 to Group 5 is recognized in the consolidated income statement upon receipt.

Interest expenses are recorded on an accrual basis.

(ii) Fees, commissions and dividend income

Fees and commissions are recognized on an accrual basis. Cash dividends from investment activities are recognized in the consolidated income statement when Vietcombank's right to receive payment is established.

(iii) Stock dividends

In accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014, dividends and other receipts in the form of shares, amounts distributed in the form of shares derived from profits of joint stock companies, are not recorded in the consolidated financial statements. Instead, only an increase in the number of shares held by Vietcombank is reflected.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(q) Revenue and expenses (continued)

(iv) Uncollectible income

According to Circular No. 05/2013/TT-BTC dated 9 January 2013, income receivables that were recognized as income but uncollectible at the due date are reversed as a reduction of income if the due date is within the same accounting period, or reversed as an expense if the due date is not within the accounting period, and must be monitored on the off-balance sheet for following-up on collection. When the income is collected, Vietcombank will record it as an operating income.

(r) Lease

(i) Lessee

Payments made under operating leases are recognized in the consolidated income statement on a straight-line basis over the lease term.

(ii) Lessor

Vietcombank recognizes finance leased assets as “Loans to customers” in the consolidated balance sheet at the net value of the investment defined in the lease contract. Income from finance leases are recognized as “Income from interest and similar income”. Installment income is amortized over the lease term using fixed interest rate over the net investment of the leased assets.

Vietcombank recognizes operating lease assets in the consolidated balance sheet. Rental income is recognized on a straight-line basis over the lease term whatever payment method is. Expenses occurred during the leasing period, including depreciation expenses are recognized as operating expenses for the period.

(s) Taxation

Corporate income tax (“CIT”) on the profit or loss for the period comprises of current and deferred tax. Corporate income tax is recognized in the consolidated income statement except that it relates to items recognized directly to equity, in which case it is recognized in equity.

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payables in respect of previous periods.

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(t) Related parties

The Bank's related parties include the followings:

- Parent companies or parties that the Bank considered as the parent of the Bank;
- The Bank's subsidiaries;
- The parties which have the same parent with the Bank;
- Managers or members of the Supervisory Board of the parent of the Bank;
- Individuals or organizations which have the authority to appoint managers or members of the Supervisory Board of the parent of the Bank;
- Managers or members of the Supervisory Board of the Bank;
- Companies or organizations which have the authority to appoint managers, or members of the Supervisory Board of the Bank;
- Wives, husbands, parents, children (including foster parents, foster children, parents-in-law, son-in-law, daughter-in-law, step parents, step children), siblings (including half siblings), brothers-in-law, sisters-in-law of managers or members of the Supervisory Board, capital contributors or shareholders who own at least 5% of charter capital or voting shares of the Bank;
- Individuals or organizations that own at least 5% of charter capital or voting shares of the Bank;
- Representatives for the Bank's paid-in capital and shares.

The Government of Vietnam, through the State Bank of Vietnam, is a shareholder of the Bank. Therefore, in these consolidated financial statements, some Government agencies, including the Ministry of Finance and the State Bank of Vietnam are considered as related parties of the Bank.

(u) Segment reporting

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

(v) Off-balance sheet items

(i) Foreign exchange contracts

Vietcombank enters foreign exchange forward and swap contracts which enable customers to transfer, modify or reduce their foreign exchange risk or other market risks, and are also used for Vietcombank's business purpose.

Forward contracts are commitments to either purchase or sell a designated currency at a specific future date for a specific exchange rate and cash settlement. Forward contracts are recorded at nominal values at transaction dates, and are subsequently revaluated at the end date of the accounting period. The difference on revaluation is recognized under "Foreign exchange differences" in the equity section and is recorded in the consolidated income statement when preparing consolidated financial statements (see Note 2(d)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(v) Off-balance sheet items (continued)

(i) Foreign exchange contracts (continued)

Swap contracts are commitments to settle in cash at a future date, based on differences between specified exchange rates, calculated on the notional principal amount. Swap contracts are subsequently revaluated at the end date of the accounting period, and the difference on revaluation is recognized under "Foreign exchange differences" in the equity section and is recorded in the consolidated income statement when preparing consolidated financial statements (see Note 2(d)).

(ii) Commitments and contingent liabilities

Vietcombank has credit commitments arising from its regular lending activities. These commitments are unutilized loans and overdraft facilities which are approved. Vietcombank also provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Many of the contingent liabilities and commitments will expire without any advanced payment, in whole or in part. Therefore these commitments and contingent liabilities do not represent expected future cash flows.

According to Circular 02 and Circular 09, Vietcombank has to classify guarantees, payment acceptances and irrevocable lending commitments with specific effective date into 5 groups, similar to loans to customers for management purpose (presented in Note 2 (g)).

(w) Other receivables

Vietcombank has provided provision for overdue receivables which are classified as assets without bearing credit risk in accordance with Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009 and Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014. Accordingly, these receivables are subject to review for impairment based on their overdue periods or estimated loss arising from undue debts of which the indebted economic organizations fall bankrupt or are undergoing dissolution procedures; debtors are missing, have fled, are prosecuted, detained or on trial by law enforcement bodies, are serving sentences or have deceased, etc.

<u>Overdue period</u>	<u>Provision rate</u>
From six (6) months to less than one (1) year	30%
From one (1) year to less than two (2) years	50%
From two (2) years to less than three (3) years	70%
From three (3) years and above	100%

For receivables that are classified as assets with credit risks, the Bank conducts classification and makes provisions similarly to those of loans to customers (see Note 2(g)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

2. Summary of significant accounting policies (continued)

(x) Offsetting

Financial assets and liabilities are offset and the net amounts are reported in the consolidated balance sheet if, and only if, Vietcombank has currently enforceable legal rights to offset the recognized amounts and Vietcombank has an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(y) Earnings per share

Vietcombank presents basic earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of Vietcombank by the weighted average number of ordinary shares outstanding during the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

3. Presentation of financial instruments in accordance with Circular No. 210/2009/TT-BTC

During its business operations, Vietcombank regularly enters contracts which give rise to financial assets, financial liabilities and equity instruments.

Financial assets of Vietcombank mainly include:

- Cash;
- Balances with the State Bank of Vietnam;
- Balances with and loans to other credit institutions;
- Loans to customers;
- Trading securities;
- Investment securities;
- Long-term investments;
- Financial derivative assets; and
- Other financial assets.

Financial liabilities of Vietcombank mainly include:

- Amounts due to the Government and the State Bank of Vietnam;
- Deposits and borrowings from other credit institutions;
- Deposits from customers;
- Valuable papers issued;
- Financial derivative liabilities; and
- Other financial liabilities.

(a) Classification of financial assets and liabilities

For the disclosure purpose in the consolidated financial statements, Vietcombank appropriately classifies financial assets and financial liabilities in accordance with Circular No. 210/2009/TT-BTC.

Financial assets are classified as follows:

- Financial assets held for trading;
- Held-to-maturity investments;
- Loans and receivables; and
- Available-for-sale financial assets.

Financial liabilities are classified as follows:

- Financial liabilities held for trading; and
- Financial liabilities carried at amortized cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

3. Presentation of financial instruments in accordance with Circular No. 210/2009/TT-BTC (continued)

(b) Recognition

Financial assets and financial liabilities are recognized on the consolidated balance sheet when, and only when, Vietcombank becomes a party to contractual provisions for the supply of those financial instruments. Vietcombank recognizes a financial asset or financial liability at the date when the contract is effective (trade date accounting).

(c) Derecognition

A financial asset is derecognized when, and only when, Vietcombank's contractual rights to receive the cash flows from the financial asset are terminated, or the majority of the risks and rewards of ownership of the asset are transferred. A financial liability is derecognized when, and only when, the contractual obligation is settled (i.e. either discharged, cancelled, or expired).

(d) Measurement and disclosures of fair value

In accordance with Circular No. 210/2009/TT-BTC, Vietcombank has to disclose the fair value of financial assets and financial liabilities to compare with the book value of those financial assets and financial liabilities as presented in Note 39(b).

The preparation and presentation of the fair value of the financial instruments are only for the purpose of presenting Note 39(b). The financial instruments of Vietcombank are still recognized and recorded in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions, complying with the requirements of the State Bank of Vietnam and with other relevant statutory regulations as described in the notes above.

Fair value is the amount for which an asset could be exchanged, or a liability settled, among knowledgeable, willing parties in an arm's length transaction on the recognition date.

When an active market exists for a financial instrument, Vietcombank measures the fair value of that instrument using its quoted price in the active market. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions.

When an active market does not exist for a financial instrument, Vietcombank determines the fair value of that instrument using valuation techniques. The chosen valuation technique would make maximum use of market inputs, rely as little as possible on estimates specific to Vietcombank, incorporate all factors that market participants would consider when setting prices, and be consistent with accepted economic methodologies for pricing financial instruments. Inputs for valuation techniques reasonably reflect market expectations and measures of the risk-return factors inherent in the financial instrument.

In case there is not enough information to utilize valuation techniques, fair value of the financial instruments without quoted market prices are deemed not to have been reliably measured and therefore, not disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

4. Cash on hand, gold, silver and gemstones

	31/12/2015 VND million	31/12/2014 VND million
Cash on hand in VND	7,092,670	6,614,823
Cash on hand in foreign currencies	1,425,873	1,707,052
Valuable papers in foreign currencies	791	1,510
	8,519,334	8,323,385

5. Balances with the State Bank of Vietnam

	31/12/2015 VND million	31/12/2014 VND million
Demand deposits in VND	3,258,590	1,736,080
Demand deposits in USD	16,456,445	11,531,021
	19,715,035	13,267,101

These deposits consist of a compulsory reserve (“CRR”) for liquidity and current account.

The monthly average balance of the demand deposits of Vietcombank with the SBV must not be less than the monthly balance of CRR. The amount of monthly balance of CRR is calculated by the monthly average balances of deposits multiplied by preceding CRR rates.

The effective CRR rates at the year end were as follows:

Type of deposits	31/12/2015	31/12/2014
Deposits in VND with terms of less than 12 months	3%	3%
Deposits in VND with terms of 12 months and above	1%	1%
Deposits in foreign currencies with terms of less than 12 months	8%	8%
Deposits in foreign currencies with terms of 12 months and above	6%	6%
Deposits from overseas credit institutions in foreign currencies	1%	1%

The annual interest rates at the year end were as follows:

	31/12/2015	31/12/2014
Compulsory reserve in VND	1.2%	1.2%
Compulsory reserve in USD	0%	0%
Demand deposits in VND	0%	0%
Demand deposits in USD	0.05%	0.05%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

6. Balances with and loans to other credit institutions

	31/12/2015 VND million	31/12/2014 VND million (Restated)
Balances with other credit institutions		
Demand deposits in VND	125,186	84,265
Demand deposits in foreign currencies	29,566,958	30,995,486
Term deposits in VND	35,187,102	14,688,836
Term deposits in foreign currencies	27,708,291	43,140,887
	92,587,537	88,909,474
Loans to other credit institutions		
Loans in VND	36,704,575	48,808,739
Loans in foreign currencies	2,235,261	8,381,185
	38,939,836	57,189,924
Allowance for balances with and loans to other credit institutions	-	(22,877)
	38,939,836	57,167,047
	131,527,373	146,076,521

Balances with and loans to other credit institutions by loan group were as follows:

	31/12/2015 VND million	31/12/2014 VND million (Restated)
Current	131,479,873	138,185,892
Special mentioned	47,500	7,892,260
Sub-standard	-	21,246
Closing balance	131,527,373	146,099,398

Allowance for balances with and loans to other credit institutions comprised of:

	31/12/2015 VND million	31/12/2014 VND million (Restated)
General allowance	-	-
Specific allowance	-	22,877
Closing balance	-	22,877

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

6. Balances with and loans to other credit institutions (continued)

Movements in general allowance for balances with and loans to other credit institutions were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Opening balance	-	58,890
Allowance reversed during the year (see Note 31)	-	(58,890)
Closing balance	-	-

Movements in specific allowance for balances with and loans to other credit institutions were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million (Restated)
Opening balance	22,877	7,134
Allowance (reversed)/ made during the year (see Note 31)	(22,877)	15,743
Closing balance	-	22,877

7. Trading securities

	31/12/2015 VND million	31/12/2014 VND million
Debt securities	9,361,389	9,876,942
Government securities	5,566,843	8,916,295
Securities issued by other credit institutions	3,494,546	960,647
Securities issued by local economic entities	300,000	-
Equity securities	106,866	249,650
Equity securities issued by other credit institutions	10	6,733
Equity securities issued by local economic entities	106,856	242,917
	9,468,255	10,126,592
Allowance for trading securities	(950)	(4,449)
	9,467,305	10,122,143

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

7. Trading securities (continued)

Trading securities by listing status were as follows:

	31/12/2015 VND million	31/12/2014 VND million
Debt securities	9,361,389	9,876,942
Listed	9,061,389	9,876,942
Unlisted	300,000	-
Equity securities	106,866	249,650
Listed	106,860	249,643
Unlisted	6	7
	9,468,255	10,126,592

Movements in allowance for trading securities were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Opening balance	4,449	888
Allowance made/(reserved) during the year	(3,499)	3,561
Closing balance	950	4,449

8. Loans to customers

	31/12/2015 VND million	31/12/2014 VND million (Restated)
Loans to local economic entities and individuals	382,489,356	319,586,324
Discounted bills and valuable papers	2,108,083	1,695,473
Finance leases	2,499,785	2,004,371
Loans given to make payments on behalf of customers	46,215	39,802
Loans to foreign individuals and enterprises	8,265	12,148
	387,151,704	323,338,118

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

8. Loans to customers (continued)

Loan portfolio by loan group was as follows:

	31/12/2015 VND million	31/12/2014 VND million <i>(Restated)</i>
Current	370,637,362	298,384,575
Special mentioned	9,377,079	17,491,365
Sub-standard	796,645	2,134,439
Doubtful	750,489	1,756,323
Loss	5,590,129	3,571,416
	387,151,704	323,338,118

Loan portfolio by term was as follows:

	31/12/2015 VND million	31/12/2014 VND million <i>(Restated)</i>
Short-term	230,183,780	206,763,418
Medium-term	43,842,359	33,541,000
Long-term	113,125,565	83,033,700
	387,151,704	323,338,118

Loan portfolio by type of borrowers was as follows:

	31/12/2015 VND million	31/12/2014 VND million <i>(Restated)</i>
State-owned enterprises	90,323,280	90,002,735
Limited companies	81,743,726	69,453,779
Foreign invested enterprises	26,082,944	17,882,606
Co-operative and private companies	7,720,166	6,055,632
Individuals	77,831,154	51,745,732
Others	103,450,434	88,197,634
	387,151,704	323,338,118

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

8. Loans to customers (continued)

Loan portfolio by industry sectors was as follows:

	31/12/2015 VND million	31/12/2014 VND million (Restated)
Construction	21,295,535	16,396,304
Electricity, gas, water processing and supplying	27,270,622	23,634,980
Processing and manufacturing	122,263,924	111,471,498
Mining	17,467,032	13,996,417
Agriculture, forestry and aquaculture	10,765,546	7,629,908
Transportation, logistics and communication	24,106,631	15,175,476
Trading and services	105,498,319	94,640,746
Hospitality	8,777,850	8,806,821
Others	49,706,245	31,585,968
	387,151,704	323,338,118

9. Allowance for loans to customers

	31/12/2015 VND million	31/12/2014 VND million (Restated)
General allowance	2,706,385	2,259,976
Specific allowance	5,903,493	4,824,395
	8,609,878	7,084,371

Movements in general allowance for loans and advances to customers were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million (Restated)
Opening balance	2,259,976	1,917,731
Allowance made during the year (see Note 31)	440,784	340,410
Foreign exchange difference	5,625	1,835
Closing balance	2,706,385	2,259,976

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

9. Allowance for loans to customers (continued)

Movements in specific allowance for loans and advances to customers were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million (Restated)
Opening balance	4,824,395	4,533,074
Allowance made during the year (see Note 31)	5,109,836	4,682,501
Allowance utilized for writing off bad debts	(3,411,042)	(2,752,276)
Allowance utilized for bad debts sold to VAMC	(620,575)	(1,639,191)
Foreign exchange difference	879	287
Closing balance	5,903,493	4,824,395

10. Investment securities

(a) Available-for-sale securities

	31/12/2015 VND million	31/12/2014 VND million
Debt securities		
Government bonds	32,386,706	29,624,659
Treasury bills, SBV bills	-	12,294,509
Securities issued by other local credit institutions	10,189,445	6,956,501
Securities issued by local economic entities	100,000	100,000
Equity securities		
Securities issued by other local credit institutions	19,251	43,560
Securities issued by local economic entities	245,773	178,546
	42,941,175	49,197,775
Allowance for available-for-sale securities	(33,543)	(68,656)
	42,907,632	49,129,119

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

10. Investment securities (continued)

(a) Available-for-sale securities (continued)

Details of allowance for available-for-sale securities were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Allowance for diminution in the value of available-for-sale securities	15,393	34,506
General allowance for unlisted corporate bonds	18,150	18,150
Specific allowance for unlisted corporate bonds	-	16,000
	33,543	68,656

Movements in allowance for diminution in the value of available-for-sale securities were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Opening balance	34,506	23,417
Allowance (reversed)/ made during the year (see Note 27)	(19,113)	11,089
Closing balance	15,393	34,506

Movements in general allowance for unlisted corporate bonds were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Opening balance	18,150	-
Allowance made during the year (see Note 31)	-	18,150
Closing balance	18,150	18,150

Movements in specific allowance for unlisted corporate bonds were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Opening balance	16,000	-
Allowance (reversed)/ made during the year (see Note 31)	(16,000)	16,000
Closing balance	-	16,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

10. Investment securities (continued)

(b) Held-to-maturity securities (excluding special bonds issued by VAMC)

	31/12/2015 VND million	31/12/2014 VND million
Government bonds	51,564,369	13,184,026
Debt securities issued by other local credit institutions	100,347	292,617
Debt securities issued by local economic entities (excluding special bonds issued by VAMC)	10,588,751	2,798,751
	62,253,467	16,275,394
Allowance for held-to-maturity securities	(74,466)	(20,466)
	62,179,001	16,254,928

Details of allowance for held-to-maturity securities were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Allowance for diminution in the value of held-to-maturity securities	-	-
General allowance for unlisted corporate bonds	74,466	20,466
	74,466	20,466

Movements in allowance for diminution in the value of held-to-maturity securities were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Opening balance	-	1,529
Allowance reversed during the year (see Note 27)	-	(1,529)
Closing balance	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

10. Investment securities (continued)

(b) Held-to-maturity securities (excluding special bonds issued by VAMC) (continued)

Movements in general allowance for held-to-maturity securities were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Opening balance	20,466	-
Allowance made during the year (see Note 31)	54,000	20,466
Closing balance	74,466	20,466

(c) Special bonds issued by VAMC

	31/12/2015 VND million	31/12/2014 VND million
Face value	3,564,811	1,925,591
Allowance	(596,208)	(185,315)
	2,968,603	1,740,276

Movements in specific allowance for special bonds issued by VAMC were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Opening balance	185,315	-
Allowance made during the year (see Note 31)	502,348	185,315
Allowance utilized during the year	(91,455)	-
	596,208	185,315

(d) Unlisted corporate bonds by loan group

	31/12/2015 VND million	31/12/2014 VND million
Current	12,908,751	4,828,751
Special mentioned	-	320,000
	12,908,751	5,148,751

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

11. Long-term investments

(a) Investments in joint-ventures

As at 31 December 2015

	Business sector	% share- holding	At cost VND million	Book value VND million
Vietcombank – Bonday – Ben Thanh Company Limited	Office leasing	52%	410,365	342,641
Vietcombank Fund Management Company	Investment fund management	51%	135,150	131,484
Vietcombank – Cardif Life Insurance Company Limited	Life insurance	45%	270,000	279,647
			815,515	753,772

As at 31 December 2014

	Business sector	% share- holding	At cost VND million	Book value VND million
Vietcombank – Bonday – Ben Thanh Company Limited	Office leasing	52%	410,365	379,424
Vietcombank Fund Management Company	Investment fund management	51%	28,050	31,294
Vietcombank – Cardif Life Insurance Company Limited	Life insurance	45%	270,000	282,426
			708,415	693,144

The Bank owns 52% and 51% of the total capital of Vietcombank – Bonday – Ben Thanh Company Limited and Vietcombank Fund Management Company respectively. However, these companies' charters require a consensus among related parties on all important decisions on the companies' operational and financial matters. Consequently, owning more than half of the companies' capital does not mean that the Bank has control over these companies. Therefore, the investments in these two companies are classified into "Investment in joint-ventures" rather than "Investment in subsidiaries".

The Bank owns 45% of the total capital of Vietcombank – Cardif Life Insurance Company Limited. However, this company's charter requires a consensus among related parties on all important decisions on the company's operational and financial matters. Therefore, the investment in the company is classified into "Investment in joint-ventures" rather than "Investment in associates".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

11. Long-term investments (continued)

(b) Investments in associates

As at 31 December 2015

	Business sector	% share- holding	At cost VND million	Book value VND million
Vietcombank - Bonday Limited	Office leasing	16%	11,110	9,349
			11,110	9,349

As at 31 December 2014

	Business sector	% share- holding	At cost VND million	Book value VND million
Vietcombank - Bonday Limited	Office leasing	16%	11,110	9,773
			11,110	9,773

The Bank has significant influence but limited control, through its participation in the Board of Directors, over the financial and operating policies of this company. Therefore, the investment in the above company is classified into “Investment in associates” rather than “Other long-term investments”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

11. Long-term investments (continued)

(c) Other long-term investments

As at 31 December 2015

	Business sector	% share- holding	VND million
Vietnam Export - Import Commercial Joint Stock Bank	Banking	8.19%	582,065
Saigon Bank for Industry and Trade	Banking	4.30%	123,452
Military Commercial Joint Stock Bank	Banking	7.16%	1,242,989
Orient Commercial Joint Stock Bank	Banking	5.07%	144,802
Small & Medium Enterprises Credit Guarantee Fund	Credit services Card and settlement services	0.80%	1,864
SWIFT, MASTER and VISA	Insurance	-	2,936
Petrolimex Insurance Corporation		10.04%	67,900
Petrovietnam Drilling and Well services corporation	Drilling	0.21%	5,496
Vietnam Credit information Joint Stock Company (PBC)	Credit information services	6.64%	7,962
Cement Finance Company	Financial services	10.91%	70,950
Vietnam Infrastructure development and financial investment JSC.	Highway investment	1.97%	75,000
Vietnam National Financial Switching JSC.	Card services	2.99%	4,400
Vietnam Airlines JSC.	Aviation	2.00%	499,602
			2,829,418
Allowance for diminution in the value of other long-term investments			(35,789)
			2,793,629

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

11. Long-term investments (continued)

(c) Other long-term investments (continued)

As at 31 December 2014

	Business sector	% share- holding	VND million
Vietnam Export - Import Commercial Joint Stock Bank	Banking	8.19%	582,065
Saigon Bank for Industry and Trade	Banking	4.30%	123,453
Military Commercial Joint Stock Bank	Banking	9.59%	1,242,989
Orient Commercial Joint Stock Bank	Banking	5.07%	144,802
Small & Medium Enterprises Credit Guarantee Fund	Credit services	0.80%	1,864
SWIFT, MASTER and VISA	Card and settlement services	-	1,572
Petrolimex Insurance Corporation	Insurance	10.04%	67,900
Petrovietnam Drilling and Well services corporation	Drilling	0.21%	5,496
Nha Rong Insurance Company	Insurance	3.11%	12,540
Vietnam Credit information Joint Stock Company (PBC)	Credit information services	6.64%	7,962
Cement Finance Company	Financial services	10.91%	70,950
Vietnam Infrastructure development and financial investment JSC.	Highway investment	1.97%	75,000
Viet Commercial Real Estate JSC.	Real Estate	3.67%	11,000
Smartlink Card	Card services	8.80%	4,400
Vietnam Airlines JSC.	Aviation	1.59%	499,602
CIENCO 8 (*)	Construction	2.50%	17,500
			2,869,095
Allowance for diminution in the value of other long-term investments			(25,841)
			2,843,254

(*) In 2015, Vietcombank re-classified this investment into Trading securities

Movements in allowance for diminution in the value of other long-term investments were as follows:

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Opening balance	25,841	36,290
Allowance made/(reversed) during the year (see Note 30)	9,948	(10,449)
Closing balance	35,789	25,841

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

12. Tangible fixed assets

	Premises VND million	Office furniture, fittings and equipment VND million	Motor Vehicles VND million	Others VND million	Total VND million
Cost					
Opening balance (restated)	2,369,478	3,054,365	567,857	562,967	6,554,667
Additions	655,473	202,352	118,808	176,811	1,153,444
- Purchases	640,323	200,941	118,808	166,708	1,126,780
- Others	15,150	1,411	-	10,103	26,664
Decreases	(6,289)	(26,010)	(5,593)	(8,484)	(46,376)
- Disposal	(2,945)	(25,954)	(5,593)	(7,817)	(42,309)
- Others	(3,344)	(56)	-	(667)	(4,067)
Closing balance	3,018,662	3,230,707	681,072	731,294	7,661,735
Accumulated depreciation					
Opening balance (restated)	508,492	2,539,291	365,119	312,761	3,725,663
Additions	112,660	293,219	61,828	123,672	591,379
- Charges for the year	111,401	293,159	61,828	123,576	589,964
- Others	1,259	60	-	96	1,415
Decreases	(1,306)	(25,981)	(5,594)	(8,048)	(40,929)
- Disposal	(1,306)	(25,946)	(5,594)	(7,791)	(40,637)
- Others	-	(35)	-	(257)	(292)
Closing balance	619,846	2,806,529	421,353	428,385	4,276,113
Net book value					
Opening balance (restated)	1,860,986	515,074	202,738	250,206	2,829,004
Closing balance	2,398,816	424,178	259,719	302,909	3,385,622

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

13. Intangible fixed assets

	Land use rights VND million	Copyrights & patents VND million	Others VND million	Total VND million
Cost				
Opening balance (restated)	1,583,838	475,173	79,286	2,138,297
Additions	53,291	2,599	17,695	73,585
- <i>Purchases</i>	47,360	2,202	17,695	67,257
- <i>Others</i>	5,931	397	-	6,328
Decreases	-	-	(83)	(83)
Closing balance	1,637,129	477,772	96,898	2,211,799
Accumulated amortization				
Opening balance (restated)	30,665	408,122	63,985	502,772
Additions	8,425	44,350	2,484	55,259
- <i>Charges for the year</i>	7,345	44,350	2,484	54,179
- <i>Others</i>	1,080	-	-	1,080
Decreases	-	-	(83)	(83)
Closing balance	39,090	452,472	66,386	557,948
Net book value				
Opening balance (restated)	1,553,173	67,051	15,301	1,635,525
Closing balance	1,598,039	25,300	30,512	1,653,851

14. Other assets

(a) Receivables

	31/12/2015 VND million	31/12/2014 VND million (Restated)
Internal receivables	753,317	611,952
External receivables (i)	2,779,139	1,976,264
	3,532,456	2,588,216

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

14. Other assets (continued)

(a) Receivables (continued)

(i) External receivables

	31/12/2015 VND million	31/12/2014 VND million (Restated)
Advances for purchase of fixed assets	145,888	226,817
Receivables from the State Budget in relation to the interest subsidy program	151,777	135,105
Advances for corporate income tax (see Note 34)	216	405
Advances for value added tax (see Note 34)	1,343	2,737
Advances for other taxes (see Note 34)	265	513
Construction in progress (*)	767,021	700,966
Other receivables	1,712,629	909,721
	2,779,139	1,976,264

() Construction in progress*

	31/12/2015 VND million	31/12/2014 VND million
Construction in progress	767.021	700.966

In which, large constructions include:

- Thanh Hoa Branch construction	162,572	-
- Dong Nai Branch construction	132,890	116,979
- Ho Chi Minh City Branch construction	39,866	-
- Ha Noi Branch construction	24,566	349
- Vung Tau Branch construction	30,056	37,309
- Binh Thuan Branch construction	31,348	27,155
- Bac Ninh Branch construction	13,600	-
- Quang Binh Branch construction	7,848	55,555
- North Ha Tinh Branch construction	2,613	10,207
- Thang Long Branch construction	-	80,772
- Ha Tay Branch construction	-	46,000
- Ca Mau Branch construction	-	26,281
- Hue Branch construction	-	25,884

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

14. Other assets (continued)

(b) Accrued interest and fee receivables

	31/12/2015 VND million	31/12/2014 VND million (Restated)
From loans to customers	1,231,435	946,945
From balances with and loans to other credit institutions	505,211	410,774
From investment securities	3,064,315	2,244,134
From derivative transactions	41,314	57,826
	4,842,275	3,659,679

(c) Other assets

	31/12/2015 VND million	31/12/2014 VND million (Restated)
Prepaid expenses for office and fixed assets rental	928,095	587,444
Materials	88,824	71,695
Receivables relating to card transactions	324,090	526,399
Other assets	255,064	382,064
	1,596,073	1,567,602

15. Amounts due to the Government and the State Bank of Vietnam

	31/12/2015 VND million	31/12/2014 VND million
Borrowings from the SBV	2,861,958	1,219,014
Borrowings on the basis of credit profiles	2,321,634	776,516
Other borrowings	540,324	442,498
Demand deposits from the State Treasury	26,049,857	36,090,880
Deposits from the SBV	12,567,738	16,783,178
	41,479,553	54,093,072

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

16. Deposits and borrowings from other credit institutions

	31/12/2015 VND million	31/12/2014 VND million
Deposits from other credit institutions	51,743,682	33,697,181
Demand deposits in VND	6,064,969	2,708,962
Demand deposits in foreign currencies	35,061,617	23,476,453
Term deposits in VND	3,910,000	6,518,000
Term deposits in foreign currencies	6,707,096	993,766
Borrowings from other credit institutions	20,391,699	9,540,617
Borrowings in VND	16,670,399	8,649,709
Borrowings in foreign currencies	3,721,300	890,908
	72,135,381	43,237,798

17. Deposits from customers

	31/12/2015 VND million	31/12/2014 VND million
Demand deposits	140,491,461	108,943,606
Demand deposits in VND	100,729,659	77,966,348
Demand deposits in gold, foreign currencies	39,761,802	30,977,258
Term deposits	354,019,090	306,186,461
Term deposits in VND	283,373,464	242,517,819
Term deposits in gold, foreign currencies	70,645,626	63,668,642
Deposits for specific purposes	4,825,786	6,251,820
Margin deposits	1,191,930	821,893
	500,528,267	422,203,780

Deposits from customers by customer types were as follows:

	31/12/2015 VND million	31/12/2014 VND million
Economic entities	224,730,484	195,981,419
Individuals	275,797,783	226,222,361
	500,528,267	422,203,780

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

18. Derivative financial instruments and other financial assets/ (liabilities)

	31/12/2015		31/12/2014	
	Notional value VND million	Book value VND million	Notional value VND million	Book value VND million
Derivatives				
Currency swap contracts	8,944,224	89,199	8,171,486	53,179
Forward contracts	7,784,153	(88,571)	8,168,235	(128,457)
	16,728,377	628	16,339,721	(75,278)

19. Valuable papers issued

	31/12/2015 VND million	31/12/2014 VND million
Certificates of deposits	6,081	7,638
Short-term in foreign currencies	210	204
Medium-term in VND	415	942
Medium-term in foreign currencies	5,456	6,492
Bonds and bills	2,472,989	2,201,003
Short-term in VND	47	47
Short-term in foreign currencies	103	117
Medium-term in VND	2,472,827	2,200,827
Medium-term in foreign currencies	12	12
	2,479,070	2,208,641

20. Other liabilities

(a) Accrued interest and fee payables

	31/12/2015 VND million	31/12/2014 VND million (Restated)
For deposits from customers	4,650,887	4,527,262
For deposits and borrowings from other credit institutions	276,343	225,893
For valuable papers issued	2,630	5,658
For derivative transactions	58,445	38,668
	4,988,305	4,797,481

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

20. Other liabilities (continued)

(b) Other liabilities

	31/12/2015 VND million	31/12/2014 VND million (Restated)
Internal payables (i)	1,700,312	1,182,935
External payables (ii)	4,677,369	4,823,186
Bonus and welfare fund	1,214,597	882,994
	7,592,278	6,889,115

(i) Internal payables

	31/12/2015 VND million	31/12/2014 VND million (Restated)
Payables to employees	1,504,592	993,407
Other liabilities	195,720	189,528
	1,700,312	1,182,935

(ii) External payables

	31/12/2015 VND million	31/12/2014 VND million (Restated)
Tax payables (see Note 34)	251,316	417,696
- Corporate income tax payables	181,477	350,816
- Value added tax payables	24,641	19,694
- Other tax payables	45,198	47,186
Interest income received in advance pending for allocation	30,483	139,161
Payables for construction and acquisition of fixed assets	137,829	348,833
Payables for securities investors	40,127	29,930
Deposit in custody relating to pending payments	182,115	226,198
Other payables to customers	189,772	310,989
Other pending items in settlement	106,740	74,931
Other payables to the State relating to interest subsidy program	64,528	64,528
Placement of investors for securities transactions	695,912	698,455
Fund received from other entities	1,500,000	1,500,000
Other payables	1,478,547	1,012,465
	4,677,369	4,823,186

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

21. Capital and reserves

(a) Statement of changes in equity

	Charter capital	Share premium	Other capital	Reserves			Asset revaluation difference	Foreign exchange difference	Retained profits	Non-controlling interest	Total
	VND million	VND million	VND million	Supplement charter capital reserve	Financial reserve	Investment and development reserve	VND million	VND million	VND million	VND million	VND million
Balance as at 1/1/2015 (Restated)	26,650,203	5,725,318	45,160	1,351,365	2,729,965	70,661	VND million	VND million	VND million	VND million	VND million
Net profit for the year	-	-	-	-	-	-	-	-	5,313,928	18,139	5,332,067 (964,597)
Reserves temporarily appropriated for 2015	-	-	-	266,110 (27)	528,640 (27)	-	794,750 (54)	-	(1,759,347) (16,152)	-	(16,764)
Reserves appropriated for 2014	-	-	-	-	-	-	-	-	(2,665,020)	-	(2,665,020)
Dividends paid during the year	-	-	-	-	-	-	-	-	-	-	(5,325)
Utilization during the year	-	-	-	-	(5,325)	-	(5,325)	-	-	-	-
Adjustments from State Audit and Tax	-	-	-	-	-	-	-	-	630	-	630
Exchange rate difference	-	-	-	-	-	-	-	12,733	-	(110)	12,623
Gain from asset revaluation	-	-	-	-	-	-	-	5,817	-	-	5,817
Other	-	-	-	-	-	-	-	-	171	(23)	148
Balance as at 31/12/2015	26,650,203	5,725,318	45,160	1,617,448	3,253,253	70,661	4,941,362	89,222	7,475,808	165,300	45,172,342

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

21. Capital and reserves (continued)

(b) Details of shareholders of the Bank

	31/12/2015 VND million	31/12/2014 VND million
Ordinary shares		
The State of Vietnam	20,550,766	20,550,766
Foreign strategic shareholder (Mizuho Bank Ltd., Japan)	3,997,544	3,997,544
Other shareholders	2,101,893	2,101,893
	26,650,203	26,650,203

The Bank's authorized and issued share capital is as follows:

	31/12/2015		31/12/2014	
	Number of shares	VND million	Number of shares	VND million
Authorized share capital	2,665,020,334	26,650,203	2,665,020,334	26,650,203
Issued share capital				
Ordinary shares	2,665,020,334	26,650,203	2,665,020,334	26,650,203
Outstanding shares				
Ordinary shares	2,665,020,334	26,650,203	2,665,020,334	26,650,203

The par value of each ordinary share is VND 10,000.

(c) Basic earnings per share

(i) Profit attributable to the shareholders of Vietcombank to calculate basic earnings per share

	Year ended 31/12/2015 VND million	Year ended 31/12/2015 VND million (Restated)
Net profit after tax	5,313,928	4,566,514
Appropriation to bonus and welfare funds	(981,361)	(786,480)
Profit attributable to the ordinary shareholders	4,332,567	3,780,034

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

21. Capital and reserves (continued)

(c) Basic earnings per share (continued)

(ii) Weighted average number of ordinary shares

	Year ended 31/12/2015	Year ended 31/12/2014
Shares issued at the beginning of the year	2,665,020,334	2,317,417,076
Shares issued during the year	-	347,603,258
Weighted average number of ordinary shares	2,665,020,334	2,465,981,756

(iii) Basic earnings per share

	Year ended 31/12/2015 VND	Year ended 31/12/2014 (Restated) VND
Basic earnings per share	1,626	1,533

22. Interest and similar income

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million (Restated)
Interest income from loans to customers	24,306,183	22,117,907
Interest income from deposits	1,199,274	790,179
Interest income from trading and investment debt securities	5,307,039	4,824,400
- Interest income from investment securities	5,072,617	4,824,400
- Interest income from trading securities	234,422	-
Interest income from finance leases	195,092	180,146
Income from guarantee activities	283,154	254,554
Other income from credit activities	30,117	55,203
Interest from debts trading activities	39,870	-
	31,360,729	28,222,389

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

23. Interest and similar expenses

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Interest expenses on deposits	(14,956,105)	(15,259,879)
Interest expenses on borrowings	(596,262)	(506,802)
Interest expenses on valuable papers issued	(278,523)	(244,527)
Others expenses on credit activities	(76,807)	(202,390)
	(15,907,697)	(16,213,598)

24. Net fee and commission income

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million (Restated)
Fee and commission income		
Settlement services	2,147,481	1,741,752
Cash services	186,393	157,229
Trusted and agency activities	8,248	8,144
Other services	1,215,182	1,005,264
	3,557,304	2,912,389
Fee and commission expenses		
Settlement services	(1,280,848)	(1,068,463)
Cash services	(50,158)	(35,187)
Telecommunication services	(76,999)	(65,695)
Trusted and agency activities	(697)	(2,701)
Other services	(275,954)	(223,472)
	(1,684,656)	(1,395,518)
	1,872,648	1,516,871

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

25. Net gain/(loss) from trading foreign currencies

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Gains from trading foreign currencies		
From foreign currencies spot trading	2,968,544	2,390,591
From currency derivatives	265,360	181,014
From foreign exchange rate differences	670,207	287,390
	3,904,111	2,858,995
Losses from trading foreign currencies		
From foreign currencies spot trading	(952,813)	(681,149)
From currency derivatives	(1,352,441)	(730,745)
From foreign exchange rate differences	(26,283)	(102,022)
	(2,331,537)	(1,513,916)
	1,572,574	1,345,079

26. Net gain/(loss) from trading securities

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Income from trading securities	319,270	251,043
Expenses on trading securities	(144,407)	(48,358)
Allowance for diminution in the value of trading securities (see Note 7)	3,499	(3,561)
	178,362	199,124

27. Net gain/(loss) from investment securities

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Income from trading investment securities	212,758	243,174
Expenses on trading investment securities	(60,404)	(13,863)
Allowance for diminution in the value of available-for-sale securities reversed/(made) during the year (see Note 10(a))	19,113	(11,089)
Allowance for diminution in the value of held-to-maturity securities reversed during the year (see Note 10(b))	-	1,529

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

171,467 219,751

28. Net other income

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Other income		
Income from loans previously written off	1,834,236	1,419,966
Income from allowance reversed for diminution in the value of other long-term investments (see Note 11(c))	-	10,449
Income from debts trading activities	212,882	356,548
Income from other activities	93,432	152,665
	2,140,550	1,939,628
Other expenses		
Expenses from interest rate swap transactions	(4,310)	(32,815)
Expenses from debts trading activities	(110)	(163)
Expenses for social activities	(211,851)	(111,625)
Other expenses	(19,000)	(10,382)
	(235,271)	(154,985)
	1,905,279	1,784,643

29. Dividend and net income from investments in associates and joint-ventures

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Dividends received from equity investments during the year	94,803	164,103
- <i>Dividends received from equity securities</i>	81,033	157,878
- <i>Dividends received from trading securities</i>	13,770	6,225
Share of loss of investments in joint-ventures and associates upon equity method	(47,468)	(12,732)
Income from disposal of equity investments	1,100	858
Income from other activities	-	58,750
	48,435	210,979

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

30. Operating expenses

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
Tax, duties and fees	(165,500)	(135,501)
Salaries and related expenses	(4,283,737)	(3,480,576)
<i>Of which:</i>		
- <i>Salary and allowance</i>	(3,980,288)	(3,188,197)
- <i>Additional expenses based on salary</i>	(223,813)	(216,900)
- <i>Other allowances</i>	(2,196)	(1,852)
Expenses on assets	(1,820,583)	(1,600,571)
<i>Of which:</i>		
- <i>Depreciation of fixed assets</i>	(644,239)	(640,735)
Administrative expenses	(1,692,881)	(1,378,566)
Insurance expenses on deposit of customers	(292,895)	(225,038)
Allowance for diminution in the value of long-term investments made (see Note 11(c))	(9,948)	-
Others	(40,705)	(29,474)
	(8,306,249)	(6,849,726)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

31. Allowances for credit losses

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million (Restated)
General allowance for loans to other credit institutions		
Reversed during the year (see Note 6)	-	58,890
Specific allowance for loans to other credit institutions		
Reversed/(Made) during the year (see Note 6)	22,877	(15,743)
General allowance for loans to customers		
(Made) during the year (see Note 9)	(440,784)	(340,410)
Specific allowance for loans to customers		
(Made) during the year (see Note 9)	(5,109,836)	(4,682,501)
General allowance for unlisted corporate bonds		
(Made) during the year (see Note 10(a) and 10(b))	(54,000)	(38,616)
Specific allowance for unlisted corporate bonds and VAMC bonds		
(Made) during the year (see Note 10(a) and 10(c))	(486,348)	(201,315)
Provision for contingent liabilities and off-balance sheet commitments		
Reversed during the year	-	628,250
	(6,068,091)	(4,591,445)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

32. Current corporate income tax expenses

	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million (Restated)
Profit before tax	6,827,457	5,844,067
<i>Adjustments:</i>		
Subsidiaries' taxable income	(210,059)	(258,004)
Dividend received during the year (see Note 29)	(94,803)	(164,103)
Net loss from investments in joint-ventures and associate upon equity method (see Note 29)	47,468	12,732
Non-taxable adjustments from consolidation	-	8,472
Allowance expenses of Vietcombank Securities Company Limited ("VCBS") made in 2013 but are eligible for tax deduction in 2014	(127)	(13,094)
Allowance expenses of VCBS for unlisted securities that are non-deductible	-	10,069
Other non-deductible expenses	1,984	1,998
Taxable income	6,571,920	5,442,137
Effective corporate income tax rate	22%	22%
Estimated corporate income tax of the Bank (tax rate: 22%)	(1,445,822)	(1,197,270)
Estimated corporate income tax of subsidiaries (tax rate: 22%)	(47,813)	(58,942)
Estimated corporate income tax of subsidiaries (tax rate: 16.5%)	(1,465)	(1,479)
Corporate income tax expenses during the year	(1,495,100)	(1,257,692)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

33. Cash and cash equivalents

	31/12/2015 VND million	31/12/2014 VND million
Cash on hand, gold, silver and gemstones	8,519,334	8,323,385
Balances with the State Bank of Vietnam	19,715,035	13,267,101
Balances with and loans to other credit institutions due within three months	122,367,566	131,040,901
Trading securities	9,468,255	10,126,592
Investment securities due within three months	4,342,663	12,255,017
	164,412,853	175,012,996

34. Obligations to State Budget

	Balance as at 1/1/2015 VND million (Restated)	Occurrence		Balance as at 31/12/2015		
		Payable VND million	Paid VND million	Payable VND million	Advances VND million	Total VND million
Value added tax	17,020	294,228	287,950	24,641	(1,343)	23,298
Current corporate income tax	349,127	1,495,741	1,663,607	181,477	(216)	181,261
- Corporate income tax of Vietcombank	349,118	1,495,100	1,663,397	180,870	(49)	180,821
- Adjustments on tax of previous years	62	34	208	-	(112)	(112)
- Effects of exchange differences on Vinafico tax obligation in 2008	(53)	-	2	-	(55)	(55)
- Adjustments of Tax finalization and State Audit for 2014	-	607	-	607	-	607
Deferred income tax	17,723	1,721	-	19,444	-	19,444
Other taxes	46,672	368,357	370,096	45,198	(265)	44,933
	430,542	2,160,047	2,321,653	270,760	(1,824)	268,936

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

35. Employee benefits

	Year ended 31/12/2015	Year ended 31/12/2014 (Restated)
Total number of employees (person)	14,755	14,099
Employees' income		
Total salary and allowance (VND million) (see Note 30)	3,980,288	3,188,197
Monthly average income/person (VND million)	22.48	18.84

36. Contingent liabilities and other commitments

In the normal course of business, Vietcombank is a party to financial instruments which are recorded as consolidated off-balance sheet items. These financial instruments mainly comprise of financial guarantees and letters of credit. These instruments involve elements of credit risk in excess of the amounts recognized in the consolidated balance sheet.

Credit risk for off-balance sheet financial instruments is defined as the 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 Vietcombank to guarantee the performance of a customer to a third party including guarantees for borrowings, settlement, performing contracts and bidding. The credit risk involved in issuing guarantees is essentially the same as that involved in extending facilities to other customers.

Commercial at sight letters of credit represent a financing transaction by Vietcombank to its customers where the customer is usually the buyer/importer of goods and the beneficiary is typically the seller/exporter. Credit risk is limited as the imported merchandise serves as collateral for the transaction.

Deferred payment letters of credit represent the amounts at risk should the contract be fully drawn upon and the client defaults in repayment to the beneficiary. Deferred payment letters of credit that were defaulted by clients are recognized by Vietcombank as granting of a compulsory loan with a corresponding liability representing the financial obligation of Vietcombank to pay the beneficiaries and to fulfill the guarantor obligations.

Vietcombank requires margin deposits to support credit-related financial instruments 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 Vietcombank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

37. Significant transactions and balances with related parties

(a) Significant transactions with related parties

	Relationship	Year ended 31/12/2015 VND million	Year ended 31/12/2014 VND million
The State Bank of Vietnam (“the SBV”)	Regulator		
Interest income from deposits at the SBV		107,562	80,546
Interest expenses on deposits and borrowings from the SBV		83,575	40,354
The Ministry of Finance (“the MoF”)	Regulator		
Interest income from loans to the MoF		4,908	30,768
Interest expenses on deposits from the MoF		61,536	104,632
Interest expenses on borrowings from the MoF		20,694	13,791

(b) Significant balances with related parties

	Relationship	31/12/2015 VND million	31/12/2014 VND million
The State Bank of Vietnam	Regulator		
Deposits at the SBV		19,715,035	13,267,101
Deposits and borrowings from the SBV		15,429,696	18,002,192
The Ministry of Finance	Regulator		
Loans to the MoF		-	609,724
Deposits from the MoF		26,049,857	36,090,880
Borrowings from the MoF		545,838	248,738

Joint Stock Commercial Bank for Foreign Trade of Vietnam

Form B05/TCTD-HN
(Issued in accordance with SBV
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

38. Segment reporting

(a) Geographical segment

	The North VND million	The Middle and Tay Nguyen VND million	The South VND million	Overseas VND million	Elimination VND million	Total VND million
1 Interest and similar income	41,934,282	7,261,276	20,723,887	22,544	(38,581,260)	31,360,729
2 Interest and similar expenses	(35,149,932)	(5,041,486)	(14,292,240)	(5,299)	38,581,260	(15,907,697)
I Net interest income	6,784,350	2,219,790	6,431,647	17,245	-	15,453,032
3 Fee and commission income	2,002,710	306,636	1,335,822	17,446	(105,310)	3,557,304
4 Fee and commission expenses	(1,652,944)	(19,979)	(61,864)	(6,393)	56,524	(1,684,656)
II Net fee and commission income	349,766	286,657	1,273,958	11,053	(48,786)	1,872,648
III Net gain/(loss) from trading foreign currencies	1,189,613	58,430	324,551	(20)	-	1,572,574
IV Net gain from trading securities	178,362	-	-	-	-	178,362
V Net gain from investment securities	171,467	-	-	-	-	171,467
5 Other income	896,233	309,325	934,500	492	-	2,140,550
6 Other expenses	(105,954)	(31,548)	(93,232)	(4,537)	-	(235,271)
VI Net other income	790,279	277,777	841,268	(4,045)	-	1,905,279
VII Dividend and net income from investments in associates and joint-ventures	48,435	-	-	-	-	48,435
VIII Total operating expenses	(5,150,670)	(890,075)	(2,281,418)	(32,872)	48,786	(8,306,249)
IX Net profit before allowances for credit losses	4,361,602	1,952,579	6,590,006	(8,639)	-	12,895,548
X Allowances for credit losses	(1,464,437)	(569,324)	(4,034,372)	42	-	(6,068,091)
XI Profit before tax	2,897,165	1,383,255	2,555,634	(8,597)	-	6,827,457
7 Current corporate income tax expenses	(627,079)	(304,316)	(562,240)	(1,465)	-	(1,495,100)
8 Deferred income tax expense	(290)	-	-	-	-	(290)
XII Corporate income tax expenses	(627,369)	(304,316)	(562,240)	(1,465)	-	(1,495,390)
XIII Profit after tax	2,269,796	1,078,939	1,993,394	(10,062)	-	5,332,067

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38. Segment reporting (continued)

(b) Business segment

	Banking services VND million	Non-bank financial services VND million	Securities VND million	Others VND million	Elimination VND million	Total VND million
1 Interest and similar income	69,663,061	222,127	31,363	25,438	(38,581,260)	31,360,729
2 Interest and similar expenses	(54,358,037)	(84,100)	(46,820)	-	38,581,260	(15,907,697)
I Net interest income	15,305,024	138,027	(15,457)	25,438	-	15,453,032
3 Fee and commission income	3,277,774	5,859	251,485	127,496	(105,310)	3,557,304
4 Fee and commission expenses	(1,632,364)	(382)	(76,343)	(32,091)	56,524	(1,684,656)
II Net fee and commission income	1,645,410	5,477	175,142	95,405	(48,786)	1,872,648
III Net gain from trading foreign currencies	1,571,400	1,173	-	1	-	1,572,574
IV Net gain from trading securities	175,287	-	3,075	-	-	178,362
V Net gain/(loss) from investment securities	179,268	-	(7,801)	-	-	171,467
5 Other income	2,135,798	4,218	87	447	-	2,140,550
6 Other expenses	(230,391)	(4,537)	(343)	-	-	(235,271)
VI Net other income	1,905,407	(319)	(256)	447	-	1,905,279
VII Dividend and net income from investments in associates and joint-ventures	32,065	-	16,370	-	-	48,435
VIII Total operating expenses	(8,161,246)	(64,432)	(83,568)	(45,789)	48,786	(8,306,249)
IX Net profit before allowances for credit losses	12,652,615	79,926	87,505	75,502	-	12,895,548
X Allowances for credit losses	(6,049,730)	(18,361)	-	-	-	(6,068,091)
XI Profit before tax	6,602,885	61,565	87,505	75,502	-	6,827,457
7 Current corporate income tax expenses	(1,445,823)	(13,348)	(15,622)	(20,307)	-	(1,495,100)
8 Deferred income tax expense	-	-	(290)	-	-	(290)
XII Corporate income tax expenses	(1,445,823)	(13,348)	(15,912)	(20,307)	-	(1,495,390)
XIII Net profit after tax	5,157,062	48,217	71,593	55,195	-	5,332,067

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39. Disclosure of financial instruments

(a) Disclosure of collaterals

Vietcombank does not hold collaterals which it is permitted to sell or re-pledge in the absence of default by the owner of the collaterals.

(b) Disclosure of fair value

Circular No. 210/2009/TT-BTC requires Vietcombank to disclose the measurement method and related information of fair value of financial assets and financial liabilities for the purpose of comparing their book value and fair value.

Vietcombank uses the following method and assumption to estimate fair value: fair value of cash and cash equivalents is equivalent to the book value of these items since these instruments are short term.

The following table presents book value and fair value of Vietcombank's financial assets and liabilities as at 31 December 2015:

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39. Disclosure of financial instruments (continued)

(b) Disclosure of fair value (continued)

	Book value					Fair value
	Held for trading	Held-to maturity	Loans and receivables	Available-for-sale	Recognized at amortized cost	
	VND million	VND million	VND million	VND million	VND million	VND million
Financial assets						
I	8,519,334	-	-	-	-	8,519,334
II	19,715,035	-	-	-	-	19,715,035
III	-	-	131,527,373	-	-	131,527,373
IV	9,468,255	-	-	-	-	9,468,255
V	628	-	-	-	-	628
VI	-	-	387,151,704	-	-	387,151,704
VIII	-	62,253,467	3,564,811	42,941,175	-	108,759,453
IX	-	-	-	2,829,418	-	2,829,418
XII	-	-	7,827,933	-	-	7,827,933
	37,703,252	62,253,467	530,071,821	45,770,593	-	675,799,133
						*
Financial liabilities						
I, II	-	-	-	-	113,614,934	113,614,934
III	-	-	-	-	500,528,267	500,528,267
VI	-	-	-	-	2,479,070	2,479,070
VII	-	-	-	-	7,767,498	7,767,498
	-	-	-	-	624,389,769	624,389,769
						*

(*) Due to having not enough information for using valuation techniques, fair value of the financial assets and liabilities that do not have quoted market prices are deemed to be not reliably measured and therefore not disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

39. Disclosure of financial instruments (continued)

(c) Risk management policies for financial instruments

The Board of Directors has the highest rights and responsibilities for Vietcombank's overall financial risk management framework to facilitate its business activities to thrive safely and sustainably.

Having taken that responsibilities, the Board of Directors appropriately promulgates risk management policies and strategies for each period, establishes secured business limit, directly approves high-value business transactions in accordance with both legal and internal requirements for each period, and determines organizational structure and key personnel positions.

Risk management strategies and policies are adhered to Vietcombank's charter and General Shareholders' Meeting resolution for each period.

The Risk Management Committee was established by the Board of Directors to assist the Board of Directors in managing all risks that may arise from Vietcombank's day-to-day business operations.

The Asset and Liability Credit and Operational Risk Committee (ALCO) was established and chaired by Chief Executive Officer. ALCO members are key personnel of Vietcombank being in-charge of risk management.

ALCO is responsible for comprehensively monitoring and managing assets and liabilities in the separate and consolidated balance sheet of Vietcombank in order to maximize profit while minimizing losses arising from negative market trends, manage liquidity risk and appropriately direct interest and foreign exchange rate schemes.

In its authorized segregation, ALCO has the rights to make decisions regarding risk management.

(i) Credit risk

Vietcombank is under exposure to credit risk, where a counterparty's default on its obligations will cause a financial loss for Vietcombank. Credit exposures arise mainly in lending activities relating to loans customers and investments in debt securities. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. The credit risk management and control are performed through issuance of related policies and procedures, including credit risk management policies, and operations of Credit Risk Management Committee and Credit Committee.

Vietcombank classifies loans to customers and other credit institutions in accordance with Circular 02 and Circular 09 (see Note 2(g)) and regularly assesses credit risks of non-performing loans in order to have appropriate resolutions.

In order to manage credit risks, Vietcombank has established policies and procedures relating to credit risk management; established credit manuals; performed credit risk assessment; set up internal credit rating systems and loan classification and decentralized authorization in credit activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

39. Disclosure of financial instruments (continued)

(c) Risk management policies for financial instruments (continued)

(i) Credit risk (continued)

Vietcombank's maximum exposure amounts to credit risk as at 31 December 2015, excluding collaterals and credit risk mitigations as follows:

	Neither past due nor impaired VND million	Past due but not impaired VND million	Impaired and fully made allowance VND million	Total VND million
Balances with and loans to other credit institutions – gross	131,479,873	-	47,500	131,527,373
Balances with other credit institutions	92,587,537	-	-	92,587,537
Loans to other credit institutions	38,892,336	-	47,500	38,939,836
Loans to customers – gross	369,312,791	1,324,571	16,514,342	387,151,704
Investment securities – gross	107,225,463	-	1,533,990	108,759,453
Available-for-sale securities	42,941,175	-	-	42,941,175
Held-to-maturity securities	64,284,288	-	1,533,990	65,818,278
Other assets	7,827,933	-	-	7,827,933
	615,846,060	1,324,571	18,095,832	635,266,463

Types and book value of collaterals held by Vietcombank as at 31 December 2015 were as follows:

	VND million
Deposits	44,285,650
Valuable papers	63,924,147
Real estates	265,451,528
Others	158,496,799
	532,158,046

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)**39. Disclosure of financial instruments (continued)****(c) Risk management policies for financial instruments (continued)****(ii) Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will unexpectedly fluctuate due to changes in market interest rates.

The actual interest re-pricing term is the remaining term starting from the date of the consolidated financial statements to the nearest interest re-pricing term of the items in the consolidated balance sheet.

The following assumptions and conditions have been adopted in the analysis of actual interest rate re-pricing term of assets and liabilities in the consolidated balance sheet of Vietcombank:

- Cash, gold, silver and gemstones, long-term investments, and other assets (including fixed assets and other assets) are classified as non-interest bearing items.
- Trading securities are classified as up to 1 month.
- The actual interest re-pricing term of investment securities depends on the interest rate from the issuers for each type of securities.
- The actual interest re-pricing term of balances with and loans to other credit institutions, loans to customers, amounts due to the Government and the State Bank of Vietnam, deposits and borrowings from other credit institutions and deposits from customers are identified as follows:
 - Items with fixed interest rate during the contractual term: the actual interest re-pricing term is based on the contractual maturity date subsequent to the consolidated financial statement date.
 - Items with floating interest rate: the actual interest re-pricing term is based on the nearest re-pricing term subsequent to the consolidated financial statement date.
- The actual interest re-pricing term of valuable papers issued is based on valuable papers' maturities and the Bank's interest rate for each issuance.
- The real interest re-pricing term of other borrowed funds is from one to five years.
- The real interest re-pricing term for other liabilities is from one to three months. In fact, these items shall have different interest re-pricing terms.

The following table presents the interest rate re-pricing terms of Vietcombank's assets and liabilities as at 31 December 2015:

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39. Disclosure of financial instruments (continued)

(c) Risk management policy for financial instruments (continued)

(ii) Interest rate risk (continued)

	Overdue VND million	Free of interest VND million	Up to 1 month VND million	From 1 to 3 months VND million	From 3 to 6 months VND million	From 6 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million	Total VND million
Assets									
I Cash on hand, gold, silver and gemstones	-	8,519,334	-	-	-	-	-	-	8,519,334
II Balances with the State Bank of Vietnam	-	321	19,714,714	-	-	-	-	-	19,715,035
III Balances with and loans to other credit institutions – gross	-	-	111,750,003	10,478,217	1,760,480	7,538,673	-	-	131,527,373
IV Trading securities – gross	-	-	9,468,255	-	-	-	-	-	9,468,255
V Derivative financial instruments and other financial assets	-	-	-	628	-	-	-	-	628
VI Loans and to customers – gross	7,633,387	460	99,288,068	138,182,633	98,309,991	36,023,136	7,232,071	481,958	387,151,704
VIII Investment securities – gross	-	3,564,811	1,166,231	3,649,565	3,456,849	5,594,031	64,047,819	27,280,147	108,759,453
IX Long-term investments – gross	-	3,592,539	-	-	-	-	-	-	3,592,539
X Fixed assets	-	5,039,473	-	-	-	-	-	-	5,039,473
XII Other assets – gross	-	9,971,680	-	-	-	-	-	-	9,971,680
Total assets	7,633,387	30,688,618	241,387,271	152,311,043	103,527,320	49,155,840	71,279,890	27,762,105	683,745,474
Liabilities									
I, II Deposits and borrowings from the SBV and other credit institutions	-	-	104,172,319	4,748,691	857,589	3,835,358	977	-	113,614,934
III Deposits from customers	-	7,754	279,372,224	107,069,277	60,142,634	46,643,123	7,275,973	17,282	500,528,267
VI Valuable papers issued	-	-	2,889	-	476,181	-	-	2,000,000	2,479,070
VII Other liabilities	-	12,600,027	-	-	-	-	-	-	12,600,027
Total liabilities	-	12,607,781	383,547,432	111,817,968	61,476,404	50,478,481	7,276,950	2,017,282	629,222,298
Interest sensitivity gap	7,633,387	18,080,837	(142,160,161)	40,493,075	42,050,916	(1,322,641)	64,002,940	25,744,823	54,523,176
Cumulative interest sensitivity gap	7,633,387	25,714,224	(116,445,937)	(75,952,862)	(33,901,946)	(35,224,587)	28,778,353	54,523,176	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

39. Disclosure of financial instruments (continued)

(c) Risk management policies for financial instruments (continued)

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Bank was incorporated and operates in Vietnam, with VND as its reporting currency. The Bank's two overseas subsidiaries have their local currencies as their reporting currencies. However, the value of these companies' assets is not significant to Vietcombank's total asset value. The major currency in which the Bank transacts is VND. Vietcombank's loans and advances to customers are mainly denominated in VND, USD and EUR. Some of Vietcombank's other assets are in currencies other than VND, USD and EUR. Vietcombank has set limits on positions by currency based on its internal risk management system and relevant statutory requirements stipulated by the SBV. Currency positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

The following table presents Vietcombank's assets and liabilities denominated in foreign currencies that were translated into VND as at 31 December 2015:

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39. Disclosure of financial instruments (continued)

(c) Risk management policy for financial instruments (continued)

(iii) Currency risk (continued)

		VND VND million	USD VND million	EUR VND million	Other currencies VND million	Total VND million
Assets						
I	Cash on hand, gold, silver and gemstones	7,092,670	1,021,542	177,744	227,378	8,519,334
II	Balances with the State Bank of Vietnam	3,258,590	16,456,445	-	-	19,715,035
III	Balances with and loans to other credit institutions – gross	72,016,863	43,422,678	10,657,616	5,430,216	131,527,373
IV	Trading securities – gross	9,468,255	-	-	-	9,468,255
V	Derivative financial instruments and other financial assets	4,451,303	(8,047,692)	(1,282)	3,598,299	628
VI	Loans to customers – gross	314,587,626	71,826,834	344,502	392,742	387,151,704
VIII	Investment securities – gross	64,936,796	43,822,657	-	-	108,759,453
IX	Long-term investments – gross	3,592,539	-	-	-	3,592,539
X	Fixed assets	5,037,709	891	-	873	5,039,473
XII	Other assets – gross	12,527,085	1,114,437	4,762	(3,674,604)	9,971,680
	Total assets	496,969,436	169,617,792	11,183,342	5,974,904	683,745,474
Liabilities						
I, II	Deposits and borrowings from the SBV and other credit institutions	38,374,840	65,708,565	7,602,511	1,929,018	113,614,934
III	Deposits from customers	386,840,367	104,484,134	3,848,468	5,355,298	500,528,267
VI	Valuable papers issued	2,473,289	5,781	-	-	2,479,070
VII	Other liabilities	17,865,275	(5,367,888)	36,640	66,000	12,600,027
	Total liabilities	445,553,771	164,830,592	11,487,619	7,350,316	629,222,298
	FX position on-balance sheet	51,415,665	4,787,200	(304,277)	(1,375,412)	54,523,176

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

39. Disclosure of financial instruments (continued)

(c) Risk management policies for financial instruments (continued)

(iv) Liquidity risk

Liquidity risk occurs when Vietcombank fails to fulfil its financial commitments with customers or counterparties due to unavailability of funds or liquidity.

The maturity of assets and liabilities represent the remaining terms of these assets and liabilities from the consolidated financial statements date to the maturity date according to the underlying contractual agreements or terms of issuance.

The following assumptions and conditions have been adopted in the preparation of Vietcombank's assets and liabilities maturity analysis in the consolidated balance sheet:

- Balances with the SBV are considered as current accounts including the compulsory deposits;
- The maturity of investment securities is based on redemption dates of each securities established by the issuers of these financial instruments;
- The maturities of balances with and loans to other credit institutions and loans to customers are based on the contractual maturity date. The actual maturity may vary from the original contractual term when the contract is extended;
- The maturity of equity investments is considered to be over 5 years as equity investments have no maturity; and
- Deposits and loans from other credit institutions and deposits from customers are determined based on either the nature of the loans or their contractual maturities. For example, Vostro accounts and current accounts paid upon customers' demand are considered to be demand deposits, the maturity of term deposits and borrowings is based on the contractual maturity date. In practice, such items may be rolled over and maintained for longer period.

The following table analyses the remaining terms to maturity of Vietcombank's assets and liabilities as at 31 December 2015:

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39. Disclosure of financial instruments (continued)

(c) Risk management policy for financial instruments (continued)

(iv) Liquidity risk (continued)

	Overdue over 3 months	Overdue up to 3 months	Not overdue				Total
	VND million	VND million	Up to 1 month VND million	From 1 to 3 months VND million	From 3 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million
Assets							
I Cash on hand, gold, silver and gemstones	-	-	8,519,334	-	-	-	8,519,334
II Balances with the State Bank of Vietnam	-	-	19,715,035	-	-	-	19,715,035
III Balances with and loans to other credit institutions – gross	-	-	111,791,275	10,576,291	9,159,807	-	131,527,373
IV Trading securities – gross	-	-	9,468,255	-	-	-	9,468,255
V Derivative financial instruments and other financial assets	-	-	-	628	-	-	628
VI Loans to customers – gross	6,341,263	1,292,123	39,214,902	72,611,156	136,364,900	89,833,115	387,151,704
VIII Investment securities – gross	-	-	693,098	3,649,565	9,050,880	68,085,763	108,759,453
IX Long-term investments – gross	-	-	-	-	-	-	3,592,539
X Fixed assets	-	-	-	-	-	-	5,039,473
XII Other assets – gross	-	-	10,994	9,960,686	-	-	9,971,680
Total assets	6,341,263	1,292,123	189,412,893	96,798,326	154,575,587	157,918,878	683,745,474
Liabilities							
I, II Deposits and borrowings from the SBV and other credit institutions	-	-	104,153,605	4,659,597	4,276,683	449,004	113,614,934
III Deposits from customers	-	-	169,522,405	143,630,731	150,697,931	36,659,196	500,528,267
VI Valuable papers issued	-	-	2,889	-	4,181	472,000	2,479,070
VII Other liabilities	-	-	34,427	11,065,600	1,500,000	-	12,600,027
Total liabilities	-	-	273,713,326	159,355,928	156,478,795	37,580,200	629,222,298
Net liquidity gap	6,341,263	1,292,123	(84,300,433)	(62,557,602)	(1,903,208)	120,338,678	54,523,176

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

40. Notes to changes in profit

The increase in net profit after tax of Vietcombank for the year ended 31 December 2015, by VND billion 747 (equivalent to 16.3%) in comparison to that for the year ended 31 December 2014, was mainly driven by a VND billion 984 increase in its profit before tax for the same periods (equivalent to 16.8%). The increase mainly comes from the following items:

	Impact	
	Absolute value VND billion	Relative value %
Items of significant movement		
Increase in Fee and commission income	645	11.04
Increase in Income from loans previously written off (in Other income)	414	7.08
	1,059	18.12

41. Events after the consolidated financial statement date

At the consolidated financial statement date, there have not been any other significant events that have arisen since 31 December 2015 that may significantly affect the consolidated financial position of the Bank and its subsidiaries as at 31 December 2015 and the consolidated results of their operations and their cash flows for the year then ended.

42. Restatements of comparative figures due to changes in accounting policies and adjustments from the State Audit Office of Vietnam

(a) Adjustments from the State Audit Office of Vietnam

The financial statements for the fiscal year 2014 were restated in accordance with the State Audit Minute which was published by the Bank under Official Letter No. 4084/VCB.CBTT.TH&CDKT dated 4 November 2015 and correction of the State Audit Office of Vietnam (“SAV”) under Official Letter No. 1442/KTNN-TH dated 15 December 2015. This note was also presented in the consolidated financial statements for the Quarter IV of the year 2015 prepared by Vietcombank. Detailed adjustments are presented as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

42. Restatements of comparative figures due to changes in accounting policies and adjustments from the State Audit Office of Vietnam (continued)

(a) Adjustments from the State Audit Office of Vietnam (continued)

(i) Impact on total assets:

	31/12/2014 VND million (Restated by the SAV)	31/12/2014 VND million (Audited figures)	Adjustments VND millions
Balances with and loans to other credit institutions	146,076,521	146,066,919	9,602
Balances with other credit institutions	88,909,474	88,909,474	-
Loans to other credit institutions	57,189,924	57,189,924	-
Allowance for balances with and loans to other credit institutions	(22,877)	(32,479)	9,602
Loans to customers	316,253,747	316,289,043	(35,296)
Loans to customers	323,338,118	323,332,037	6,081
Allowance for loans to customers	(7,084,371)	(7,042,994)	(41,377)
Investment securities	67,124,323	67,103,565	20,758
Available-for-sale securities	49,197,775	49,197,775	-
Held-to-maturity securities	18,200,985	18,180,227	20,758
Allowance for investment securities	(274,437)	(274,437)	-
Fixed assets	4,464,529	4,445,613	18,916
Tangible fixed assets	2,829,004	2,811,969	17,035
Cost	6,554,667	6,537,338	17,329
Accumulated depreciation	(3,725,663)	(3,725,369)	(294)
Intangible fixed assets	1,635,525	1,633,644	1,881
Cost	2,138,297	2,136,008	2,289
Accumulated amortization	(502,772)	(502,364)	(408)
Other assets	7,817,731	7,824,897	(7,166)
Receivables	2,588,216	2,588,961	(745)
Accrued interest and fee receivables	3,659,679	3,647,147	12,532
Deferred corporate income tax	2,234	2,234	-
Other assets	1,567,602	1,586,555	(18,953)
Total impacts			6,814

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

42. Restatements of comparative figures due to changes in accounting policies and adjustments from the State Audit Office of Vietnam (continued)

(a) Adjustments from the State Audit Office of Vietnam (continued)

(ii) Impacts on total liabilities and total equity:

	31/12/2014 VND million (Restated by the SAV)	31/12/2014 VND million (Audited figures)	Adjustments VND million
Other liabilities	11,704,319	11,671,696	32,623
Accrued interest and fee payables	4,797,481	4,797,481	-
Deferred corporate income tax payables	17,723	17,723	-
Other payables and liabilities	6,889,115	6,856,492	32,623
Retained profits	6,601,598	6,627,407	(25,809)
Previous years' retained profits	3,509,025	3,509,025	-
Current year's retained profits	3,092,573	3,118,382	(25,809)
Total impacts			6,814

(iii) Impacts on off-balance sheet items:

	31/12/2014 VND million (Restated by the SAV)	31/12/2014 VND million (Audited figures)	Adjustments VND million
Letters of credit	32,442,694	32,621,012	(178,318)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

42. Restatements of comparative figures due to changes in accounting policies and adjustments from the State Audit Office of Vietnam (continued)

(a) Adjustments from the State Audit Office of Vietnam (continued)

(iv) Impacts on income statement:

	Year ended 31/12/2014 VND million (Restated by the SAV)	Year ended 31/12/2014 VND million (Audited figures)	Adjustments VND million
Interest and similar income	27,967,835	27,988,051	(20,216)
Net interest income	11,754,237	11,774,453	(20,216)
Fee and commission income	3,166,943	3,166,304	639
Fee and commission expense	(1,395,518)	(1,395,973)	455
Net fee and commission income	1,771,425	1,770,331	1,094
Other operation expenses	(154,985)	(155,176)	191
Gain/(loss) from other activities	1,784,643	1,784,452	191
TOTAL OPERATING EXPENSES	(6,849,726)	(6,861,927)	12,201
Net profit before allowances for credit losses	10,435,512	10,442,242	(6,730)
Allowances for credit losses	(4,591,445)	(4,565,750)	(25,695)
PROFIT BEFORE TAX	5,844,067	5,876,492	(32,425)
Current corporate income tax expenses	(1,257,692)	(1,264,308)	6,616
Corporate income tax expenses	(1,258,357)	(1,264,973)	6,616
PROFIT AFTER TAX	4,585,710	4,611,519	(25,809)
Net profit during the period	4,566,514	4,592,323	(25,809)
Earning per share (VND)	1,533	1,543	(10)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2015 (continued)

42. Restatements of comparative figures due to changes in accounting policies and adjustments from the State Audit Office of Vietnam (continued)

(b) Changes in accounting policies

According to Circular No. 49/2014/TT-NHNN dated 31 December 2014 of the Governor of the State Bank of Vietnam, which came into effect on 15 February 2015, Vietcombank supplemented and restated comparative figures for the consolidated financial statements as at 31 December 2014 and for the year then ended as follows:

Off-balance sheet items in the consolidated balance sheet:

	31/12/2014 VND million (Restated according to Circular 49)	31/12/2014 VND million (Restated by the SAV)	Reason
Off-balance sheet items			
Foreign exchange commitments	11,078,553	Not disclosed	Additional disclosures by Circular 49
Forward buying	3,179,688	Not disclosed	
Forward selling	7,898,865	Not disclosed	

Consolidated income statement:

	Year ended 31/12/2014 VND million (Restated according to Circular 49)	Year ended 31/12/2014 VND million (Restated by the SAV)	Adjustments VND million
Interest and similar income	28,222,389	27,967,835	254,554
Fee and commission income	2,912,389	3,166,943	(254,554)

Consolidated statement of cash flows:

	Year ended 31/12/2014 VND million (Restated according to Circular 49)	Year ended 31/12/2014 VND million (Restated by the SAV)	Adjustments VND million
Interest and similar receipts	28,222,389	27,967,835	254,554
Fee and commission income receipts	2,912,389	3,166,943	(254,554)

43. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Management on 11 March 2016.

Hanoi, 11 March 2016

Prepared by:

Ms. Nguyen Thi Thu Huong

Ms. Phung Nguyen Hai Yen


*Deputy Director of
Accounting Policy Department*


Chief Accountant

Approved by:

Mr. Nguyen Danh Luong



Deputy CEO