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**Integrated Collection System**

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**Table 3. Additional Relevant Information: Financial Soundness Indicators and Underlying Series**

**Vietnam (582)**

**S010 - Total Regulatory capital**

**Definition**

Total Regulatory Capital = Tier 1 + Tier 2 - Supervisory Deductions. Tier 3 is not used.

Circular 41/2016/-TT-NHNN dated December 30, 2016 –on capital adequacy ratio for operations of banks and/or foreign bank branches (Applying Basel II since January 1st 2020).

Equity = Tier 1 capital + Tier 2 capital – deductions

In there:

- Components are according to Appendix I for banks;

- Components are according to Appendix II for foreign bank branches.

2. Circular 22/2019/TT-NHNN dated November 15, 2019 – on prescribing limits and prudential ratios in operations of banks and foreign bank branches (those who have not applying Basel II) applied from January 1, 2020

Equity = Tier 1 capital + Tier 2 capital – deductions

In there:

- Components are according to Appendix III for banks;

- Components are according to Appendix IV for foreign bank branches.

• From October 1st, 2010 to January 31st 2015 (According to Circular No. 13/2010/TT- NHNN dated May 20th, 2010):

Amounts constituting Tier-1 Capital include: a/ Charter capital (already allocated capital, contributed capital); b/The charter capital supplementation reserve fund; c/ The operation development investment fund; d/ Retained earnings; e/ Surplus shares permitted to be accounted as capital under law, minus the portion used for purchasing treasury stocks (if any).

Deductibles from Tier-1 Capital include: a/ Goodwill; b/ Business losses, including cumulated losses; c/Amounts contributed as capital to or used to purchase shares of other credit institutions; d/ Amounts contributed as capital to or used to purchase shares of subsidiary companies; e/ Amounts contributed as capital to or used to purchase shares of an enterprise, an investment fund or an investment project exceeding 10% of the aggregate; f/ The aggregate of amounts contributed as capital and used to purchase shares after subtracting the amount in excess of the 10% limit stipulated.

Amounts constituting Tier-2 Capital include: a/ 50% of the credit balance of the account of fixed assets re-valuated under law; b/ 40% of the credit balance of the account of financial assets re-valuated under law; c/ The financial reserve fund; d/ Convertible bonds issued by the credit institution and other debt instruments meeting certain conditions.

• From February 1st, 2015 to February 11th, 2018 (According to Circular No. 36/2014/TT-NHNN dated November 20, 2014):

A. For credit institutions:

Amounts constituting Tier-1 Capital (A) = A1 - A2 - A3

Components of separate Tier 1 capital (A1) include: (1) Charter capital (already allocated capital, contributed capital); (2) The charter capital supplementation reserve fund; (3) The operation development investment fund; (4) Retained earnings; (5) Surplus shares.

Deductibles (A2) from Tier-1 Capital include: (6) Commercial advantages; (7) Accumulated losses; (8) Treasury stocks; (9) Extensions of credit for contribution of capital to or purchase of shares from other credit institutions; (10) Amounts of capital contributed to or shares purchased from other credit institutions; (11) Amounts of capital contributed to or shares purchased from subsidiary companies; (12) Amounts of investment in the form of contributed capital are aimed at taking control of enterprises operating in insurance, securities, overseas national currency exchange, foreign exchange services, gold, factoring, issuance of credit cards, consumer credit, payment brokerage services, and credit information.

Additional deductibles (A3) from Tier-1 Capital include: (13) Capital contributed to, shares purchased from an enterprise, an associate company, an investment fund after deducting the amounts in entries (10) to (12) exceeds 10% of (A1-A2); (14) Total remaining amount of contributed capital and purchased shares after deducting the amounts in entries (10) to (13) exceed 40% of (A1-A2).

Amounts constituting Tier- 2 Capital (B) = B1 - B2 - (22)

Components of separate tier 2 capital (B1) include: (15) 50% of increasing difference due to revaluation of fixed assets according to the provisions of law; (16) 40% of increasing difference due to revaluation of contributed capitals for long-term investment according to the provisions of law; (17) The financial reserve fund; (18) General provisions; (19) Convertible bond, other debt instruments issued by credit institutions satisfied certain conditions.

Deductibles from separate tier 2 capital (B2) include: (20) Increasing difference between total of the amounts in entries from 17-18 and 1.25% of “Total risk-weighted assets” as regulated in Appendix 2.23) Increasing difference between total of the amounts in Entry 20 and 1.25% of “Total risk-weighted assets” as regulated in Appendix 2; (21) Increasing difference between the amounts in Entry 19 and 50% of A.

Additional deductions (22): Increasing difference between (B1-B2) and A

B. For branches of foreign banks

Branches of foreign banks shall rely on components as regulated below, provisions of the law on financial regulations with respect to branches of foreign banks and asset entries of their own to determine owner’s equity as appropriate.

Tier 1 capital (A) = (A1) - (A2)

Components of tier 1 capital (A1) include: (1) Allocated capital; (2) Reserve fund for supplementing charter capital; (3) Professional Development Investment Funds; (4) Retained earnings accrued.

Deductions from tier 1 capital (A2) include: (5) Accumulated losses; (6) Amounts of extended credit for contribution of capital to or purchase of shares from other credit institutions.

Tier 2 capital (B) = B1 - B2 - (12)

Components of tier 2 capital (B1) include: (7) Financial reserve funds; (8) General provisions; (9) Loans should meet the certain conditions.

Deductions from tier 2 capital (B2) include: (10) Increasing difference between total of the amounts in entries from 8-9 and 1.25% of “Total risk-weighted assets” as regulated in Appendix 2; (11) Increasing difference between the amounts in entry 10 and 50% of A.

Additional deductions include (12) Increasing difference between (B1-B2) and A

* From December 28th, 2017 up to now (According to Circular No. 19/2017/TT-NHNN, December 28, 2017):

A. For credit institutions:

SEPARATE TIER 1 CAPITAL (A) = A1 - A2 - A3

Amounts constituting Tier-1 Capital (A1) include: (1) Charter capital (already allocated capital, contributed capital); (2) The charter capital supplementation reserve fund; (3) The development investment fund; (4) The financial reserve fund; (5) Capital for construction investment and fixed asset purchases; (6) Accumulated retained earnings; (7) Surplus shares; (8) The exchange rate differences.

Deductibles from Tier-1 Capital (A2) include: (9) Commercial advantages; (10) Accumulated losses; (11) Treasury stocks; (12) Extensions of credit for contribution of capital to or purchase of shares from other credit institutions; (13) Amounts of capital contributed to or shares purchased from other credit institutions; (14) Amounts of capital contributed to or shares purchased from subsidiary companies excluding items in (13); (15) Amounts of investment in the form of contributed capital are aimed at taking control of enterprises operating in insurance, securities, overseas national currency exchange, foreign exchange services, gold, factoring, issuance of credit cards, consumer credit, payment brokerage services, and credit information excluding items in (13) and (14).

Additional deductibles (A3) include: (16) Capital contributed to, shares purchased from an enterprise, an associate company, an investment fund (excluding items in (13), (14) and (15)), exceeding 10% of (A1-A2); (17) Total remaining amount of contributed capital and purchased shares (excluding items in (13), (14), (15) and (16)), exceeding 40% of (A1-A2).

Amounts constituting Tier-2 Capital (B) = B1 - B2 - (25)

Components of separate tier 2 capital (B1) including: (18) 50% of increasing difference due to revaluation of fixed assets according to the provisions of law; (19) 40% of increasing difference due to revaluation of contributed capitals for long-term investment according to the provisions of law; (20) General provisions in accordance with the State Bank of Viet Nam's regulations on classification of assets, level and method of risk provisioning and usage of risk provisions for credit institutions and foreign bank branches; (21) Convertible bonds, subordinated loans issued by credit institutions satisfied certain conditions.

Deductibles from separate tier 2 capital (B2) including: (22) Convertible bonds issued by other credit institutions, subordinated loans issued by other credit institutions and foreign bank branches which are eligible for calculating into tier 2 capital of the issuing credit institutions, foreign bank branches purchased and invested by credit institutions in accordance with the law; (23) Positive difference between item (20) and 1.25% of “Total risk-weighted assets”; (24) Positive difference between item (21) and 50% of (A).

Additional deductions (25) Positive difference between (B1-B2) and (A).

B. For branches of foreign banks

Branches of foreign banks shall rely on components as regulated below, provisions of the law on financial regulations with respect to branches of foreign banks and asset entries of their own to determine owner’s equity as appropriate.

TIER 1 CAPITAL (A) = (A1) - (A2)

Components of tier 1 capital (A1) include: (1) Allocated capital; (2) Reserve fund for supplementing charter capital; (3) Development Investment Funds; (4) Financial reserve fund; (5) Capital for basic construction investment, fixed asset purchase; (6) Accumulated retained earnings; (7) Exchange rate differences.

Deductions from tier 1 capital (A2) include: (8) Accumulated losses; (9) Amounts of extended credit for contribution of capital to or purchase of shares from other credit institutions.

TIER 2 CAPITAL (B) = B1 - B2 - (15)

Components of tier 2 capital (B1) include: (10) General provisions in accordance with the State Bank of Viet Nam's regulations on classification of assets, level and method of risk provisioning and usage of risk provisions for credit institutions and foreign bank branches; (11) Loans, subordinated loans satisfied certain conditions.

Deductions from tier 2 capital (B2) include: (12) Convertible bonds issued by other credit institutions, subordinated loans issued by other credit institutions and foreign bank branches eligible for calculating into tier 2 capital of the issuing credit institutions, foreign bank branches purchased and invested by credit institutions in accordance with the law; (13) Positive difference between item (10) and 1.25% of “Total risk-weighted assets”; (14) Positive difference between item (11) and 50% of (A).

Additional deductions (15) Positive difference between (B1-B2) and (A).

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

Basel I is still being used by all deposit takers, however the SBV has a road map to implement Basel II starting in 2019 with target for full implementation by 2020. Currently the minimum capital adequacy ratio is 9%. According to Decree 10/2011, List of Chartered Capital Requirements for Credit Institutions; foreign bank branches are not required to meet minimum CAR as applicable for other deposit takers, but they are required to have a minimum of 15 Million USD (capital).

**Intra-Group Adjustments**

Consistent with Basel requirements, consolidated capital has excluded amount contributed as capital to and purchased shares of other deposit takers, thus intra-group and inter-group are carried out for compiling supervisory capital.

**Valuation**

Shares/equities are measured using historical cost (market or fair value are not used).

**Time of Recognition**

National GAAP is consistent with IAS 39, i.e. the probability of future economic benefits is used as the principal for recognizing assets and liabilities.

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S020 - Risk-weighted assets**

**Definition**

Total risk-weighted assets are the total value of assets determined based on the extent of risk and the value of corresponding assets of off-balance-sheet commitments determined based on the extent of risk.

Circular 41/2016/-TT-NHNN dated December 30, 2016 –on capital adequacy ratio for operations of banks and/or foreign bank branches (Applying Basel II since January 1st 2020).

 Capital adequacy ratio calculated in percent (%) is determined according to the following formula:



Where:

- C: Owners’ capital;

- **RWA:**Risk-weighted asset;

- **KOR:**Regulatorycapital for operational risk;

- **KMR:**Regulatorycapital for market risk.

2. Circular 22/2019/TT-NHNN dated November 15, 2019 – on prescribing limits and prudential ratios in operations of banks and foreign bank branches (those who have not applying Basel II) applied from January 1, 2020

Total separate risk-weighted assets (Credit) means is the total value of on-balance-sheet assets determined by risk level, and the corresponding on-balance sheet asset value of off-balance sheet commitments is determined according to their risk level as stipulated in Appendix 2 hereof.

• From October 1st, 2010 to January 31st 2015 (According to Circular No. 13/2010/TT-NHNN dated May 20th, 2010):

Assets determined based on the extent of risk shall be calculated by multiplying the value of assets by the corresponding risk coefficient of assets stipulated in clauses 5.1, 5.2, 5.3,

5.4, 5.5 and 5.6 of Circular 13/2010/TT-NHNN of May 20, 2010.

• From February 1st, 2015 to February 11th, 2018 (According to Circular No. 36/2014/TT-NHNN dated November 20, 2014):

1. On balance sheet risk-weighted assets determined according to level of risks

(A1) Group of assets with coefficient of risk at 0% include: (1) Cash; (2) Gold; (3) Cash and gold deposited with State Bank of Vietnam; (4) Cash deposited with Vietnam Bank for Social Policies according to the regulations on credits for the poor and other beneficiaries of incentive policies; (5) Valuable papers or payment guarantee issued by the Government, State Bank of Vietnam; (6) Receivables are guaranteed entirely by valuable papers or payment guarantee issued by the Government, State Bank of Vietnam; (7) Receivables in Vietnam dong guaranteed entirely by cash, term deposits, savings certificates, valuable papers issued by credit institutions, branches of foreign banks; (8) Receivables from central governments, central banks from OECD countries or guaranteed by such governments, banks; (9) Receivables guaranteed entirely by valuable papers issued by central governments, central banks from OECD countries; (10) Receivables from international financial institutions or guaranteed by such institutions; (11) Receivables guaranteed entirely by valuable papers issued by international financial institutions.

(A2) Group of assets with coefficient of risk at 20% include: (12) Precious metal (except gold), jewels; (13) Receivables in Vietnam dong and foreign currency from other state financial institutions, credit institutions, branches of foreign banks in the country; (14) Receivables in Vietnam dong and foreign currency guaranteed entirely by valuable papers issued by other state financial institutions, credit institutions, branches of foreign banks; (15) Special bonds issued by Vietnam Asset Management Company; (16) Valuable papers issued by people’s committees of provinces, cities under the Center; (17) Receivables from banks established in OECD countries and receivables guaranteed by such banks; (18) Receivables from securities companies established in OECD countries complying with agreements on risk-based capital management and supervision, receivables guaranteed by such companies; (19) Other current receivables (expected to be received within 12 months) from banks established in non-OECD countries or guaranteed by such banks; (20) Current receivables (expected to be received within 12 months) from securities companies established in non-OECD countries complying with agreements on risk-based capital management and supervision, and receivables guaranteed by such companies; (21) Receivables in foreign currency guaranteed entirely by cash, term deposits, savings book, valuable papers issued by credit institutions, branches of foreign banks.

(A3) Group of assets with coefficient of risk at 50% include: (22) Receivables guaranteed entirely by houses, land use rights, and land linked houses possessed by borrowing party or such assets leased to the lessee who agrees to allow the lessor (borrowing party) to use it as a mortgage during the term of lease.

(A4) Group of assets with coefficient of risk at 100% include: (23) Amounts for contribution of capital or purchase of shares excluding the value deducted from tier 1 capital to be included in owner's equity; (24) Investments for machinery, equipment, fixed assets and other real estates; (25) Other Credit assets in the Balance Sheet in addition to receivables grouped into following weight of risk 0%, 20%, 50%, 100%, 150%.

(A5) Group of assets with coefficient of risk at 150% include: (26) Receivables from subsidiaries, credit institutions’ associate companies; (27) Receivables for investment and securities trading; (28) Receivables from securities companies, fund management companies; (29) Receivables for real estate business; (30) Receivables guaranteed by gold.

2. Off-balance sheet commitments

- Group of off-balance sheet commitments with conversion coefficient at 100% include: (31) Loan guarantees; (32) Payment guarantees;

(33) Letters of credit; standby letters of credit as financial guarantees for loans, issuance of securities; payables in the form of endorsement except commodity guaranteed short-term commercial papers.

- Group of off-balance sheet commitments with conversion coefficient at 50% include: (34) Guarantees for contract performance; (35) Bid guarantees; (36) Other guarantees; (37) Standby letters of credit other than letters of credit with conversion factor 100%; (38) Commitments to lines of credit; (39) Other commitments; (40) Irrevocable letters of credit.

- Group of off-balance sheet commitments with conversion coefficient at 20% include: (41) Commodity guaranteed short-term commercial papers; (42) Commercial sponsorships;

- Group of off-balance sheet commitments with conversion coefficient at 0% include: (43) Revocable letters of credit; (44) Other unconditionally revocable commitments.

- Group of off-balance sheet commitments with conversion coefficient at 0.5% include: (45) Contracts for transaction of interest rate with initial term being less than one (1) year.

- Group of off-balance sheet commitments with conversion coefficient at 1% include: (46) Contracts for transaction of interest rate with initial term being from 1 to below 2 years; (47) Contracts for transaction of interest rate with initial term being from 2 years and over (plus (+) 1.0% for each year as of the third year).

- Group of off-balance sheet commitments with conversion coefficient at 2% include: (48) Contracts for transaction of foreign currency with initial term being less than one year.

- Group of off-balance sheet commitments with conversion coefficient at 5% include: (49) Contracts for transaction of foreign currency with initial term being from 1 to below 2 years; (50) Contracts for transaction of interest rate with initial term being from 2 years and over (plus 3.0% for each year as of the third year).

• From December 28th, 2017 up to now (According to Circular No. 19/2017/TT-NHNN, December 28, 2017):

1. On balance sheet risk-weighted assets determined according to level of risks

(A1) Group of assets with coefficient of risk at 0% include: (1) Cash; (2) Gold; (3) Cash and gold deposited with the State Bank of Vietnam; (4) Receivables from the Vietnam Bank for Social Policies/policy banks; (5) Receivables from the Government of Viet Nam, State Bank of Viet Nam or guaranteed by such governments, banks or guaranteed by valuable papers which are issued or guaranteed by the Government of Viet Nam, the State Bank of Viet Nam; (6) Receivables from people’s committees of provinces, cities under the Center or guaranteed by people’s committees of provinces, cities under the Center; (7) Receivables in Vietnam dong guaranteed entirely in terms of maturity and value by (i) cash, term deposits,(ii) savings certificates, (iii) valuable papers issued by credit institutions, branches of foreign banks; (8) Receivables from central governments, central banks from OECD countries or guaranteed by such governments, banks; (9) Receivables guaranteed entirely by valuable papers issued by central governments, central banks from OECD countries; (10) Receivables from international financial institutions or guaranteed by such institutions; (11) Receivables guaranteed entirely by valuable papers issued or guaranteed by international financial institutions.

(A2) Group of assets with coefficient of risk at 20% include: (12) Precious metal (except gold), jewels; (13) Receivables the state financial institutions; (14) Receivables guaranteed entirely by valuable papers issued by state financial institutions; (15) Bonds issued by Vietnam Asset Management Company of the Viet Nam’s credit institutions, bonds purchased by Vietnam Debt and Asset Trading Corporation; (16) Receivables from banks established in OECD countries and receivables guaranteed by such banks; (17) Receivables from securities companies established in OECD countries complying with agreements on risk-based capital management and supervision, receivables guaranteed by such companies; (18) Other current receivables (expected to be received within 12 months) from banks established in non-OECD countries or guaranteed by such banks; (19) Current receivables (expected to be received within 12 months) from securities companies established in non-OECD countries complying with agreements on risk-based capital management and supervision, and receivables guaranteed by such companies; (20) Receivables in foreign currency guaranteed entirely by cash in terms of maturity and value by (i) term deposits,(ii) savings certificates, (iii) valuable papers issued by credit institutions, branches of foreign banks.

(A3) Group of assets with coefficient of risk at 50% include: (21) Receivables from credit institutions, foreign bank branches in the country excluding receivables as loans, deposits as regulated in the Item 9, Article 148d of the revised and amended Law for credit institutions (20% coefficient of risk from Feb 12th, 2018 to Dec 31st, 2018, and 50% coefficient of risk from Jan 1st, 2018 up to now); (22) Receivables guaranteed entirely valuable papers issued by credit institutions, foreign bank branches (20% coefficient of risk from Feb 12th, 2018 to Dec 31st, 2018, and 50% coefficient of risk from Jan 1st, 2018 up to now); (23) Receivables guaranteed entirely by houses (including houses in the future), land use rights, and land use rights linked houses possessed by borrowing party.

(A4) Group of assets with coefficient of risk at 100% include: (24) Amounts for contribution of capital or purchase of shares excluding the value deducted from tier 1 capital to be included in owner's equity; (25) Investments for machinery, equipment, fixed assets and other real estates; (26) Other Credit assets in the Balance Sheet in addition to receivables grouped into following weight of risk 0%, 20%, 50%, 100%, 150%.

(A5) Group of assets with coefficient of risk at 150% include: (27) Receivables from subsidiaries, credit institutions’ associate companies; (28) Receivables for investment and securities trading; (29) Receivables from securities companies, fund management companies; (30) Receivables guaranteed by gold. (A6) Group of assets with coefficient of risk at 200% include: (31) Receivables for real estate business, receivables that customers allow other institutions, individuals to use their fund for real estate business.

2. Off-balance sheet commitments

- Group of off-balance sheet commitments with conversion coefficient at 0.5% include: (32) Contracts for transaction of interest rates with initial term being less than one (1) year.

- Group of off-balance sheet commitments with conversion coefficient at 1% include: (33) Contracts for transaction of interest rates with initial term being from 1 to below 2 years; (34) Contracts for transaction of interest rates with initial term being from 2 years and over (plus 1.0% for each year as of the third year).

- Group of off-balance sheet commitments with conversion coefficient at 2% include: (35) Contracts for transaction of foreign currency and contracts for commodity prices with initial term being less than one year.

- Group of off-balance sheet commitments with conversion coefficient at 5% include: (36) Contracts for transaction of foreign currency and contracts for commodity prices with initial term being from 1 to below 2 years; (37) Contracts for transaction of foreign currency and contracts for commodity prices with initial term being from 2 years and over (plus 3.0% for each year as of the third year).

- Group of off-balance sheet commitments with conversion coefficient at 10% include: (38) Off-balance sheet commitments (including unused credit limits) that credit institutions, foreign bank branches have the right of revocability or automatic revocability whenever customers violate the conditions of revocability or impair their ability of obligations performance; (39) Unused credit limits of credits cards.

- Group of off-balance sheet commitments with conversion coefficient at 20% include: (40) Transactions of issuance or confirmation of commercial letters of credit based on transportation documents, with a term of less than 1 year.

- Group of off-balance sheet commitments with conversion coefficient at 50% include: (41) Transactions of issuance or confirmation of commercial letters of credit based on transportation documents, with a term of more than 1 year; (42) Potential debts are based on specific activities (e.g. contract performance guarantee, tender guarantee, standby letter of credit for specific activities); (43) Guarantees for securities and valuable papers issuance.

- Group of off-balance sheet commitments with conversion coefficient at 100% include: (44) Off-balance sheet commitments which are equivalent to loans (e.g. irrevocable loan commitment is a loan commitment which is irrevocable or unable to change in any forms once established, except the cases that need to be revocable or changed according to the provisions of law; guarantees, standby letters of credit to ensure financial obligations for debts or bonds, irrevocable credit limit which has not been disbursed, loan guarantee, payment guarantee, etc.); (45) Acceptance against payments (for example: endorsement of documents against payment, etc.); (46) Payment obligations of credit institutions and foreign bank branches in transactions of valuable papers with recourse rights when the issuers fail to fulfill their commitments; (47) Forward contracts on assets, deposits and partly prepaid securities that credit institutions and foreign bank branches commit to implement; (48) Other remaining off-balance commitments.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

Basel I is still being used by all deposit takers, however the SBV has a road map to implement Basel II starting in 2019 with target for full implementation by 2020. Currently the minimum capital adequacy ratio is 9%. According to Decree 10/2011, List of Chartered Capital Requirements for Credit Institutions; foreign bank branches are not required to meet minimum CAR as applicable for other deposit takers, but they are required to have a minimum of 15 Million USD (capital).

**Intra-Group Adjustments Valuation**

Loans and deposits are measured using book value; available for sale and held to maturity investments (securities) are measured using historical cost (market or fair value are not used).

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S030 - Regulatory Tier 1 capital**

**Definition**

Circular 41/2016/-TT-NHNN dated December 30, 2016 –on capital adequacy ratio for operations of banks and/or foreign bank branches (Applying Basel II since January 1st 2020).

- Tier 1 capital is according to Appendix I for banks;

- Tier 1 capital is according to Appendix II for foreign bank branches.

2. Circular 22/2019/TT-NHNN dated November 15, 2019 – on prescribing limits and prudential ratios in operations of banks and foreign bank branches (those who have not applying Basel II) applied from January 1, 2020

- Tier 1 capital is according to Appendix III for banks;

- Tier 1 capital is according to Appendix IV for foreign bank branches.

• From October 1st, 2010 to January 31st 2015 (According to Circular No. 13/2010/TT-NHNN dated May 20th, 2010):

Amounts constituting Tier-1 Capital include: a/ Charter capital (already allocated capital, contributed capital); b/The charter capital supplementation reserve fund; c/ The operation development investment fund; d/ Retained earnings; e/ Surplus shares permitted to be accounted as capital under law, minus the portion used for purchasing treasury stocks (if any). Deductibles from Tier-1 Capital include: a/ Goodwill; b/ Business losses, including cumulated losses; c/ Amounts contributed as capital to or used to purchase shares of other credit institutions; d/ Amounts contributed as capital to or used to purchase shares of subsidiary companies; e/ Amounts contributed as capital to or used to purchase shares of an enterprise, an investment fund or an investment project exceeding 10% of the aggregate; f/ The aggregate of amounts contributed as capital and used to purchase shares after subtracting the amount in excess of the 10% limit stipulated.

• From February 1st, 2015 to February 11th, 2018 (According to Circular No. 36/2014/TT-NHNN dated November 20, 2014):

A. For credit institutions:

Amounts constituting Tier-1 Capital (A) = A1 - A2 - A3

Components of separate Tier 1 capital (A1) include: (1) Charter capital (already allocated capital, contributed capital); (2) The charter capital supplementation reserve fund; (3) The operation development investment fund; (4) Retained earnings; (5) Surplus shares.

Deductibles (A2) from Tier-1 Capital include: (6) Commercial advantages; (7) Accumulated losses; (8) Treasury stocks; (9) Extensions of credit for contribution of capital to or purchase of shares from other credit institutions; (10) Amounts of capital contributed to or shares purchased from other credit institutions; (11) Amounts of capital contributed to or shares purchased from subsidiary companies; (12) Amounts of investment in the form of contributed capital are aimed at taking control of enterprises operating in insurance, securities, overseas national currency exchange, foreign exchange services, gold, factoring, issuance of credit cards, consumer credit, payment brokerage services, and credit information.

Additional deductibles (A3) from Tier-1 Capital include: (13) Capital contributed to, shares purchased from an enterprise, an associate company, an investment fund after deducting the amounts in entries (10) to (12) exceeds 10% of (A1-A2); (14) Total remaining amount of contributed capital and purchased shares after deducting the amounts in entries (10) to (13) exceed 40% of (A1-A2).

B. For branches of foreign banks

Branches of foreign banks shall rely on components as regulated below, provisions of the law on financial regulations with respect to branches of foreign banks and asset entries of their own to determine owner’s equity as appropriate.

Tier 1 capital (A) = (A1) - (A2)

Components of tier 1 capital (A1) include: (1) Allocated capital; (2) Reserve fund for supplementing charter capital; (3) Professional Development Investment Funds; (4) Retained earnings accrued.

Deductions from tier 1 capital (A2) include: (5) Accumulated losses; (6) Amounts of extended credit for contribution of capital to or purchase of shares from other credit institutions. •

* From December 28th, 2017 up to now (According to Circular No. 19/2017/TT-NHNN, December 28, 2017):

A. For credit institutions: SEPARATE TIER 1 CAPITAL (A) = A1 - A2 - A3

Amounts constituting Tier-1 Capital (A1) include: (1) Charter capital (already allocated capital, contributed capital); (2) The charter capital supplementation reserve fund; (3) The development investment fund; (4) The financial reserve fund; (5) Capital for construction investment and fixed asset purchases; (6) Accumulated retained earnings; (7) Surplus shares; (8) The exchange rate differences.

Deductibles from Tier-1 Capital (A2) include: (9) Commercial advantages; (10) Accumulated losses; (11) Treasury stocks; (12) Extensions of credit for contribution of capital to or purchase of shares from other credit institutions; (13) Amounts of capital contributed to or shares purchased from other credit institutions; (14) Amounts of capital contributed to or shares purchased from subsidiary companies excluding items in (13); (15) Amounts of investment in the form of contributed capital are aimed at taking control of enterprises operating in insurance, securities, overseas national currency exchange, foreign exchange services, gold, factoring, issuance of credit cards, consumer credit, payment brokerage services, and credit information excluding items in (13) and (14).

Additional deductibles (A3) include: (16) Capital contributed to, shares purchased from an enterprise, an associate company, an investment fund (excluding items in (13), (14) and (15)), exceeding 10% of (A1-A2); (17) Total remaining amount of contributed capital and purchased shares (excluding items in (13), (14), (15) and (16)), exceeding 40% of (A1-A2).

B. For branches of foreign banks

Branches of foreign banks shall rely on components as regulated below, provisions of the law on financial regulations with respect to branches of foreign banks and asset entries of their own to determine owner’s equity as appropriate.

TIER 1 CAPITAL (A) = (A1) - (A2) Components of tier 1 capital (A1) include: (1) Allocated capital; (2) Reserve fund for supplementing charter capital; (3) Development Investment Funds; (4) Financial reserve fund; (5) Capital for basic construction investment, fixed asset purchase; (6) Accumulated retained earnings; (7) Exchange rate differences.

Deductions from tier 1 capital (A2) include: (8) Accumulated losses; (9) Amounts of extended credit for contribution of capital to or purchase of shares from other credit institutions.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

Basel I is still being used by all deposit takers, however the SBV has a road map to implement Basel II starting in 2019 with target for full implementation by 2020. Currently the minimum capital adequacy ratio is 9%. According to Decree 10/2011, List of Chartered Capital Requirements for Credit Institutions; foreign bank branches are not required to meet minimum CAR as applicable for other deposit takers, but they are required to have a minimum of 15 Million USD (capital).

**Intra-Group Adjustments**

Consistent with Basel requirements, consolidated capital has excluded amount contributed as capital to and purchased shares of other deposit takers.

**Valuation**

Shares/equities are measured using historical cost (market or fair value are not used).

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S040 - Risk-weighted assets**

**Definition**

Total risk-weighted assets are the total value of assets determined based on the extent of risk and the value of corresponding assets of off-balance-sheet commitments determined based on the extent of risk.

• From October 1st, 2010 to January 31st 2015 (According to Circular No. 13/2010/TT-NHNN dated May 20th, 2010):

Assets determined based on the extent of risk shall be calculated by multiplying the value of assets by the corresponding risk coefficient of assets stipulated in clauses 5.1, 5.2, 5.3,

5.4, 5.5 and 5.6 of Circular 13/2010/TT-NHNN of May 20, 2010.

• From February 1st, 2015 to February 11th, 2018 (According to Circular No. 36/2014/TT-NHNN dated November 20, 2014):

1. On balance sheet risk-weighted assets determined according to level of risks

(A1) Group of assets with coefficient of risk at 0% include: (1) Cash; (2) Gold; (3) Cash and gold deposited with State Bank of Vietnam; (4) Cash deposited with Vietnam Bank for Social Policies according to the regulations on credits for the poor and other beneficiaries of incentive policies; (5) Valuable papers or payment guarantee issued by the Government, State Bank of Vietnam; (6) Receivables are guaranteed entirely by valuable papers or payment guarantee issued by the Government, State Bank of Vietnam; (7) Receivables in Vietnam dong guaranteed entirely by cash, term deposits, savings certificates, valuable papers issued by credit institutions, branches of foreign banks; (8) Receivables from central governments, central banks from OECD countries or guaranteed by such governments, banks; (9) Receivables guaranteed entirely by valuable papers issued by central governments, central banks from OECD countries; (10) Receivables from international financial institutions or guaranteed by such institutions; (11) Receivables guaranteed entirely by valuable papers issued by international financial institutions.

(A2) Group of assets with coefficient of risk at 20% include: (12) Precious metal (except gold), jewels; (13) Receivables in Vietnam dong and foreign currency from other state financial institutions, credit institutions, branches of foreign banks in the country; (14) Receivables in Vietnam dong and foreign currency guaranteed entirely by valuable papers issued by other state financial institutions, credit institutions, branches of foreign banks; (15) Special bonds issued by Vietnam Asset Management Company; (16) Valuable papers issued by people’s committees of provinces, cities under the Center; (17) Receivables from banks established in OECD countries and receivables guaranteed by such banks; (18) Receivables from securities companies established in OECD countries complying with agreements on risk-based capital management and supervision, receivables guaranteed by such companies; (19) Other current receivables (expected to be received within 12 months) from banks established in non-OECD countries or guaranteed by such banks; (20) Current receivables (expected to be received within 12 months) from securities companies established in non-OECD countries complying with agreements on risk-based capital management and supervision, and receivables guaranteed by such companies; (21) Receivables in foreign currency guaranteed entirely by cash, term deposits, savings book, valuable papers issued by credit institutions, branches of foreign banks.

(A3) Group of assets with coefficient of risk at 50% include: (22) Receivables guaranteed entirely by houses, land use rights, and land linked houses possessed by borrowing party or such assets leased to the lessee who agrees to allow the lessor (borrowing party) to use it as a mortgage during the term of lease.

(A4) Group of assets with coefficient of risk at 100% include: (23) Amounts for contribution of capital or purchase of shares excluding the value deducted from tier 1 capital to be included in owner's equity; (24) Investments for machinery, equipment, fixed assets and other real estates; (25) Other Credit assets in the Balance Sheet in addition to receivables grouped into following weight of risk 0%, 20%, 50%, 100%, 150%.

(A5) Group of assets with coefficient of risk at 150% include: (26) Receivables from subsidiaries, credit institutions’ associate companies; (27) Receivables for investment and securities trading; (28) Receivables from securities companies, fund management companies; (29) Receivables for real estate business; (30) Receivables guaranteed by gold.

2. Off-balance sheet commitments

- Group of off-balance sheet commitments with conversion coefficient at 100% include: (31) Loan guarantees; (32) Payment guarantees;

(33) Letters of credit; standby letters of credit as financial guarantees for loans, issuance of securities; payables in the form of endorsement except commodity guaranteed short-term commercial papers.

- Group of off-balance sheet commitments with conversion coefficient at 50% include: (34) Guarantees for contract performance; (35) Bid guarantees; (36) Other guarantees; (37) Standby letters of credit other than letters of credit with conversion factor 100%; (38) Commitments to lines of credit; (39) Other commitments; (40) Irrevocable letters of credit.

- Group of off-balance sheet commitments with conversion coefficient at 20% include: (41) Commodity guaranteed short-term commercial papers; (42) Commercial sponsorships;

- Group of off-balance sheet commitments with conversion coefficient at 0% include: (43) Revocable letters of credit; (44) Other unconditionally revocable commitments.

- Group of off-balance sheet commitments with conversion coefficient at 0.5% include: (45) Contracts for transaction of interest rate with initial term being less than one (1) year.

- Group of off-balance sheet commitments with conversion coefficient at 1% include: (46) Contracts for transaction of interest rate with initial term being from 1 to below 2 years; (47) Contracts for transaction of interest rate with initial term being from 2 years and over (plus (+) 1.0% for each year as of the third year).

- Group of off-balance sheet commitments with conversion coefficient at 2% include: (48) Contracts for transaction of foreign currency with initial term being less than one year.

- Group of off-balance sheet commitments with conversion coefficient at 5% include: (49) Contracts for transaction of foreign currency with initial term being from 1 to below 2 years; (50) Contracts for transaction of interest rate with initial term being from 2 years and over (plus 3.0% for each year as of the third year).

• From December 28th, 2017 up to now (According to Circular No. 19/2017/TT-NHNN, December 28, 2017):

1. On balance sheet risk-weighted assets determined according to level of risks

(A1) Group of assets with coefficient of risk at 0% include: (1) Cash; (2) Gold; (3) Cash and gold deposited with the State Bank of Vietnam; (4) Receivables from the Vietnam Bank for Social Policies/policy banks; (5) Receivables from the Government of Viet Nam, State Bank of Viet Nam or guaranteed by such governments, banks or guaranteed by valuable papers which are issued or guaranteed by the Government of Viet Nam, the State Bank of Viet Nam; (6) Receivables from people’s committees of provinces, cities under the Center or guaranteed by people’s committees of provinces, cities under the Center; (7) Receivables in Vietnam dong guaranteed entirely in terms of maturity and value by (i) cash, term deposits,(ii) savings certificates, (iii) valuable papers issued by credit institutions, branches of foreign banks; (8) Receivables from central governments, central banks from OECD countries or guaranteed by such governments, banks; (9) Receivables guaranteed entirely by valuable papers issued by central governments, central banks from OECD countries; (10) Receivables from international financial institutions or guaranteed by such institutions; (11) Receivables guaranteed entirely by valuable papers issued or guaranteed by international financial institutions.

(A2) Group of assets with coefficient of risk at 20% include: (12) Precious metal (except gold), jewels; (13) Receivables the state financial institutions; (14) Receivables guaranteed entirely by valuable papers issued by state financial institutions; (15) Bonds issued by Vietnam Asset Management Company of the Viet Nam’s credit institutions, bonds purchased by Vietnam Debt and Asset Trading Corporation; (16) Receivables from banks established in OECD countries and receivables guaranteed by such banks; (17) Receivables from securities companies established in OECD countries complying with agreements on risk-based capital management and supervision, receivables guaranteed by such companies; (18) Other current receivables (expected to be received within 12 months) from banks established in non-OECD countries or guaranteed by such banks; (19) Current receivables (expected to be received within 12 months) from securities companies established in non-OECD countries complying with agreements on risk-based capital management and supervision, and receivables guaranteed by such companies; (20) Receivables in foreign currency guaranteed entirely by cash in terms of maturity and value by (i) term deposits,(ii) savings certificates, (iii) valuable papers issued by credit institutions, branches of foreign banks.

(A3) Group of assets with coefficient of risk at 50% include: (21) Receivables from credit institutions, foreign bank branches in the country excluding receivables as loans, deposits as regulated in the Item 9, Article 148d of the revised and amended Law for credit institutions (20% coefficient of risk from Feb 12th, 2018 to Dec 31st, 2018, and 50% coefficient of risk from Jan 1st, 2018 up to now); (22) Receivables guaranteed entirely valuable papers issued by credit institutions, foreign bank branches (20% coefficient of risk from Feb 12th, 2018 to Dec 31st, 2018, and 50% coefficient of risk from Jan 1st, 2018 up to now); (23) Receivables guaranteed entirely by houses (including houses in the future), land use rights, and land use rights linked houses possessed by borrowing party.

(A4) Group of assets with coefficient of risk at 100% include: (24) Amounts for contribution of capital or purchase of shares excluding the value deducted from tier 1 capital to be included in owner's equity; (25) Investments for machinery, equipment, fixed assets and other real estates; (26) Other Credit assets in the Balance Sheet in addition to receivables grouped into following weight of risk 0%, 20%, 50%, 100%, 150%.

(A5) Group of assets with coefficient of risk at 150% include: (27) Receivables from subsidiaries, credit institutions’ associate companies; (28) Receivables for investment and securities trading; (29) Receivables from securities companies, fund management companies; (30) Receivables guaranteed by gold. (A6) Group of assets with coefficient of risk at 200% include: (31) Receivables for real estate business, receivables that customers allow other institutions, individuals to use their fund for real estate business.

2. Off-balance sheet commitments

- Group of off-balance sheet commitments with conversion coefficient at 0.5% include: (32) Contracts for transaction of interest rates with initial term being less than one (1) year.

- Group of off-balance sheet commitments with conversion coefficient at 1% include: (33) Contracts for transaction of interest rates with initial term being from 1 to below 2 years; (34) Contracts for transaction of interest rates with initial term being from 2 years and over (plus 1.0% for each year as of the third year).

- Group of off-balance sheet commitments with conversion coefficient at 2% include: (35) Contracts for transaction of foreign currency and contracts for commodity prices with initial term being less than one year.

- Group of off-balance sheet commitments with conversion coefficient at 5% include: (36) Contracts for transaction of foreign currency and contracts for commodity prices with initial term being from 1 to below 2 years; (37) Contracts for transaction of foreign currency and contracts for commodity prices with initial term being from 2 years and over (plus 3.0% for each year as of the third year).

- Group of off-balance sheet commitments with conversion coefficient at 10% include: (38) Off-balance sheet commitments (including unused credit limits) that credit institutions, foreign bank branches have the right of revocability or automatic revocability whenever customers violate the conditions of revocability or impair their ability of obligations performance; (39) Unused credit limits of credits cards.

- Group of off-balance sheet commitments with conversion coefficient at 20% include: (40) Transactions of issuance or confirmation of commercial letters of credit based on transportation documents, with a term of less than 1 year.

- Group of off-balance sheet commitments with conversion coefficient at 50% include: (41) Transactions of issuance or confirmation of commercial letters of credit based on transportation documents, with a term of more than 1 year; (42) Potential debts are based on specific activities (e.g. contract performance guarantee, tender guarantee, standby letter of credit for specific activities); (43) Guarantees for securities and valuable papers issuance.

- Group of off-balance sheet commitments with conversion coefficient at 100% include: (44) Off-balance sheet commitments which are equivalent to loans (e.g. irrevocable loan commitment is a loan commitment which is irrevocable or unable to change in any forms once established, except the cases that need to be revocable or changed according to the provisions of law; guarantees, standby letters of credit to ensure financial obligations for debts or bonds, irrevocable credit limit which has not been disbursed, loan guarantee, payment guarantee, etc.); (45) Acceptance against payments (for example: endorsement of documents against payment, etc.); (46) Payment obligations of credit institutions and foreign bank branches in transactions of valuable papers with recourse rights when the issuers fail to fulfill their commitments; (47) Forward contracts on assets, deposits and partly prepaid securities that credit institutions and foreign bank branches commit to implement; (48) Other remaining off-balance commitments.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

Basel I is still being used by all deposit takers, however the SBV has a road map to implement Basel II starting in 2019 with target for full implementation by 2020. Currently the minimum capital adequacy ratio is 9%. According to Decree 10/2011, List of Chartered Capital Requirements for Credit Institutions; foreign bank branches are not required to meet minimum CAR as applicable for other deposit takers, but they are required to have a minimum of 15 Million USD (capital).

**Intra-Group Adjustments**

**Valuation**

Loans and deposits are measured using book value; available for sale and held to maturity investments (securities) are measured using historical cost (market or fair value are not used).

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S050 - Nonperforming loans net of provisions**

According to the Circular 02/2013/TT-NHNN dated January 21,2013 (replacing Decision 493/2005/QD-NHNN, April 22 2005) loans are classified as follows: a/ Group 1 (standard debts) includes: - Undue debts of which principals and interests are assessed by credit institutions to be fully recoverable when they become due; - Other debts which are classified into group 1 b/ Group 2 (debts with attention being paid to) includes: - Debts turned overdue for less than 90 days; - Rescheduled debts which are now undue according to the rescheduled terms; - Other debts which are classified into group 2 c/ Group 3 (Sub-standard debts) includes: - Debts turned overdue for between 90 and 180 days; - Rescheduled debts which are now overdue for less than 90 days according to the rescheduled terms; - Other debts which are classified into group 3 d/ Group 4 (doubtful debts) includes: - Debts turned overdue for between 181 and 360 days; - Rescheduled debts which are now overdue for between 90 and 180 days according to the rescheduled terms; - Other debts which are classified into group 4 e/ Group 5 (debts with possibly irrecoverable principals) includes: - Debts turned overdue for more than 360 days; - Debts frozen pending the Government’s handling; - Rescheduled debts which are now overdue for more than 180 days according to the rescheduled terms; - Other debts which are classified into group 5. NPLs are defined as the sum of loans classified in groups 3, 4, and 5 (with overdue of interest and principal of more than 90 days).

From 2014 onwards, when calculating NPL Net of Specific Provisions to Capital and NPL to Total Gross Loans, total gross loans (and also NPL) are defined as the amounts that credit institutions and foreign bank branches have extended under loans agreement, including: - Loans; - Financial leases; - Discounts, rediscounts of negotiable instruments and other valuable papers; - Factoring; - Credit extensions under form of credit card issuance; - Payments on behalf of someone under off-balance sheet commitments that have been paid by the credit institutions and foreign bank branches. - Amounts in service for purchase and entrustment of purchase of corporate bonds unlisted on securities market or not conducted transaction registration on trading market of unlisted public companies (UPCoM) (hereinafter referred to as unlisted bonds), excluding purchase of unlisted bonds by entrustment capital sources which the entrusting party bears risks. - Credit extension entrustment; - Deposits (excluding deposit for payment) at domestic credit institutions, foreign banks’ branches in Vietnam as prescribed by law and deposits at foreign credit institutions. Prior to 2014, Total Gross Loans (and also NPL) covered the following instruments: - Loans; - Financial leases; - Discounts, rediscounts of negotiable instruments and other valuable papers.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

Loans and deposits are measured using book value.

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S060 - Capital**

**Definition**

Total Capital and Reserved (balance sheet capital) is being used since DC consolidation basis is used to compile this indicator.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

Shares/equities are measured using historical cost (market or fair value are not used).

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S070 - Nonperforming loans**

**Definition**

According to the Circular 02/2013/TT-NHNN dated January 21,2013 (replacing Decision 493/2005/QD-NHNN, April 22 2005) loans are classified as follows: a/ Group 1 (standard debts) includes: - Undue debts of which principals and interests are assessed by credit institutions to be fully recoverable when they become due; - Other debts which are classified into group 1 b/ Group 2 (debts with attention being paid to) includes: - Debts turned overdue for less than 90 days; - Rescheduled debts which are now undue according to the rescheduled terms; - Other debts which are classified into group 2 c/ Group 3 (Sub-standard debts) includes: - Debts turned overdue for between 90 and 180 days; - Rescheduled debts which are now overdue for less than 90 days according to the rescheduled terms; - Other debts which are classified into group 3 d/ Group 4 (doubtful debts) includes: - Debts turned overdue for between 181 and 360 days; - Rescheduled debts which are now overdue for between 90 and 180 days according to the rescheduled terms; - Other debts which are classified into group 4 e/ Group 5 (debts with possibly irrecoverable principals) includes: - Debts turned overdue for more than 360 days; - Debts frozen pending the Government’s handling; - Rescheduled debts which are now overdue for more than 180 days according to the rescheduled terms; - Other debts which are classified into group 5. NPLs are defined as the sum of loans classified in groups 3, 4, and 5 (with overdue of interest and principal of more than 90 days).

From 2014 onwards, when calculating NPL Net of Specific Provisions to Capital and NPL to Total Gross Loans, total gross loans (and also NPL) are defined as the amounts that credit institutions and foreign bank branches have extended under loans agreement, including: - Loans; - Financial leases; - Discounts, rediscounts of negotiable instruments and other valuable papers; - Factoring; - Credit extensions under form of credit card issuance; - Payments on behalf of someone under off-balance sheet commitments that have been paid by the credit institutions and foreign bank branches. - Amounts in service for purchase and entrustment of purchase of corporate bonds unlisted on securities market or not conducted transaction registration on trading market of unlisted public companies (UPCoM) (hereinafter referred to as unlisted bonds), excluding purchase of unlisted bonds by entrustment capital sources which the entrusting party bears risks. - Credit extension entrustment; - Deposits (excluding deposit for payment) at domestic credit institutions, foreign banks’ branches in Vietnam as prescribed by law and deposits at foreign credit institutions. Prior to 2014, Total Gross Loans (and also NPL) covered the following instruments: - Loans; - Financial leases; - Discounts, rediscounts of negotiable instruments and other valuable papers.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments Valuation**

Loans and deposits are measured using book value.

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S080 - Total gross loans**

**Definition**

Accrued interests are not included as part of the outstanding amount of loans. According to the Circular 02/2013/TT-NHNN dated January 21,2013 (replacing Decision 493/2005/QD-NHNN, April 22 2005) loans are classified as follows: a/ Group 1 (standard debts) includes: - Undue debts of which principals and interests are assessed by credit institutions to be fully recoverable when they become due; - Other debts which are classified into group 1 b/ Group 2 (debts with attention being paid to) includes: - Debts turned overdue for less than 90 days; - Rescheduled debts which are now undue according to the rescheduled terms; - Other debts which are classified into group 2 c/ Group 3 (Sub-standard debts) includes: - Debts turned overdue for between 90 and 180 days; - Rescheduled debts which are now overdue for less than 90 days according to the rescheduled terms; - Other debts which are classified into group 3 d/ Group 4 (doubtful debts) includes: - Debts turned overdue for between 181 and 360 days; - Rescheduled debts which are now overdue for between 90 and 180 days according to the rescheduled terms; - Other debts which are classified into group 4 e/ Group 5 (debts with possibly irrecoverable principals) includes: - Debts turned overdue for more than 360 days; - Debts frozen pending the Government’s handling; - Rescheduled debts which are now overdue for more than 180 days according to the rescheduled terms; - Other debts which are classified into group 5. NPLs are defined as the sum of loans classified in groups 3, 4, and 5 (with overdue of interest and principal of more than 90 days). From 2014 onwards, when calculating NPL Net of Specific Provisions to Capital and NPL to Total Gross Loans, total gross loans (and also NPL) are defined as the amounts that credit institutions and foreign bank branches have extended under loans agreement, including: - Loans; - Financial leases; - Discounts, rediscounts of negotiable instruments and other valuable papers; - Factoring; - Credit extensions under form of credit card issuance; - Payments on behalf of someone under off-balance sheet commitments that have been paid by the credit institutions and foreign bank branches. - Amounts in service for purchase and entrustment of purchase of corporate bonds unlisted on securities market or not conducted transaction registration on trading market of unlisted public companies (UPCoM) (hereinafter referred to as unlisted bonds), excluding purchase of unlisted bonds by entrustment capital sources which the entrusting party bears risks. - Credit extension entrustment; - Deposits (excluding deposit for payment) at domestic credit institutions, foreign banks’ branches in Vietnam as prescribed by law and deposits at foreign credit institutions. Prior to 2014, Total Gross Loans (and also NPL) covered the following instruments: - Loans; - Financial leases; - Discounts, rediscounts of negotiable instruments and other valuable papers.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework Intra-Group Adjustments Valuation**

Loans and deposits are measured using book value.

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S090 - Sectoral distribution of loans**

**Definition**

Complete sectoral distribution of loans is not available. For compiling this FSI, loans to non financial corporations include loans to nonfinancial corporations, other financial corporations, households, and non-residents. The amount of loans to non-residents, however, is relatively small (less than 0.5%). Accrued interests are not included as part of the outstanding amount of loans.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

Loans and deposits are measured using book value.

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**SlOO - Total gross loans Definition**

Accrued interest are not included as part of the outstanding amount of loans (less than 0.5 %).

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework Intra-Group Adjustments Valuation**

Loans and deposits are measured using book value.

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S110 - Net Income Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework Intra-Group Adjustments**

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S120 - Total assets Definition**

Starting from 2009 and onward average total assets is being applied. Accrued interests are recorded as other receivables.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework Intra-Group Adjustments Valuation**

Loans and deposits are measured using book value; available for sale and held to maturity investments (securities) are measured using historical cost (market or fair value are not used).

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S130 - Net Income**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S140 - Capital Definition**

Starting from 2009 and onward average capital is being applied

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework Intra-Group Adjustments Valuation**

Loans and deposits are measured using book value; available for sale and held to maturity investments (securities) are measured using historical cost (market or fair value are not used).

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S150 - Interest margin Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S160 - Gross income Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S170 - Noninterest expenses Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S180 - Gross income**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S190 - Liquid assets**

**Definition**

Broad definition of liquid asset is being used, comprising of currency and deposits, government securities, and valuable papers with remaining maturity of up to one year. Gold, precious metal, and precious stones are included as part of liquid assets.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

Loans and deposits are measured using book value; available for sale and held to maturity investments (securities) are measured using historical cost (market or fair value are not used).

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S200 - Total assets Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework Intra-Group Adjustments Valuation**

Loans and deposits are measured using book value; available for sale and held to maturity investments (securities) are measured using historical cost (market or fair value are not used).

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S210 - Liquid assets Definition**

**Consolidation Basis**

**Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S220 - Short-term liabilities Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S230 - Net open position in foreign exchange Definition**

**Consolidation Basis**

**Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S240 - Capital Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S250 - Capital Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework Intra-Group Adjustments Valuation**

Shares/equities are measured using historical cost (market or fair value are not used).

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S260 - Total assets Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

Loans and deposits are measured using book value; available for sale and held to maturity investments (securities) are measured using historical cost (market or fair value are not used).

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S270 - Value of large exposures Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S280 - Capital Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S290 - Geographical distribution of loans Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S300 - Total gross loans Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S310 - Gross asset position in financial derivatives**

**Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S320 - Capital Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

Shares/equities are measured using historical cost (market or fair value are not used).

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S330 - Gross liability position in financial derivatives Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S340 - Capital Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework Intra-Group Adjustments Valuation**

Shares/equities are measured using historical cost (market or fair value are not used).

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S350 - Trading and foreign exchange gains (losses)**

**Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S360 - Gross income**

**Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S370 - Personnel expenses Definition**

It covers not only personnel expenses but other operating expenses such as purchase of materials and printing paper, business travel expenses, expenditure on research and development.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S380 - Noninterest expenses Definition**

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**1020 - Spread between reference lending and deposit rates Definition**

**Consolidation Basis**

**Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**1021 - Spread between highest and lowest interbank rates Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S390 - Customer deposits Definition**

Customer Deposits include all type of non-interbank deposits. Accrued interests are not included as part of the outstanding amount of deposits.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments Valuation**

Loans and deposits are measured using book value.

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S400 - Total gross loans Definition**

Interbank loans are excluded. Accrued interests are not included as part of the outstanding amount of loans.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework Intra-Group Adjustments Valuation**

Loans and deposits are measured using book value.

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S410 - Foreign-currency-denominated loans Definition**

Accrued interests are not included as part of the outstanding amount of loans.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework Intra-Group Adjustments Valuation**

Loans and deposits are measured using book value.

**Time of Recognition Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S420 - Total gross loans Definition**

Accrued interests are not included as part of the outstanding amount of loans.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments Valuation**

Loans and deposits are measured using book value.

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S430 - Foreign-currency-denominated liabilities Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S440 - Total liabilities Definition**

**Consolidation Basis**

7/22/2019

**Regulatory Framework Intra-Group Adjustments Valuation**

FSI Table 3

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S450 - Net open position in equities Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S460 - Capital Definition**

**Consolidation Basis Regulatory Framework**

**Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S470 - Assets Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S480 - Total financial assets Definition**

**Consolidation Basis Regulatory Framework**

**Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S490 - Assets Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S500 - GDP Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S510 - Total debt**

**Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S520 - Equity Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments**

7/22/2019

**Valuation**

FSI Table 3

**Exchange Rate**

**Other Relevant Information**

**S530 - Earnings before interest and tax (EBIT) Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S540 - Equity Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Exchange Rate**

**Other Relevant Information**

**S550 - Earnings before interest and tax (EBIT) Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S560 - Debt service payments Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

7/22/2019

**Time of Recognition**

FSI Table 3

**Exchange Rate**

**Other Relevant Information**

**S570 - Net foreign exchange exposure Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S580 - Equity Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**1032 - Number of applications for protection from creditors Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S590 - Household debt Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**S600 - GDP Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S610 - Household debt service and principal payments Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition Exchange Rate**

**S620 - Household income Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

1. **- Average bid-ask spread in the securities market Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition Exchange Rate**

**Other Relevant Information**

1. **- Average daily turnover ratio in the securities market Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

1. **- Residential real estate prices (annual percentage increase) Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

1. **- Commercial real estate prices (annual percentage increase) Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S630 - Residential real estate loans Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S640 - Total Gross loans Definition**

**Consolidation Basis Regulatory Framework Intra-Group Adjustments Valuation**

**Time of Recognition**

**Exchange Rate**

**Other Relevant Information**

**S650 - Commercial real estate loans**

**Definition**

Real Estate Loans include both residential and commercial real estates loans. However residential real estate loans is relatively small. Accrued interests are not included as part of the outstanding amount of loans.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework**

**Intra-Group Adjustments**

**Valuation**

Loans and deposits are measured using book value.

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

**S660 - Total Gross loans Definition**

Accrued interests are not included as part of the outstanding amount of loans.

**Consolidation Basis**

Institutional coverage is 99% of the total banking system, comprising domestically controlled deposit takers, domestically incorporated foreign controlled deposit takers, and foreign bank branches. Microfinance institutions that take deposits are not included in the coverage of deposit takers, but their shares of total assets is relatively small (0.97 %) from total assets of the banking system. Cross border activities of domestic control deposit takers are not included as they are not significant.

**Regulatory Framework Intra-Group Adjustments Valuation**

Loans and deposits are measured using book value.

**Time of Recognition**

**Exchange Rate**

National GAAP is consistent with IAS 39. Transactions in Foreign Currency are converted into National Currency (Vietnam Dong) using official Exchange rate (closing spot) announced by the SBV at the end of the reporting period.

**Other Relevant Information**

Source Data: Supervisory Data (Audited Consolidated Financial Statements).

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