



**Indovina Bank Co., Ltd.**  
**Financial Statements**  
for the year ended 31 December 2021



**Indovina Bank Co., Ltd.  
Bank Information**

**Establishment and  
Operation Licence No.**

08/NH-GP  
1525/QD-NHNN  
101/ GP-NHNN

29 October 1992  
25 June 2009  
11 November 2019

The operation licence was issued by the State Bank of Vietnam and is valid for 99 years from the licence date.

**Business Registration  
Certificate No.**

0300733752

11 May 1993

The Business Registration Certificate has been amended several times, the most recent is the 20<sup>th</sup> dated 2 February 2022 and issued by the Department of Planning and Investment of Ho Chi Minh City.

**Members' Council**

Mr. Le Duy Hai  
Mr. Lee Ming-Hsien  
Mr. Jan Yei-Fong  
Mr. Liu Chun Hao  
Ms. Pham Bao Khue  
Ms. Tran Thi Hong Anh

Chairman  
Vice Chairman  
Member  
Member  
Member  
Member

**Board of Management**

Mr. Liu Chun Hao  
Mr. Le Van Phu  
Mr. Chang Tsung Cheng  
Mr. Kuo Kang  
  
Mr. Mai Pham Tuan

General Director  
First Deputy General Director  
Deputy General Director  
Deputy General Director  
From 16 March 2021  
Deputy General Director  
From 15 September 2021

**Registered Office**

97A Nguyen Van Troi Street  
Ward 11, Phu Nhuan District  
Ho Chi Minh City  
Vietnam

**Auditor**

KPMG Limited  
Vietnam

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**Indovina Bank Co., Ltd.**  
**Statement of the Board of Management**

The Board of Management of Indovina Bank Co., Ltd. ("the Bank") presents this statement and the accompanying financial statements of the Bank for the year ended 31 December 2021.

The Bank's Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting. The Bank's Board of Management is also responsible for preparing the financial statements translated into Vietnam Dong ("VND") in accordance with the basis of financial information translation set forth in Note 3(a)(ii) to the financial statements. In the opinion of the Bank's Board of Management:

- (a) the financial statements presented in US Dollars ("USD") set out on pages from 5 to 86 give a true and fair view of the financial position of the Bank as at 31 December 2021, and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting; and
- (b) the financial statements converted into VND have been prepared in accordance with the financial statements conversion policy set forth in Note 3(a)(ii) to the financial statements; and
- (c) at the date of this statement, there are no reasons for the Bank's Board of Management to believe that the Bank will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Ho Chi Minh City, 15 March 2022



KPMG Limited Branch  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## INDEPENDENT AUDITOR'S REPORT

### To the Investors Indovina Bank Co., Ltd.

We have audited the accompanying financial statements of Indovina Bank Co., Ltd. ("the Bank"), which comprise the balance sheet as at 31 December 2021, the statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Management on 15 March 2022, as set out on pages 5 to 86.

### The Board of Management's Responsibility

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

### Auditor's Responsibility

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

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

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





### Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Indovina Bank Co., Ltd. as at 31 December 2021 and of its results of operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting.

### Report on financial statements converted into VND in accordance with the law

As part of our audit of the financial statements, we have audited the conversion of the financial statements from US Dollars ("USD") to VND which has been conducted by the Board of Management in accordance with the basis of financial information translation set forth in Note 3(a)(ii) to the financial statements. The Board of Management is responsible for the VND translated financial statements. In our opinion, the VND translated financial statements have been, in all material respects, properly translated from the USD financial statements in accordance with the basis of financial information translation set forth in Note 3(a)(ii) to the financial statements.

**KPMG Limited's Branch in Ho Chi Minh City**  
Vietnam

Audit Report No.: 21-01-00184-22-1



  
Ha Vu Dinh  
Practicing Auditor Registration  
Certificate No. 0414-2018-007-1  
Deputy General Director

Ho Chi Minh City, 15 March 2022



Tran Dinh Vinh  
Practicing Auditor Registration  
Certificate No. 0339-2018-007-1

	Note	31/12/2021 USD	31/12/2020 USD	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
<b>A ASSETS</b>					
<b>I Cash</b>	<b>4</b>	<b>9,150,291</b>	<b>8,390,747</b>	<b>207,831</b>	<b>193,784</b>
<b>II Balances with the State Bank of Vietnam</b>	<b>5</b>	<b>51,836,988</b>	<b>55,655,159</b>	<b>1,177,374</b>	<b>1,285,356</b>
<b>III Deposits with and loans to other credit institutions</b>	<b>6</b>	<b>167,110,997</b>	<b>185,201,713</b>	<b>3,795,592</b>	<b>4,277,234</b>
1 Deposits with other credit institutions		81,104,658	58,099,019	1,842,130	1,341,797
2 Loans to other credit institutions		86,006,339	127,102,694	1,953,462	2,935,437
<b>IV Held-for-trading securities</b>	<b>7</b>	<b>407,953,344</b>	<b>354,902,659</b>	<b>9,265,844</b>	<b>8,196,477</b>
1 Held-for-trading securities		408,587,304	355,277,142	9,280,243	8,205,126
2 Allowance for held-for-trading securities		(633,960)	(374,483)	(14,399)	(8,649)
<b>VI Loans and advances to customers</b>		<b>1,460,285,831</b>	<b>1,425,885,924</b>	<b>33,167,472</b>	<b>32,930,836</b>
1 Loans and advances to customers	8	1,495,176,876	1,451,341,017	33,959,952	33,518,721
2 Allowance for loans and advances to customers	9	(34,891,045)	(25,455,093)	(792,480)	(587,885)
<b>VIII Investment securities</b>	<b>10</b>	<b>274,942,903</b>	<b>237,566,513</b>	<b>6,244,778</b>	<b>5,486,599</b>
1 Available-for-sale investment securities		275,666,057	238,146,427	6,261,203	5,499,992
3 Allowance for investment securities		(723,154)	(579,914)	(16,425)	(13,393)
<b>X Fixed assets</b>		<b>25,125,263</b>	<b>25,995,840</b>	<b>570,670</b>	<b>600,374</b>
1 Tangible fixed assets	11	8,914,458	9,513,728	202,474	219,720
a Cost		24,229,268	23,764,335	550,319	548,838
b Accumulated depreciation		(15,314,810)	(14,250,607)	(347,845)	(329,118)
3 Intangible fixed assets	12	16,210,805	16,482,112	368,196	380,654
a Cost		19,323,380	19,316,061	438,892	446,104
b Accumulated amortisation		(3,112,575)	(2,833,949)	(70,696)	(65,450)
<b>XII Other assets</b>	<b>13</b>	<b>20,547,243</b>	<b>21,628,601</b>	<b>466,689</b>	<b>499,511</b>
1 Receivables		3,551,871	3,143,677	80,674	72,603
2 Accrued interest and fees receivable		12,933,139	14,695,405	293,750	339,390
3 Deferred tax assets		2,010,584	2,547,629	45,666	58,837
4 Other assets		3,978,369	3,168,610	90,361	73,179
5 Allowance for losses on other assets		(1,926,720)	(1,926,720)	(43,762)	(44,498)
<b>TOTAL ASSETS</b>		<b>2,416,952,860</b>	<b>2,315,227,156</b>	<b>54,896,250</b>	<b>53,470,171</b>

The accompanying notes are an integral part of these financial statements

	Note	31/12/2021 USD	31/12/2020 USD	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
<b>B</b>					
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
<b>II</b>					
<b>Deposits and borrowings from other credit institutions</b>	<b>14</b>	<b>323,960,837</b>	<b>89,210,526</b>	<b>7,358,122</b>	<b>2,060,317</b>
1 Deposits from other credit institutions		321,299,885	85,102,666	7,297,684	1,965,446
2 Borrowings from other credit institutions		2,660,952	4,107,860	60,438	94,871
<b>III</b>	<b>15</b>	<b>1,688,399,798</b>	<b>1,716,372,361</b>	<b>38,348,625</b>	<b>39,639,620</b>
<b>Deposits from customers</b>					
<b>IV</b>	<b>16</b>	<b>2,425,328</b>	<b>2,498,741</b>	<b>55,086</b>	<b>57,708</b>
<b>Derivatives and other financial liabilities</b>					
<b>VI</b>	<b>17</b>	<b>83,022,938</b>	<b>176,098,723</b>	<b>1,885,700</b>	<b>4,067,000</b>
<b>Valuable papers issued</b>					
<b>VII</b>	<b>18</b>	<b>48,519,308</b>	<b>61,369,905</b>	<b>1,102,005</b>	<b>1,417,338</b>
<b>Other liabilities</b>					
1 Accrued interest and fees payable		31,939,239	36,271,368	725,436	837,687
3 Other liabilities		16,580,069	25,098,537	376,569	579,651
<b>TOTAL LIABILITIES</b>		<b>2,146,328,209</b>	<b>2,045,550,256</b>	<b>48,749,538</b>	<b>47,241,983</b>
<b>EQUITY</b>					
<b>VIII</b>					
<b>Equity</b>					
1 Capital		193,000,000	193,000,000	3,377,500	3,377,500
a Charter capital		193,000,000	193,000,000	3,377,500	3,377,500
2 Reserves		47,918,256	42,952,332	1,071,673	957,526
3 Foreign exchange differences		-	-	1,008,952	1,108,919
5 Retained profits		29,706,395	33,724,568	688,587	784,243
<b>TOTAL EQUITY</b>	<b>19</b>	<b>270,624,651</b>	<b>269,676,900</b>	<b>6,146,712</b>	<b>6,228,188</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,416,952,860</b>	<b>2,315,227,156</b>	<b>54,896,250</b>	<b>53,470,171</b>



	Note	31/12/2021 USD	31/12/2020 USD	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
<b>OFF-BALANCE SHEET ITEMS</b>					
1	Loan guarantee	284,586	279,879	6,464	6,464
2	Foreign exchange commitments	38 518,189,319	361,574,323	11,769,634	8,350,559
	<i>In which:</i>				
	▪ Foreign currency purchase commitments	589,391	3,003,247	13,387	69,360
	▪ Foreign currency sale commitments	587,468	3,000,000	13,343	69,285
	▪ Swap commitments	517,012,460	355,571,076	11,742,904	8,211,914
3	Irrevocable loan commitment	-	24,160	-	558
4	Letters of credit	38 35,556,928	34,127,843	807,605	788,183
5	Other guarantees	38 46,173,991	46,150,844	1,048,750	1,065,854

15 March 2022

Prepared by

Ha Tung Lam  
Preparer

Reviewed by

Tran Le Thuy  
Chief Accountant

Approved by



Liù Chun Hao  
General Director





	Note	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
1 Interest and similar income		137,358,468	146,517,528	3,150,298	3,405,392
2 Interest and similar expenses		(76,118,366)	(85,884,805)	(1,746,652)	(1,996,320)
<b>I Net interest and similar income</b>	<b>20</b>	<b>61,240,102</b>	<b>60,632,723</b>	<b>1,403,646</b>	<b>1,409,072</b>
3 Fees and commission income		4,001,812	4,213,334	91,739	97,911
4 Fees and commission expenses		(1,315,002)	(1,443,940)	(30,179)	(33,556)
<b>II Net fees and commission income</b>	<b>21</b>	<b>2,686,810</b>	<b>2,769,394</b>	<b>61,560</b>	<b>64,355</b>
<b>III Net gain/(loss) from trading of foreign currencies</b>	<b>22</b>	<b>2,180,439</b>	<b>(96,328)</b>	<b>49,839</b>	<b>(2,565)</b>
<b>IV Net gain from trading of held-for-trading securities</b>	<b>23</b>	<b>6,877,022</b>	<b>12,955,945</b>	<b>157,587</b>	<b>301,185</b>
<b>V Net gain from sales of investment securities</b>	<b>24</b>	<b>(143,240)</b>	<b>202,728</b>	<b>(3,293)</b>	<b>4,649</b>
5 Other income		4,474,018	1,576,079	102,894	36,587
6 Other expenses		(33,531)	(34,237)	(764)	(800)
<b>VI Net other income</b>	<b>25</b>	<b>4,440,487</b>	<b>1,541,842</b>	<b>102,130</b>	<b>35,787</b>
<b>VIII Operating expenses</b>	<b>26</b>	<b>(24,702,113)</b>	<b>(25,718,915)</b>	<b>(566,433)</b>	<b>(597,469)</b>
<b>IX Net operating profit before allowance expenses for credit losses</b>		<b>52,579,507</b>	<b>52,287,389</b>	<b>1,205,036</b>	<b>1,215,014</b>
<b>X Allowance expenses for credit losses</b>	<b>27</b>	<b>(9,435,952)</b>	<b>(3,313,710)</b>	<b>(215,220)</b>	<b>(77,534)</b>
<b>XI Profit before tax (carried forward to the next page)</b>		<b>43,143,555</b>	<b>48,973,679</b>	<b>989,816</b>	<b>1,137,480</b>

Indovina Bank Co., Ltd.  
No. 97A Nguyen Van Troi, Ward 11, Phu Nhuan District  
Ho Chi Minh City, Vietnam  
Statement of income for the year ended  
31 December 2021 (continued)

Form B03/TCTD  
(Issued under Circular  
No. 49/2014/TT-NHNN  
dated 31 December 2014  
of the State Bank of Vietnam)

	Note	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
<b>XI Profit before tax (brought forward from the previous page)</b>		<b>43,143,555</b>	<b>48,973,679</b>	<b>989,816</b>	<b>1,137,480</b>
7 Corporate income tax expense – current	28	(8,358,759)	(9,984,846)	(190,396)	(230,600)
8 Corporate income tax (expense)/benefit – deferred	28	(537,045)	5,154	(12,198)	119
<b>XIII Profit after tax</b>		<b>34,247,751</b>	<b>38,993,987</b>	<b>787,222</b>	<b>906,999</b>

15 March 2022

Prepared by



Ha Tung Lam  
Preparer

Reviewed by



Tran Le Thuy  
Chief Accountant

Approved by



Lim Chun Hao  
General Director

The accompanying notes are an integral part of these financial statements

	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
01 Interest and similar income received	139,120,734	147,483,932	3,191,569	3,428,964
02 Interest and similar expenses paid	(80,450,495)	(75,690,511)	(1,845,615)	(1,762,969)
03 Net fees and commission income received	2,686,810	2,769,394	61,638	64,355
04 Net receipts from foreign currencies, gold and securities trading activities	9,316,938	12,940,069	213,740	300,541
05 Other income	252,869	293,976	5,801	6,836
06 Collections of bad debts previously written-off	4,187,618	1,199,308	96,068	27,824
07 Salaries and operating expenses paid	(23,359,284)	(22,741,274)	(535,885)	(528,953)
08 Corporate income tax paid	(10,278,895)	(10,734,174)	(235,808)	(247,906)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>41,476,295</b>	<b>55,520,720</b>	<b>951,508</b>	<b>1,288,692</b>
<b>Changes in operating assets</b>				
09 Decrease/(increase) in deposits with and loans to other credit institutions	41,096,355	(60,295,251)	942,791	(1,387,175)
10 Increase in held-for-trading securities	(90,829,792)	(84,996,714)	(2,083,726)	(1,922,484)
12 Increase in loans and advances to customers	(43,835,859)	(143,519,456)	(1,005,638)	(3,209,956)
13 Utilisation of allowances for credit losses	-	(3,050,396)	-	(70,449)
14 (Increase)/decrease in other operating assets	(983,936)	914,315	(22,572)	21,899
<b>Changes in operating liabilities</b>				
16 Increase/(decrease) in deposits and borrowings from other credit institutions	234,750,311	(467,453,360)	5,385,407	(10,840,368)
17 (Decrease)/increase in deposits from customers	(27,972,563)	359,683,968	(641,719)	8,198,366
18 (Decrease)/increase in valuable papers issued	(93,075,785)	97,917,022	(2,135,252)	2,255,139
20 Decrease in derivatives and other financial liabilities	(73,413)	(3,472,442)	(1,684)	(80,674)
21 Decrease in other operating liabilities	(6,898,333)	(3,328,254)	(158,255)	(79,085)
<b>I NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>53,653,281</b>	<b>(252,079,848)</b>	<b>1,230,860</b>	<b>(5,826,095)</b>

The accompanying notes are an integral part of these financial statements



	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
01 Payments for purchases of fixed assets and related construction in progress	(734,058)	(2,323,428)	(16,840)	(51,652)
02 Proceeds from disposals of fixed assets	27,789	48,558	637	1,127
<b>II NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(706,269)</b>	<b>(2,274,870)</b>	<b>(16,203)</b>	<b>(50,525)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
04 Payments of dividends	(33,000,000)	(29,500,000)	(761,805)	(695,256)
<b>III NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(33,000,000)</b>	<b>(29,500,000)</b>	<b>(761,805)</b>	<b>(695,256)</b>
<b>IV NET CASH FLOWS DURING THE YEAR</b>	<b>19,947,012</b>	<b>(283,854,718)</b>	<b>452,852</b>	<b>(6,571,876)</b>
<b>V CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>122,144,925</b>	<b>405,709,209</b>	<b>2,802,127</b>	<b>9,402,310</b>
<b>VI FOREIGN EXCHANGE TRANSLATION DIFFERENCE</b>	<b>-</b>	<b>290,434</b>	<b>(27,644)</b>	<b>(9,497)</b>
<b>VII CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 28)</b>	<b>142,091,937</b>	<b>122,144,925</b>	<b>3,227,335</b>	<b>2,820,937</b>

15 March 2022

Prepared by



Ha Tung Lam  
Preparer

Reviewed by



Tran Le Thuy  
Chief Accountant

Approved by



Lưu Chun Hao  
General Director



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

## 1. Reporting entity

### (a) Establishment and operations

Indovina Bank Co., Ltd. ("the Bank") is a bank established and registered to operate in Vietnam in the form of a joint venture between Joint Stock Commercial Bank for Industry and Trade of Vietnam ("Vietinbank"), a bank incorporated in Vietnam, and Cathay United Bank ("CUB"), a bank incorporated in Taiwan under the Banking License No. 08/NH-GP issued by the Governor of the State Bank of Vietnam dated 29 October 1992 for an operation period of 20 years, adjusted by Decision 1525/QD-NHNN dated 25 June 2009 of the State Bank of Vietnam ("NHNN") extending to 40 years. The Bank operates under the Business Registration Certificate issued by the Department of Planning and Investment of Ho Chi Minh City on 11 May 1993 and its updates, the most recent of which is the 20<sup>th</sup> update dated 2 February 2021.

According to Decision No. 158/QD/-NHNN dated 25 January 2017 and License No. 101/GP-NHNN dated 11 November 2019 on the renewal of establishment and operation license for Indovina Bank Co., Ltd. The State Bank of Vietnam has approved to change the operation period of the Bank to 99 years from 29 October 1992.

The Bank's main activities include mobilising and receiving short-term, medium-term and long-term deposits for organisations and individuals; providing short, medium and long-term loans to organisations and individuals according to the Bank's capital capacity; conducting foreign exchange transactions, international trade services, discounting commercial papers, bonds and valuable papers; issue certificates of deposit, promissory notes, bills and bonds to raise capital in accordance with the provisions of the Law on Credit Institutions, the Law on Securities, the Government's regulations and the guidance of the State Bank; borrowings from the State Bank in the form of refinancing according to the provisions of the Law on the State Bank and the guidance of the State Bank; borrowing, lending, deposits with and from credit institutions, foreign bank branches, domestic and overseas financial institutions according to the provisions of law and guidance of the State Bank; provide settlement services to customers; and other banking services as approved by the State Bank.

### (b) Charter capital

As at 31 December 2021, the Bank's charter capital is USD193,000,000 (31/12/2020: USD193,000,000).

### (c) Location and operation network

The Bank's Head Office is located at No. 97, Nguyen Van Troi Street, Ward 11, Phu Nhuan District, Ho Chi Minh City, Vietnam. As at 31 December 2021, the Bank has one (1) head office, fourteen (14) branches and eighteen (18) transaction offices across the country (31/12/2020: one (1) head office, thirteen (13) branches and nineteen (19) transaction across the country).

### (d) Number of employees

As at 31 December 2021, the Bank had 830 employees (31/12/2020: 815 employees).

## 2. Basis of preparation

### (a) Statement of compliance

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

### (b) Basis of measurement

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

### (c) Annual accounting period

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

### (d) Accounting and presentation currency

The Bank's accounting currency is the United States Dollar ("USD"), which is also the currency used for the purposes of preparing and presenting the financial statements.

The Bank also prepares the VND translated financial statements for the purpose of submission to Vietnamese authorities or public announcements. These VND translated financial statements, including amounts presented for comparative information, have been translated from the USD financial statements into VND in accordance with the basis of financial information translation set forth in Note 3(a)(ii) to the financial statements.

### (e) Form of accounting records applied

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

### (f) Change in accounting policy

From 1 October 2021, the Bank has prospectively adopted the applicable requirements of Circular No. 11/2021/TT-NHNN dated 30 July 2021 ("Circular 11") issued by the State Bank of Vietnam ("SBV") regulating the classification of assets, credit loss allowance level, allowance calculation method and utilisation of allowance in operations of credit institutions and foreign bank branches. Circular 11 replaced Circular No. 02/2013/TT-NHNN dated 21 January 2013 issued by the SBV regulating the classification of assets, credit loss allowance level, allowance calculation method and utilisation of allowance in operations of credit institutions and foreign bank branches ("Circular 02") and Circular No. 09/2014/TT-NHNN dated 18 March 2014 issued by the SBV amending and supplementing certain articles of Circular 02 ("Circular 09").



The changes to the Bank's accounting policies resulting from the prospective adoption of the applicable requirements of Circular 11 and the effects on the financial statements, if any, are disclosed in Note 3(g) to the financial statements.

### 3. Summary of significant accounting policies

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

#### (a) Foreign currency transactions

##### (i) Foreign currency transactions

All transactions are recorded in their original currency. Monetary items denominated in currencies other than USD are converted to USD at the average buying and selling spot exchange rate ("spot rate") at the time of the transaction. Non-monetary items denominated in currencies other than USD are converted into USD at the Bank's average buying and selling transfer exchange rate at the transaction date.

Transactions involving income and expenses in currencies other than USD are translated into USD at the spot exchange rate at the transaction date.

All foreign exchange differences are recognised in the statement of income.

Refer to Note 36(c)(ii) for the major exchange rates used at the end of the annual accounting period.

##### (ii) Translation of financial statements from the accounting currency to the presentation currency

As described in Note 2(d), the financial statements are prepared and presented in USD, which is the Bank's accounting currency.

For the purpose of presenting financial statements in VND only for submission to the State management agencies of Vietnam, the Bank's USD financial statements are translated into VND, rounded to the nearest million ("VND million"), according to the following conversion principals:

- Assets and liabilities are translated into VND at the average buying and selling rates of spot ("spot rate") as at the last working day of the accounting period. In the event that the spot rate differs by 1% or more from the weighted average buying and selling rates of the last working day of the annual accounting period, the Bank uses the weighted average buying and selling rates. sale of the last business day of the accounting year for conversion.
- The allocated capital is translated into VND at the spot exchange rate at the date of capital contribution.
- Undistributed profits and reserves are translated into VND using the income statement line items.
- Items in the income statement and the statement of cash flows are translated into VND at the spot exchange rate at the time of the transaction. In the event that the average exchange rate of the accounting year is approximately the same as the spot rate at the time of transaction (the difference does not exceed 3%), the Bank uses the average exchange rate of the accounting period for the year.
- Exchange rate differences arising from the conversion of financial statements from the accounting currency (USD) to the reporting currency (VND) are presented in the account "Differences in exchange rates". exchange rate" in Equity.
- Comparative information is translated to VND according to the conversion pricipals mentioned above.

**(b) Cash and cash equivalents**

Cash and cash equivalents include cash, deposits with the State Bank of Vietnam, deposits with other credit institutions, loans to other credit institutions with original terms not exceeding three months, government bills and other short-term valuable papers eligible for discount at the State Bank of Vietnam, securities investments with a maturity date of no more than three months from the date of purchase, which are readily convertible to a maximum amount of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term payment commitments rather than for investment or other purposes.

**(c) Deposits with and loans to other credit institutions**

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

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

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

Demand deposits with other credit institutions are stated at cost.

Debt classification of term deposits with and loans to other credit institutions and allowance calculation thereof is made in accordance with Circular 11.

In accordance with Circular 11, the Bank is not required to make general allowance for deposits with and loans to other credit institutions.

**(d) Held-for-trading securities**

**(i) Classification**

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

**(ii) Recognition**

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

**(iii) Measurement**

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

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Allowance for credit losses is made for held-for-trading unlisted corporate bonds. Debt classification and allowance for credit losses of unlisted corporate bonds are made in accordance with the requirements of Circular 11 as described in Note 3(g).

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

For listed trading debt securities, the market price is determined according to the most recent transaction price at the Stock Exchange within 10 days from the end of the accounting period. In case there is no transaction within 10 days up to the balance sheet date, the Bank does not make allowance for these securities.

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

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

**(e) Derivative financial instruments**

***Forward and swap currency contracts***

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

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

**(f) Loans and advances to customers**

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

Debt classification and allowance for credit losses for loans and advances to customers are made in accordance with the requirements of Circular 11 as described in Note 3(g).

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

(i) **Debt classification**

*Before 1 October 2021*

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

*From 1 October 2021*

Classification of term deposits with and loans to other credit institutions, unlisted corporate bonds, loans and advances to customers, entrusted loans, debts sold but not yet collected, debt repurchased, repurchased government bonds, purchases of promissory notes, treasury bills and certificates of deposit issued by other credit institutions and foreign bank branches (together referred to as "debts") is conducted in accordance of Circular 11. The Bank carries out monthly debt classification based on the outstanding principals of debts at the last working day of the month as follows:

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



Group		Overdue status
4	Doubtful debts	<p>(a) Debts being overdue between 181 days and 360 days; or</p> <p>(b) Debts having terms of repayment rescheduled for the first time and being overdue less than 90 days according to the first rescheduled terms of repayment; or</p> <p>(c) Debts having terms of repayment rescheduled for the second time which is undue; or</p> <p>(d) Debts specified in point (d) of Sub-standard debts not yet collected between 30 days and 60 days since the issuance date of recovery decision; or</p> <p>(e) Debts in the collection process under inspection conclusions but being overdue up to 60 days according to recovery term; or</p> <p>(f) Undue debts to be collected under debt collection decisions due to customers' breach of the agreement have not yet been collected between 30 days and 60 days from the date of issuance of such decisions.</p>
5	Loss debts	<p>(a) Debts being overdue more than 360 days; or</p> <p>(b) Debts having rescheduled terms of repayment for the first time and being overdue more than 91 days according to the first rescheduled terms of repayment; or</p> <p>(c) Debts having terms of repayment rescheduled for the second time and being overdue according to the second reschedule terms of repayment; or</p> <p>(d) Debts having terms of repayment rescheduled for the third time or more, regardless of whether the debts are overdue or not; or</p> <p>(e) Debts specified in point (d) of Sub-standard debts not yet collected over 60 days since the issuance date of recovery decision; or</p> <p>(f) Debts in the collection process under inspection conclusions but being overdue of more than 60 days according to recovery term; or</p> <p>(g) Undue debts to be collected under debt collection decisions due to customers' breach of the agreement have not yet been collected more than 60 days from the date of issuance of such decisions; or</p> <p>(h) Debts to credit institutions being announced under special supervision status by the SBV, or to foreign bank branches of which capital and assets are blockaded.</p>

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

For payments on behalf related to off-balance sheet commitments, the Bank classified debts based on the overdue days from the date when the Bank performs committed obligations:

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

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

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

#### **Before 17 May 2021**

The Bank has applied Circular No. 01/2020/TT-NHNN ("Circular 01") issued by the SBV regulating credit institutions and foreign bank branches on rescheduling the debt repayment term, exempting, reducing interest and fees, keeping debt group unchanged in order to support customers affected by Covid-19 pandemic. Accordingly, for customers with obligation of paying principals and/or interest during the period from 23 January 2020 to the day after 3 months from the day the Prime Minister declares the end of the Covid-19 pandemic and the borrowers are not able to repay the principal and/or interest in accordance with the payment schedules specified in the signed loan contract/agreement, originally signed agreement due to decrease in revenue, profit caused by the effect of Covid-19 pandemic, the Bank is allowed to reschedule the repayment term for these debts while maintaining the same debt group as classified at the most recent date before 23 January 2020.

#### **From 17 May 2021 to 7 September 2021**

The Bank has applied Circular No. 03/2021/TT-NHNN dated 2 April 2021 ("Circular 03") issued by the SBV amending and supplementing certain articles of Circular 01. Accordingly, the customers whose loans were disbursed before 10 June 2020 and incurred obligations of paying principals and/or interest during the period from 23 January 2020 to 31 December 2021; and those customers are unable to pay the principal and/or interest in accordance to the payment schedules specified in signed loan contracts/agreements due to decrease in revenue, income caused by Covid-19 pandemic, the Bank is allowed to reschedule loan repayment term, exempt or reduce interest and fees, and keep the debt group unchanged as classified in accordance with Circular 02 as follows:

<b>Debt incurred date</b>	<b>Period in which the obligation repayment arises</b>	<b>Overdue status</b>	<b>Period in which overdue status arises</b>	<b>Classification principles</b>
Before 23 January 2020		Current or overdue less than 10 days	From 30 March 2020 to before 31 December 2021	Maintaining the same debt group as classified at the most recent date before 23 January 2020.
		Overdue	From 23 January 2020 to 29 March 2020	
From 23 January 2020 to before 10 June 2020	From 23 January 2020 to 31 December 2021	Current or overdue less than 10 days	From 17 May 2021 to 31 December 2021	Maintaining the same debt group as classified at the most recent date before the date of first rescheduling loan repayment period.
		Overdue	From 23 January 2020 to before 17 May 2021	Maintaining the same debt group as classified at the most recent date before the date the loan becomes overdue.



**From 7 September 2021**

The Bank has applied Circular No. 14/2021/TT-NHNN dated 7 September 2021 ("Circular 14") issued by the SBV amending and supplementing certain articles of Circular 01. Accordingly, the customers whose loans were disbursed before 1 August 2021 and incurred obligations of paying principals and/or interest during the period from 23 January 2020 to 30 June 2022; and those customers are unable to pay the principal and/or interest in accordance to the payment schedules specified in signed loan contracts/agreements due to decrease in revenue, income caused by Covid-19 pandemic, the Bank is allowed to reschedule loan repayment term, exempt or reduce interest and fees, and keep the debt group unchanged as follows:

Debt incurred date	Period in which the obligation repayment arises	Overdue status	Period in which overdue status arises	Classification principles
Before 23 January 2020	From 23 January 2020 to 30 June 2022	Current or overdue less than 10 days	From 30 March 2020 to before 30 June 2022	Maintaining the same debt group as classified at the most recent date before 23 January 2020.
From 23 January 2020 to before 1 August 2021		Current or overdue less than 10 days	From 17 May 2021 to before 17 July 2021 or from 7 September 2021 to 30 June 2022	Maintaining the same debt group as classified at the most recent date before the date of first rescheduling loan repayment period.
Before 23 January 2020		Overdue	From 23 January 2020 to 29 March 2020	Maintaining the same debt group as classified at the most recent date before 23 January 2020.
From 23 January 2020 to before 10 June 2020		Overdue	From 23 January 2020 to before 17 May 2021	Maintaining the same debt group as classified at the most recent date before the date the loan becomes overdue.
From 10 June 2020 to before 1 August 2021		Overdue	From 17 July 2021 to before 7 September 2021	

Moreover, the Bank determines and records the additional specific allowance amount required for the entire debt balance of borrowers, including the debt balances with repayment period rescheduled, interest exempted or reduced according to the debt classifications stipulated under Circular 11 (if not applying the regulations on maintaining debt groups unchanged under the provisions of Circular 01, Circular 03 and Circular 14) as follows:

Additional allowance	Timeline
At least 30% of the total required additional specific allowance	To 31 December 2021
At least 60% of the total required additional specific allowance	To 31 December 2022
100% of the total required additional specific allowance	To 31 December 2023

(ii) **Allowance for credit losses**

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

**Specific allowance for credit losses**

**Before 1 October 2021**

In accordance with Circular 02, specific allowance for credit risks for debts at the end of each quarter is determined based on the allowance rates corresponding to debt classification results and debt principals balance as at the end of the last working day of each quarter (for the last quarter of the annual accounting period, specific allowance for credit risks is determined based on the allowance rates corresponding to debt classification results and debt principals balance as at the end of the last working day of the second month of the last quarter of the annual accounting period) less discounted value of collateral assets.

**From 1 October 2021**

In accordance with Circular 11, specific allowance for credit risks at the end of each month is determined based on the allowance rates corresponding to debt classification results and debt principals balance as at the end of the month less discounted value of collateral assets.

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

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

The allowed value of collaterals is determined in accordance with Circular 11 and the following principles:

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

Collateral assets that do not satisfy the legal conditions as specified of Circular 11 are deemed to have zero allowed value.



Maximum allowed ratio of collateral assets are determined as follows:

Type of collateral assets	Maximum allowed ratio
(a) Deposits, certificates of deposits from customers in VND at other credit institutions or foreign bank branches	100%
(b) Government bonds, gold billets, certificates of deposits from customers in foreign currencies at other credit institutions or foreign bank branches	95%
(c) Municipal bonds, government-guaranteed bonds, transferable instruments, valuable papers issued by credit institution, deposits, certificates of deposit, bills and notes issued by other credit institutions or foreign bank branches:	
▪ With a remaining term of below 1 year	95%
▪ With a remaining term of between 1 year to 5 years	85%
▪ With a remaining term of over 5 years	80%
(d) Securities issued by other credit institutions and listed on a stock exchange	70%
(e) Securities issued by other enterprises (except for credit institutions) and listed on a stock exchange	65%
(f) Unlisted securities and valuable papers, except for the types of securities specified in item (c) above, issued by other credit institutions registered for listing on a stock exchange;	50%
Unlisted securities and valuable papers, except for the types of securities specified in item (c) above, issued by other credit institutions not registered for listing on a stock exchange	30%
(g) Unlisted securities on stock exchange and valuable papers issued by enterprises registered for listing on a stock exchange;	30%
Unlisted securities on stock exchange and valuable papers issued by enterprises not registered for listing on a stock exchange	10%
(h) Real estates	50%
(i) Other collateral assets	30%

### General allowance for credit losses

#### Before 1 October 2021

In accordance with Circular 02, a general allowance is made at 0.75% of the outstanding principals of debts at the last working day of each quarter (except for Quarter 4, the general allowance is made at 0.75% of the outstanding balance of debts at the last working day of the second month of the last quarter of the annual accounting period) of debts classified from Group 1 to Group 4, excluding term deposits with and loans to other credit institutions.



**From 1 October 2021**

In accordance with Circular 11, a general allowance is made at 0.75% of the outstanding principals of debts at the last date of month excluding term deposits with and loans to other credit institutions, debts classified from Group 1 to Group 4, purchasing of valuable papers issued by other credit institutions and repurchased government bonds.

**(iii) Writing-off bad debts**

In accordance with Circular 11, debts are written-off against the allowance when they have been classified to Group 5 or when borrowers have been declared bankrupt or dissolved (for borrowers being organisations and enterprises) or borrowers are deceased or missing (for borrowers being individuals).

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

**(iv) Provision for off-balance sheet commitments**

In accordance with Circular 11, the debt classification of off-balance sheet commitments is done solely for risk management, credit quality supervision of credit granting activities. The Bank is not required to make provision for off-balance sheet commitments, except where the Bank has been required to make payment under the guarantee contract, in which case the payment on behalf is classified and provision is made in accordance with the accounting policy as described in Note 3(g)(i) and Note 3(g)(ii).

**(h) Investment securities**

**(i) Classification**

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

Available-for-sale investment securities:

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

Held-to-maturity investment securities:

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

**(ii) Recognition**

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

**(iii) Measurement**

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

Listed available-for-sale debt securities are stated at cost less allowance for diminution in value of securities by reference to the closing price at the Hanoi Stock Exchange at the end of the annual accounting period.

Available-for-sale and held-to-maturity debt securities of unlisted enterprises are stated at cost less allowance for credit losses in accordance with Circular 11 as presented in Note 3(g).

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

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

**(i) Tangible fixed assets**

**(i) Cost**

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

**(ii) Depreciation**

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

▪ office infrastructures	25 years
▪ office equipment	3 - 8 years
▪ motor vehicles	6 - 8 years



(j) **Intangible fixed assets**

(i) **Land use rights**

Land use rights comprise:

- Those granted by the State for which land use payments are collected; and
- Those acquired in a legitimate transfer.

Definite land use rights are stated at cost and are not amortised. The initial cost of an definite land use right comprises its purchase price and any directly attributable costs incurred in conjunction with obtaining the land use right. Definite land use rights are amortised on a straight-line basis over expected useful life.

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

(ii) **Software**

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

(k) **Other assets**

(i) **Construction in progress**

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

(ii) **Foreclosed assets**

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

(iii) **Other assets**

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

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



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

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

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

**(o) Deposits and borrowings from other credit institutions**

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

**(p) Deposits from customers**

Deposits from customers are stated at their cost.

**(q) Valuable papers issued**

Valuable papers issued are stated at their cost. Cost of valuable papers issued comprises proceeds from issuance net of issuance costs. Valuable papers issued are stated on a net basis (determined by the nominal value of valuable papers minus (-) discount of valuable papers plus (+) premium on valuable papers).

**(r) Other payables**

Other payables are stated at their cost.

**(s) Provisions**

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

**Severance allowance and unemployment insurance**

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

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

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

**(t) Contributed capital**

Contributed capital is recognised at the date of capital contribution at the actual amount contributed less directly attributable costs.

**(u) Reserves**

**(i) Statutory reserves**

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

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

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

**(v) Off-balance sheet items**

**(i) Commitments and contingent liabilities**

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

**(ii) Fiduciary assets**

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



**(w) Interest income**

Interest income is recognised in the statement of income on an accrual basis, except for interest income from debts classified in Group 2 to Group 5 as described in Note 3(e)(i) and debts classified in Group 1 as a result of implementation of special ruling of the state authorities ("special restructuring loan") is recognised upon receipt. When debts classified in Group 2 to Group 5 or special restructuring loan, interest income from these debts is derecognised and recorded as off-balance sheet items and are recognised in the statement of income upon receipt (cash basis).

**(x) Interest expense**

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

**(y) Fees and commission income**

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

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

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

**(z) Fees and commission expenses**

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

**(aa) Operating lease payments**

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



**(bb) Taxation**

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

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

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

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

**(cc) Related parties**

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

**(dd) Segment reporting**

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

**(ee) Financial instruments**

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

(i) **Financial assets**

*Financial assets at fair value through profit or loss*

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

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

*Held-to-maturity investments*

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

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

*Loans and receivables*

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

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

*Available-for-sale financial assets*

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

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

**(ii) Financial liabilities**

*Financial liabilities at fair value through profit or loss*

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

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

*Financial liabilities carried at amortised cost*

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

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

**(ff) Nil balances**

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

**(gg) Comparative information**

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year are included as an integral part of the current year financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Bank's financial position, results of operation or cash flows for the prior year.



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#### 4. Cash

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
Cash in VND	7,494,844	6,813,937	170,230	157,368
Cash in foreign currencies	1,655,447	1,576,810	37,601	36,416
	9,150,291	8,390,747	207,831	193,784

#### 5. Balances with the State Bank of Vietnam

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

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

Deposits in scope	CRR rates	
	31/12/2021	31/12/2020
Preceding month's average deposit balances of:		
<i>Deposits from customers:</i>		
▪ Demand deposits and term deposits in foreign currencies with term of less than 12 months	8%	8%
▪ Deposits in foreign currencies with term of 12 months and above	6%	6%
▪ Demand deposits and term deposits in VND with term of less than 12 months	3%	3%
▪ Deposits in VND with term of 12 months and above	1%	1%
<i>Overseas credit institutions</i>		
▪ Deposits in foreign currencies	1%	1%

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
<b>Current account and compulsory reserve</b>				
▪ In VND	39,636,666	41,682,283	900,268	962,652
▪ In USD	12,200,322	13,972,876	277,106	322,704
	51,836,988	55,655,159	1,177,374	1,285,356

## 6. Deposits with and loans to other credit institutions

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
<b>Deposits with other credit institutions ("CIs")</b>				
Demand deposit				
▪ In VND	4,587,412	2,663,202	104,194	61,507
▪ In foreign currencies	26,105,587	16,466,343	592,936	380,290
Term deposits				
▪ In VND	50,411,659	38,969,474	1,145,000	900,000
	81,104,658	58,099,019	1,842,130	1,341,797
<b>Loans to other credit institutions</b>				
▪ In VND	23,642,848	38,536,480	537,000	890,000
▪ In foreign currencies	62,363,491	88,566,214	1,416,462	2,045,437
	86,006,339	127,102,694	1,953,462	2,935,437
	167,110,997	185,201,713	3,795,592	4,277,234

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

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
Current debts	136,417,998	166,072,168	3,098,462	3,835,437



## 7. Held-for-trading securities

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
<b>Debt securities</b>				
▪ Government bonds	88,489,530	87,087,173	2,009,862	2,011,278
▪ Bonds issued by other local credit institutions	204,925,361	237,880,378	4,654,470	5,493,848
▪ Bonds issued by local economic entities	115,172,413	30,309,591	2,615,911	700,000
	408,587,304	355,277,142	9,280,243	8,205,126
<b>Allowance for held-for-trading securities</b>				
▪ Allowance for general allowance	(633,960)	(374,483)	(14,399)	(8,649)
	407,953,344	354,902,659	9,265,844	8,196,477

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

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
<b>Debt securities</b>				
▪ Listed	119,133,933	87,087,173	2,705,889	2,011,278
▪ Unlisted	289,453,371	268,189,969	6,574,354	6,193,848

Movement of general allowance during the year was as follows:

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
Opening balance	374,483	271,989	8,649	6,303
Allowance made during the year (Note 23)	259,477	102,494	5,928	2,380
Foreign exchange differences	-	-	(178)	(34)
Closing balance	633,960	374,483	14,399	8,649

## 8. Loans and advances to customers

	31/12/2021	31/12/2020	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
	USD	USD		
Loans to domestic economic entities and individuals	1,495,176,876	1,451,341,017	33,959,952	33,518,721

Loan portfolio by credit risk group is as follows:

	31/12/2021	31/12/2020	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
	USD	USD		
Current debts	1,462,615,469	1,430,133,058	33,220,385	33,028,923
Special mentioned debts	3,072,890	8,010,283	69,794	184,998
Sub-standard debts	337,878	294,907	7,674	6,811
Doubtful debts	6,552,350	906,229	148,824	20,929
Loss debts	22,598,289	11,996,540	513,275	277,060
	1,495,176,876	1,451,341,017	33,959,952	33,518,721

Loan portfolio by term is as follows:

	31/12/2021	31/12/2020	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
	USD	USD		
Short-term loans	503,195,527	443,567,491	11,429,080	10,244,191
Medium-term loans	262,251,800	285,574,749	5,956,525	6,595,349
Long-term loans	729,729,549	722,198,777	16,574,347	16,679,181
	1,495,176,876	1,451,341,017	33,959,952	33,518,721



Loan portfolio by business sector of customers is as follows:

	31/12/2021 USD	31/12/2020 USD	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
Real estate trading	317,211,029	66,364,624	7,204,814	1,532,691
Construction	266,959,408	137,024,807	6,063,449	3,164,588
Manufacturing and processing	266,211,761	185,656,333	6,046,468	4,287,733
Finance, banking and insurance	185,103,757	83,116,450	4,204,262	1,919,574
Accommodation and catering services	117,715,741	57,711,102	2,673,678	1,332,838
Electricity, gas, hot water, steam and air-conditioning	93,885,520	52,847,920	2,132,422	1,220,523
Wholesale and retail trade; repair of motor vehicles, motor cycles	87,670,072	473,454,317	1,991,250	10,934,427
Water supplying and garbage and sewage treatment and management	31,625,863	30,399,225	718,318	702,070
Employment activities in households, production of material products and services for household self-consumption	25,727,550	6,641,571	584,350	153,387
Transport, warehouse	21,572,947	25,663,327	489,986	592,695
Science and technology	2,378,909	64,949	54,032	1,500
Education and training	2,673,149	25,980	60,715	600
Mining	3,428,614	19,589,853	77,874	452,428
Agriculture, forestry and aquaculture	2,283,261	4,186,209	51,860	96,680
Health care and social work	477,077	444,967	10,836	10,277
Art, playing and recreation	678,760	259,605	15,417	5,996
Information and communications	-	14,505	-	335
Other service activities	69,573,458	307,875,273	1,580,221	7,110,379
	1,495,176,876	1,451,341,017	33,959,952	33,518,721

Analysis of outstanding loans and advances to customers by currency as follows:

	31/12/2021 USD	31/12/2020 USD	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
In VND	1,374,500,091	1,336,433,698	31,219,021	30,864,936
In foreign currency	120,676,785	114,907,319	2,740,931	2,653,785
	1,495,176,876	1,451,341,017	33,959,952	33,518,721

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

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
Other Joint stock companies	742,959,033	647,113,918	16,874,829	14,945,096
Limited liability companies	437,499,820	471,247,899	9,936,932	10,883,470
State-owned enterprises	92,155,542	84,913,871	2,093,129	1,961,086
Foreign invested companies	75,755,367	71,120,051	1,720,632	1,642,518
Individuals and household business	146,807,114	176,919,298	3,334,430	4,085,951
Private companies	-	25,980	-	600
	1,495,176,876	1,451,341,017	33,959,952	33,518,721

## 9. Allowance for loans and advances to customers

Allowance for loans and advances to customers comprises of:

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
General allowance	11,044,006	10,645,936	250,843	245,868
Specific allowance	23,847,039	14,809,157	541,637	342,017
	34,891,045	25,455,093	792,480	587,885

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

	2021	2020	2021	2020
	USD	USD	Equivalent VND million	Equivalent VND million
Opening balance	10,645,936	9,785,080	245,868	226,769
Allowance made during the year (Note 27)	398,070	860,856	9,228	20,124
Foreign exchange difference	-	-	(4,253)	(1,025)
Closing balance	11,044,006	10,645,936	250,843	245,868



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

	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
Opening balance	14,809,157	15,406,698	342,017	357,050
Allowance made during the year (Note 27) (*)	9,037,882	2,452,854	205,992	57,410
Allowance utilised during the year	-	(3,050,395)	-	(70,449)
Foreign exchange difference	-	-	(6,372)	(1,994)
Closing balance	23,847,039	14,809,157	541,637	342,017

- (\*) Specific allowance for loans and advances to customers made during 2021 included USD7,078,106 equivalent to VND160,765 million, or 30% of the additional specific allowance required by Circular 03 as described in Note 3(g).

## 10. Investment securities

	31/12/2021 USD	31/12/2020 USD	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
<b>Available-for-sale investment securities</b>				
<i>Debt securities</i>				
▪ Government bonds (*)	106,610,466	105,438,768	2,421,444	2,435,109
▪ Bonds issued by other local credit institutions	72,645,946	55,312,754	1,650,007	1,277,448
▪ Bonds issued by other local economic entities	96,409,645	77,394,905	2,189,752	1,787,435
	275,666,057	238,146,427	6,261,203	5,499,992
<b>Allowance for available-for-sale investment securities</b>				
▪ General allowance for credit losses (i)	(723,154)	(579,914)	(16,425)	(13,393)
	274,942,903	237,566,513	6,244,778	5,486,599

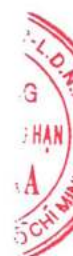
- (\*) Included in the balance of Government Bonds as at 31 December 2021 are bonds with a total par value of USD18,051,336 (31/12/2020: USD17,319,766) which are pledged, custodied and deposited at the State Bank of Vietnam to conduct transactions on the open market (Note 32).

Investment securities categorised by credit risk group (excluding Government bonds and special bonds issued by VAMC) are as follows:

	31/12/2021	31/12/2020	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
	USD	USD		
Current debts	169,055,591	132,707,659	3,839,759	3,064,883

(i) Movements in allowance for diminution in value of investment securities during the year were as follows:

	2021	2020	2021 Equivalent VND million	2020 Equivalent VND million
	USD	USD		
Opening balance	579,914	514,250	13,393	11,918
Allowance made during the year (Note 24)	143,240	65,664	3,293	1,600
Foreign exchange difference	-	-	(261)	(125)
Closing balance	723,154	579,914	16,425	13,393





# 11. Tangible fixed assets

	Office infrastructures USD	Office equipment USD	Motor vehicles USD	Total USD
<b>Cost</b>				
Opening balance	12,093,215	8,607,276	3,063,844	23,764,335
Additions	7,350	5,706	51,546	64,602
Transfer from construction in progress	-	332,688	285,135	617,823
Written off	(19,173)	-	-	(19,173)
Disposal	-	(18,755)	(165,185)	(183,940)
Other decrease	(14,379)	-	-	(14,379)
Closing balance	12,067,013	8,926,915	3,235,340	24,229,268
<b>Accumulated depreciation</b>				
Opening balance	5,327,069	6,743,874	2,179,664	14,250,607
Charge for the year	451,893	563,565	236,824	1,252,282
Written-off	(4,139)	-	-	(4,139)
Disposal	-	(18,755)	(165,185)	(183,940)
Closing balance	5,774,823	7,288,684	2,251,303	15,314,810
<b>Net book value</b>				
Opening balance	6,766,146	1,863,402	884,180	9,513,728
Closing balance	6,292,190	1,638,231	984,037	8,914,458

	Office infrastructures Equivalent VND million	Office equipment Equivalent VND million	Motor vehicles Equivalent VND million	Total Equivalent VND million
<b>Cost</b>				
Opening balance	279,293	198,786	70,759	548,838
Additions	169	131	1,190	1,490
Transfer from construction in progress	-	7,577	6,510	14,087
Written-off	(441)	-	-	(441)
Disposal	-	(434)	(3,823)	(4,257)
Other decrease	(333)	-	-	(333)
Foreign exchange difference	(4,610)	(3,303)	(1,152)	(9,065)
Closing balance	274,078	202,757	73,484	550,319
<b>Accumulated depreciation</b>				
Opening balance	123,028	155,750	50,340	329,118
Charge for the year	10,835	12,622	5,445	28,902
Written-off	(95)	-	-	(95)
Disposal	-	434	(3,823)	(3,389)
Foreign exchange difference	(2,603)	(3,259)	(829)	(6,691)
Closing balance	131,165	165,547	51,133	347,845
<b>Net book value</b>				
Opening balance	156,265	43,036	20,419	219,720
Closing balance	142,913	37,210	22,351	202,474
Other disclosure information of tangible fixed assets:				
	31/12/2021 USD	31/12/2020 USD	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
Cost of tangible fixed assets which were fully depreciated but still in active use	9,085,722	8,782,594	206,364	202,834



## 12. Intangible fixed assets

	Land use rights USD	Software USD	Total USD
<b>Cost</b>			
Opening balance	15,291,418	4,024,643	19,316,061
Additions	14,379	-	14,379
Disposal	(7,060)	-	(7,060)
Closing balance	15,298,737	4,024,643	19,323,380
<b>Accumulated amortisation</b>			
Opening balance	274,514	2,559,435	2,833,949
Charge for the year	54,348	231,262	285,610
Disposal	(6,984)	-	(6,984)
Closing balance	321,878	2,790,697	3,112,575
<b>Net book value</b>			
Opening balance	15,016,904	1,465,208	16,482,112
Closing balance	14,976,859	1,233,946	16,210,805
	Land use rights Equivalent VND million	Software Equivalent VND million	Total Equivalent VND million
<b>Cost</b>			
Opening balance	353,155	92,949	446,104
Additions	333	-	333
Disposal	(162)	-	(162)
Foreign exchange difference	(5,846)	(1,537)	(7,383)
Closing balance	347,480	91,412	438,892
<b>Accumulated amortisation</b>			
Opening balance	6,340	59,110	65,450
Charge for the year	1,248	5,338	6,586
Disposal	(161)	-	(161)
Foreign exchange difference	(113)	(1,066)	(1,179)
Closing balance	7,314	63,382	70,696
<b>Net book value</b>			
Opening balance	346,815	33,839	380,654
Closing balance	340,166	28,030	368,196

Other disclosure information of intangible fixed assets:

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
Cost of intangible fixed assets which were fully amortised but still in active use	2.234.888	2.234.899	50.761	51.615

### 13. Other assets

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
Receivables	3,551,871	3,143,677	80,674	72,603
▪ Short-term marginal deposit (i)	859,971	493,114	19,533	11,388
▪ Construction in progress	282,086	249,653	6,407	5,766
▪ Advances for business activities	274,189	293,356	6,228	6,775
▪ Receivables from the SBV related to the interest rate subsidy program	168,106	165,325	3,818	3,818
▪ Other receivables	40,799	15,509	926	358
▪ Other receivables are carried over from construction in progress (ii)	1,926,720	1,926,720	43,762	44,498
Accrued interest and fees receivable	12,933,139	14,695,405	293,750	339,390
Deferred tax assets	2,010,584	2,547,629	45,666	58,837
Other assets	3,978,369	3,168,610	90,361	73,179
▪ Prepaid expenses	1,490,906	2,069,758	33,863	47,801
▪ Tools and supplies	220,264	162,094	5,003	3,744
▪ Others	2,267,199	936,758	51,495	21,634
Allowance for other assets (iii)	(1,926,720)	(1,926,720)	(43,762)	(44,498)
	20,547,243	21,628,601	466,689	499,511

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

- (ii) The amount paid to Cavico Vietnam Co., Ltd for the purchase of properties is the 1<sup>st</sup> and 2<sup>nd</sup> floor of Apex Tower Building at Lot HH3, M. Tri Ha Urban Area, Pham Hung Street, Nam Tu Liem District, Hanoi City under the office transfer contract No. 01/CVC-CVT-IVB/2011 dated 5 September 2011. In 2020, the Bank had a dispute with Cavico Vietnam Co., Ltd. according to the judgment. Appeal No. 112/2020/KDTM-PT dated 16 July 2020 of the People's Court of Hanoi City.
- (iii) At the reporting date, the Bank has made allowance for the above receivables of USD1,926,720 (equivalent to VND43,762 million) (2020: USD1,926,720 or VND44,498 million) based on assessment of the Board of Management on the recoverability of the amount mentioned above.

#### 14. Deposits and borrowings from other credit institutions

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
<b>Demand deposits from other credit institutions</b>				
▪ In VND	79,457	273,873	1,805	6,325
▪ In foreign currencies	1,425,223	539,553	32,370	12,461
<b>Term deposits from other credit institutions</b>				
▪ In VND	215,295,205	56,289,240	4,890,000	1,300,000
▪ In foreign currencies	104,500,000	28,000,000	2,373,509	646,660
	321,299,885	85,102,666	7,297,684	1,965,446
<b>Borrowings from other credit institutions</b>				
▪ In foreign currencies	2,660,952	4,107,860	60,438	94,871
	2,660,952	4,107,860	60,438	94,871
	323,960,837	89,210,526	7,358,122	2,060,317

The annual interest rates of borrowings from other credit institutions at the end of the annual accounting period are as follows:

	31/12/2021	31/12/2020
In VND	2.7% - 5.0%	0.74% - 2.39%
In foreign currencies	1.17% - 3.85%	-



## 15. Deposits from customers

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
<b>Demand deposits</b>				
▪ In VND	319,365,337	301,205,283	7,253,745	6,956,336
▪ In USD	132,365,172	126,520,148	3,006,410	2,921,983
▪ In other foreign currencies	1,491,782	2,064,234	33,883	47,673
<b>Term deposits</b>				
▪ In VND	1,221,775,683	1,266,086,222	27,750,191	29,240,261
▪ In USD	12,820,837	19,613,599	291,200	452,976
<b>Margin deposits</b>				
▪ In VND	580,987	813,376	13,196	18,786
▪ In USD	-	69,499	-	1,605
	<b>1,688,399,798</b>	<b>1,716,372,361</b>	<b>38,348,625</b>	<b>39,639,620</b>

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

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
Deposits from economic entities	1,225,655,089	1,226,025,979	27,838,304	28,315,070
Foreign-invested enterprises	805,588,694	694,902,013	18,297,336	16,048,762
Other limited liability companies	245,020,517	287,167,006	5,565,151	6,632,122
Other joint stock companies	141,149,386	172,365,014	3,205,926	3,980,770
State-owned companies	13,737,243	39,427,192	312,014	910,571
One-member limited companies with 100% charter capital owned by the State	8,483,644	10,754,189	192,689	248,368
Non-business administrative entities, party entities, unions and associations	5,787,611	5,626,586	131,454	129,946
Limited company with 2 or more members with capital contribution of the State (*)	3,092,238	3,335,051	70,234	77,023
Joint stock companies partially owned by the State (*)	1,820,719	11,650,227	41,354	269,062
Household business	798,794	336,220	18,143	7,765
Private enterprise	161,009	431,046	3,657	9,955
Cooperatives and cooperative unions	15,234	31,435	346	726
Deposits from individuals	428,943,557	472,921,238	9,742,595	10,922,116
Deposits from others	33,801,152	17,425,144	767,726	402,434
	<b>1,688,399,798</b>	<b>1,716,372,361</b>	<b>38,348,625</b>	<b>39,639,620</b>

## 16. Derivatives and other financial liabilities

As at 31 December 2021

### Currency derivatives

- Currency forward contracts
- Currency swap contracts

Total contract value (at foreign exchange rate at the contract date)	Assets		Liabilities	
USD	Equivalent VND million	USD	Equivalent VND million	USD
115,101	2,614	-	-	200,174
1,212,694	27,544	-	-	2,225,154
1,327,795	30,158	-	-	2,425,328
				55,086

As at 31 December 2020

### Currency derivatives

- Currency forward contracts
- Currency swap contracts

Total contract value (at foreign exchange rate at the contract date)	Assets		Liabilities	
USD	Equivalent VND million	USD	Equivalent VND million	USD
164,279	3,794	-	-	157,886
2,456,159	56,725	-	-	2,340,855
2,620,438	60,519	-	-	2,498,741
				57,708

## 17. Valuable papers issued

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
Certificates of deposits (i)				
Less than 12 months	24,769,956	26,559,861	562,600	613,400
From 1 year to 5 years	58,252,982	149,538,862	1,323,100	3,453,600
	83,022,938	176,098,723	1,885,700	4,067,000

- (i) The balance represents long-term registered certificates of deposits issued for individuals and organisations, with par value of VND100 million, having original term to maturity from 1 to 36 months, interest is paid periodically in arrear and bear interest rate ranging from 2.9% per annum to 7.8% per annum (31 December 2020: with par value from VND100 million, having original term to maturity from 1 to 36 months, interest is paid periodically in arrear and bear interest rate ranging from 2.5% per annum to 7.7% per annum).

## 18. Other liabilities

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
Accrued interest and fees payable	31,939,239	36,271,368	725,436	837,687
Internal payables	3,666,483	3,826,040	83,277	88,362
Deferred income from guarantee services	240,394	117,808	5,460	2,721
Remittance payable	246,405	4,129,953	5,597	95,381
Cash held awaiting for settlement	11,410,753	12,665,280	259,172	292,505
Taxes payable to State Treasury (Note 29)	697,563	2,612,274	15,844	60,615
Other payables	49,449	1,461,810	1,109	33,476
Bonus and welfare fund	269,022	285,372	6,110	6,591
	48,519,308	61,369,905	1,102,005	1,417,338



Notes to the financial statements for the year ended 31 December 2021 (continued)

## 19. Equity

### Statement of changes in equity

	Charter capital USD	Supplement contributed capital reserve USD	Financial reserve USD	Investment and development fund USD	Retained profits USD	Total USD
<b>Balance at 1 January 2020</b>	193,000,000	12,740,745	24,358,079	199,380	30,159,709	260,457,913
Net profit for the year	-	-	-	-	38,993,987	38,993,987
Appropriation to reserves	-	1,949,699	3,704,429	-	(5,654,128)	-
Profit distribution	-	-	-	-	(29,500,000)	(29,500,000)
Appropriation to bonus and welfare fund	-	-	-	-	(275,000)	(275,000)
<b>Balance at 31 December 2020</b>	193,000,000	14,690,444	28,062,508	199,380	33,724,568	269,676,900
<b>Balance at 1 January 2021</b>	193,000,000	14,690,444	28,062,508	199,380	33,724,568	269,676,900
Net profit for the year	-	-	-	-	34,247,751	34,247,751
Appropriation to reserves	-	1,712,388	3,253,536	-	(4,965,924)	-
Profit distribution	-	-	-	-	(33,000,000)	(33,000,000)
Appropriation to bonus and welfare fund	-	-	-	-	(300,000)	(300,000)
<b>Balance at 31 December 2021</b>	193,000,000	16,402,832	31,316,044	199,380	29,706,395	270,624,651

Notes to the financial statements for the year ended 31 December 2021 (continued)

	Charter capital Equivalent VND million	Reserve to supplement contributed capital Equivalent VND million	Financial reserve Equivalent VND million	Investment and development fund Equivalent VND million	Retained profits Equivalent VND million	Foreign exchange difference Equivalent VND million	Total Equivalent VND million
<b>Balance at 1 January 2020</b>	<b>3,377,500</b>	<b>282,121</b>	<b>539,412</b>	<b>4,478</b>	<b>705,824</b>	<b>1,126,777</b>	<b>6,036,112</b>
Net profit for the year	-	-	-	-	906,999	-	906,999
Appropriation to reserves	-	45,350	86,165	-	(131,515)	-	-
Profit distribution	-	-	-	-	(695,256)	-	(695,256)
Appropriation to bonus and welfare fund	-	-	-	-	(6,481)	-	(6,481)
Foreign exchange difference	-	-	-	-	4,672	(17,858)	(13,186)
<b>Balance at 31 December 2020</b>	<b>3,377,500</b>	<b>327,471</b>	<b>625,577</b>	<b>4,478</b>	<b>784,243</b>	<b>1,108,919</b>	<b>6,228,188</b>
<b>Balance at 1 January 2021</b>	<b>3,377,500</b>	<b>327,471</b>	<b>625,577</b>	<b>4,478</b>	<b>784,243</b>	<b>1,108,919</b>	<b>6,228,188</b>
Net profit for the year	-	-	-	-	787,222	-	787,222
Appropriation to reserves	-	39,361	74,786	-	(114,147)	-	-
Profit distribution	-	-	-	-	(761,805)	-	(761,805)
Appropriation to bonus and welfare fund	-	-	-	-	(6,926)	-	(6,926)
Foreign exchange difference	-	-	-	-	-	(99,967)	(99,967)
<b>Balance at 31 December 2021</b>	<b>3,377,500</b>	<b>366,832</b>	<b>700,363</b>	<b>4,478</b>	<b>688,587</b>	<b>1,008,952</b>	<b>6,146,712</b>

## 20. Net interest income and similar income

	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
<b>Interest and similar income</b>				
▪ Interest income from loans	109,034,747	117,723,916	2,500,822	2,736,354
▪ Interest income from deposits	1,200,776	1,026,379	27,544	23,894
▪ Interest income from investment	26,742,478	27,212,055	613,206	632,241
▪ Income from guarantee services	380,467	555,178	8,726	12,903
	137,358,468	146,517,528	3,150,298	3,405,392
<b>Interest and similar expenses</b>				
▪ Interest expense on deposits	68,574,714	72,667,198	1,573,268	1,689,085
▪ Interest expense on borrowings	31,023	4,704,466	709	109,511
▪ Interest expense on valuable papers issued	7,512,629	8,513,141	172,675	197,724
	76,118,366	85,884,805	1,746,652	1,996,320
<b>Net interest income</b>	61,240,102	60,632,723	1,403,646	1,409,072

## 21. Net fee and commission income

	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
<b>Fees and commission income from</b>				
▪ Settlement services	3,552,066	3,577,676	81,424	83,142
▪ Treasury services	92,847	90,536	2,129	2,105
▪ Other services	356,899	545,122	8,186	12,664
	4,001,812	4,213,334	91,739	97,911
<b>Fees and commission expense on</b>				
▪ Settlement services	(835,016)	(919,938)	(19,169)	(21,385)
▪ Treasury services	(164,808)	(149,630)	(3,781)	(3,478)
▪ Other services	(315,178)	(374,372)	(7,229)	(8,693)
	(1,315,002)	(1,443,940)	(30,179)	(33,556)
<b>Net fees and commission income</b>	2,686,810	2,769,394	61,560	64,355



## 22. Net gain/(loss) from trading of foreign currencies

	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
<b>Gains from trading of foreign currencies</b>				
▪ Gain from spot contracts	4,750,338	5,976,072	108,656	138,582
▪ Gain from currency derivatives	27,152	46,813	623	1,085
	4,777,490	6,022,885	109,279	139,667
<b>Losses from trading of foreign currencies</b>				
▪ Loss from spot contracts	(29,678)	(740,054)	(674)	(17,215)
▪ Loss from currency derivatives	(2,567,373)	(5,379,159)	(58,766)	(125,017)
	(2,597,051)	(6,119,213)	(59,440)	(142,232)
<b>Net gain/(loss) from trading of foreign currencies</b>	2,180,439	(96,328)	49,839	(2,565)

## 23. Net gain from trading of held-for-trading securities

	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
Gain from held-for-trading securities	7,136,499	13,058,439	163,515	303,565
Allowance made for diminution in value of held-for-trading securities (Note 7)	(259,477)	(102,494)	(5,928)	(2,380)
<b>Net gain from held-for-trading securities</b>	6,877,022	12,955,945	157,587	301,185

## 24. Net (loss)/gain from sales of investment securities

	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
Gain from sales of investment securities	-	268,392	-	6,249
Allowance made for diminution in value of investment securities (Note 10(i))	(143,240)	(65,664)	(3,293)	(1,600)
<b>Net (loss)/gain from sales of investment securities</b>	(143,240)	202,728	(3,293)	4,649

## 25. Net other income

	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
<b>Other income</b>				
▪ Collections of bad debts previously written-off	4,187,618	1,199,308	96,309	27,824
▪ Other income	286,400	376,771	6,585	8,763
	4,474,018	1,576,079	102,894	36,587
<b>Other expenses</b>				
▪ Other expenses	(33,531)	(34,237)	(764)	(800)
	(33,531)	(34,237)	(764)	(800)
<b>Net other income</b>	4,440,487	1,541,842	102,130	35,787

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## 26. Operating expenses

	2021	2020	2021	2020
	USD	USD	Equivalent VND million	Equivalent VND million
Tax and fees	27,691	262,326	636	6,091
Personnel expenses	16,917,408	15,539,119	387,890	361,109
In which:				
▪ Salary and allowances	7,484,838	7,116,498	171,673	165,308
▪ Bonus	5,076,855	4,455,115	116,379	103,591
▪ Other	4,355,715	3,967,506	99,838	92,210
Asset expenditure	4,283,070	5,088,119	98,474	118,323
In which:				
▪ Depreciation and amortisation	1,537,892	1,414,229	35,488	32,884
▪ Leasing assets	1,545,415	1,547,415	35,439	35,998
▪ Property insurance	58,227	55,844	1,340	1,302
▪ Maintenance and repair of assets	1,012,984	1,057,486	23,259	24,601
▪ Tools and instruments	128,552	175,473	2,948	4,081
Insurance for deposits from customers	646,283	593,307	14,840	13,798
Publication, marketing and promotion expenses	713,610	967,888	16,379	22,476
Expenses for electricity, water and sanitation	423,634	474,771	9,721	11,041
Media expenses	317,933	307,609	7,291	7,154
Office supplies expenses	77,217	93,608	1,771	2,176
Non-deductible value added tax	245,539	239,233	5,624	5,549
Gasoline expenses	69,831	87,140	1,602	2,025
Travelling expenses	89,892	138,214	2,067	3,209
Expenses for research and application of science and technology, initiatives and improvements	-	861	-	20
Allowance for other assets	-	1,926,720	-	44,498
Other expenses	890,005	837,672	20,138	19,469
	24,702,113	25,718,915	566,433	597,469

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## 27. Allowance expenses for credit losses

	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
General allowance made for loans and advances to customers (Note 9)	398,070	860,855	9,228	20,124
Specific allowance made for loans and advances to customers (Note 9)	9,037,882	2,452,854	205,992	57,410
	9,435,952	3,313,709	215,220	77,534

## 28. Corporate income tax

### (a) Recognised in the statement of income

	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
Current tax expense	8,358,759	9,984,846	190,396	230,600
Deferred tax expense	537,045	(5,154)	12,198	(119)
Corporate income tax expense	8,895,804	9,979,692	202,594	230,481

### (b) Reconciliation of effective tax rate

	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
Profit before tax	43,143,555	48,973,679	989,816	1,137,480
Adjustments to:				
▪ Decrease in profit before tax	(15,432,375)	(12,935,896)	(358,872)	(297,479)
▪ Increase in profit before tax	11,240,516	13,475,376	258,013	312,999
Taxable profit	38,951,696	49,513,159	888,957	1,153,000
Corporate income tax expense during the year	7,790,339	9,902,632	177,791	230,600
Under provision in prior years	553,234	-	12,605	-
Foreign exchange difference	15,186	82,214	-	-
Corporate income tax expense during the year	8,358,759	9,984,846	190,396	230,600

(c) **Applicable tax rates**

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

**29. Obligations to the State Treasury**

	1/1/2021 USD	Incurred USD	Paid USD	Foreign exchange difference USD	31/12/2021 USD
Value added tax	48,763	385,994	(392,732)	(3,103)	38,922
Corporate income tax	2,521,862	8,343,573	(10,278,895)	15,186	601,726
Personal income tax	27,851	1,346,862	(1,302,838)	(15,385)	56,490
Withholding tax	13,798	36,738	(49,919)	(192)	425
Other taxes	-	1,585	(1,560)	(25)	-
	2,612,274	10,114,752	(12,025,944)	(3,519)	697,563

	1/1/2021 Equivalent VND million	Incurred Equivalent VND million	Paid Equivalent VND million	31/12/2021 Equivalent VND million
Value added tax	1,130	8,767	(9,013)	884
Corporate income tax	58,511	190,396	(235,240)	13,667
Personal income tax	652	30,591	(29,960)	1,283
Withholding tax	322	835	(1,147)	10
Other taxes	-	36	(36)	-
	60,615	230,625	(275,396)	15,844

### 30. Cash and cash equivalents

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
Cash on hand	9,150,291	8,390,747	207,831	193,784
Balances with the SBV	51,836,988	55,655,159	1,177,374	1,285,356
Deposits with other credit institutions with original term to maturity of not more than three months	81,104,658	58,099,019	1,842,130	1,341,797
	142,091,937	122,144,925	3,227,335	2,820,937

### 31. Employees' remuneration

	2021	2020	2021	2020
	USD	USD	Equivalent VND million	Equivalent VND million
Total number of employees	830	815	830	815
Employees' remuneration				
1. Salary	7,484,838	7,116,498	171,673	165,308
2. Bonus	5,076,855	4,455,115	116,379	103,591
3. Others	1,954,932	1,621,930	46,252	37,696
4. Total income (1+2+3)	14,516,625	13,193,543	334,304	306,595
Average salary/employee/month	751	728	17	17
Average income/employee/month	1,457	1,349	34	31



## 32. Mortgaged, pledged, discounted and rediscounted assets and valuable papers

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

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
Real estates	2,037,172,280	1,752,462,656	46,270,294	40,473,125
Machine and equipment	186,774,975	159,450,660	4,242,220	3,682,513
Inventories	47,279,664	17,648,106	1,073,863	407,583
Equity securities and valuable papers	252,123,498	278,358,260	5,726,481	6,428,684
Other assets	674,532,382	829,329,898	15,320,654	19,153,374
	3,197,882,799	3,037,249,580	72,633,512	70,145,279

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

	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	USD	USD	Equivalent VND million	Equivalent VND million
Available-for-sale investment securities				
▪ Government bonds	18,051,336	17,319,766	410,000	400,000

### 33. Contingent liabilities and commitments

	31/12/2021			31/12/2020		
	Contractual amount - gross USD	Margin deposits USD	Contractual amount - net USD	Contractual amount - gross USD	Margin deposits USD	Contractual amount - net USD
Loan guarantees	284,586	-	284,586	279,879	-	279,879
Foreign exchange commitments	518,189,319	-	518,189,319	361,574,323	-	361,574,323
<i>In which:</i>						
▪ Purchase commitments of foreign currencies	589,391	-	589,391	3,003,247	-	3,003,247
▪ Sale commitments of foreign currencies	587,468	-	587,468	3,000,000	-	3,000,000
▪ Commitments on currency swap transactions	517,012,460	-	517,012,460	355,571,076	-	355,571,076
Letter of credit	35,909,581	(352,653)	35,556,928	34,683,582	(555,739)	34,127,843
Other guarantees	46,402,325	(228,334)	46,173,991	46,473,654	(322,810)	46,150,844

	31/12/2021			31/12/2020		
	Contractual amount - gross Equivalent VND million	Margin deposits Equivalent VND million	Contractual amount - net Equivalent VND million	Contractual amount - gross Equivalent VND million	Margin deposits Equivalent VND million	Contractual amount - net Equivalent VND million
Loan guarantees	6,464	-	6,464	6,464	-	6,464
Foreign exchange commitments	11,769,634	-	11,769,634	8,350,559	-	8,350,559
<i>In which:</i>						
▪ Purchase commitments of foreign currencies	13,387	-	13,387	69,360	-	69,360
▪ Sale commitments of foreign currencies	13,343	-	13,343	69,285	-	69,285
▪ Commitments on currency swap transactions	11,742,904	-	11,742,904	8,211,914	-	8,211,914
Irrevocable loan commitments	-	-	-	558	-	558
Letter of credit	815,614	(8,009)	807,605	801,018	(12,835)	788,183
Other guarantees	1,053,936	(5,186)	1,048,750	1,073,309	(7,455)	1,065,854

### 34. Significant transactions with related parties

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

Transaction during the year	2021 USD	2020 USD	2021 Equivalent VND million	2020 Equivalent VND million
<b>Joint Stock Commercial Bank for Industry and Trade of Vietnam – Head Office</b>				
Deposits with other credit institutions	1,949,328	18,112,639	44,275	418,312
Deposits from other credit institutions	21,244	20,871	483	482
Profit distribution	16,500,000	14,750,000	380,903	347,628
Interest expense	21	341,766	1	7,942
Interest income	910,816	1,229,987	20,687	28,584
Fee income	-	1,055	-	25
Fee expenses	172,106	240,033	3,912	5,578
Investment in bonds	13,208,295	12,989,825	300,000	300,000
Derivative financial instruments expenses	91,958	1,032,455	2,089	23,993
<b>Cathay United Bank</b>				
Deposits with other credit institutions	1,688,512	124,467	38,351	2,875
Deposits from other credit institutions	41,488	44,647	942	1,031
Profit distribution	16,500,000	14,750,000	380,903	347,628
Interest expense	-	2,404,084	-	55,868
Fee income	58	14,690	1	341
<b>Cathay United Bank – Chu Lai Branch</b>				
Deposits from other credit institutions	1,362,605	706,718	30,949	16,322
Fee income	1,431	6,026	27	140
Interest expense	1,172	4,837	33	112
<b>Salary and allowances for Board of Management members</b>	390,933	241,627	8,950	5,580



Closing balance	31/12/2021	31/12/2020	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
	USD	USD		
<b>Joint Stock Commercial Bank for Industry and Trade of Vietnam – Head Office</b>				
Deposits with other credit institutions	21,242	17,336,120	482	400,378
Deposits from other credit institutions	21,244	20,871	483	482
Bonds	13,208,295	12,989,825	300,000	300,000
<b>Joint Stock Commercial Bank for Industry and Trade of Vietnam – Branch</b>				
Deposits with other credit institutions	1,928,086	776,519	43,793	17,934
<b>Cathay United Bank</b>				
Deposits with other credit institutions	1,688,512	124,467	38,351	2,875
Financial derivatives payable balance	-	89,255	-	2,061
<b>Cathay United Bank – Chu Lai Branch</b>				
Deposits from other credit institutions	1,362,605	706,718	30,949	16,322
<b>Cathay United Bank Representative Office</b>				
Deposits from other credit institutions	41,488	44,647	942	1,031

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

#### As at 31 December 2021

	Total loan balance USD	Total deposits USD	Credit commitments USD	Derivative financial instruments (Total contract value) USD	Trading and investment securities USD
Domestic	1,643,422,146	2,009,699,685	82,596,492	1,327,795	684,253,361
Overseas	18,865,727	-	2,660,950	-	-
	<b>1,662,287,873</b>	<b>2,009,699,685</b>	<b>85,257,442</b>	<b>1,327,795</b>	<b>684,253,361</b>

#### As at 31 December 2020

	Total loan balance USD	Total deposits USD	Credit commitments USD	Derivative financial instruments (Total contract value) USD	Trading and investment securities USD
Domestic	1,756,883,321	1,712,149,629	80,582,726	2,620,438	593,423,569
Overseas	6,762,103	178,535,924	-	-	-
	<b>1,763,645,424</b>	<b>1,890,685,553</b>	<b>80,582,726</b>	<b>2,620,438</b>	<b>593,423,569</b>

As at 31 December 2021

	Total loan balance Equivalent VND million	Total deposits Equivalent VND million	Credit commitments Equivalent VND million	Derivative financial instruments (Total contract value) Equivalent VND million	Trading and investment securities Equivalent VND million
Domestic	37,327,047	45,646,309	1,876,014	30,158	15,541,447
Overseas	428,497	60,438	-	-	-
	<b>37,755,544</b>	<b>45,706,747</b>	<b>1,876,014</b>	<b>30,158</b>	<b>15,541,447</b>

As at 31 December 2020

	Total loan balance Equivalent VND million	Total deposits Equivalent VND million	Credit commitments Equivalent VND million	Derivative financial instruments (Total contract value) Equivalent VND million	Trading and investment securities Equivalent VND million
Domestic	40,575,220	39,542,096	1,861,058	60,519	13,705,117
Overseas	156,171	4,123,287	-	-	-
	<b>40,731,391</b>	<b>43,665,383</b>	<b>1,861,058</b>	<b>60,519</b>	<b>13,705,117</b>



## 36. Financial risk management

### (a) Financial risk management

#### (i) Overview

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

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

#### (ii) Risk management framework

##### *Risk management structure*

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

##### *Member of Council*

The Member of Council determines the risk management policy and monitors the implementation of risk prevention measures by the Bank.

##### *Risk Management Committee*

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

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

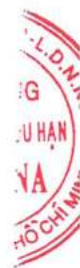
The Risk Management Committee reviews and evaluates the appropriateness and effectiveness of current processes, policies for risk management of the Bank in order to make recommendations on required changes in current processes, policies and operational strategies to the Board of Management.

##### *Supervisory Board*

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

##### *Internal Audit*

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



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#### *Risk measurement and reporting systems*

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

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

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

#### *Risk mitigation*

The Bank has actively used collaterals to minimise the credit risk.

#### *Risk concentration*

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

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

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

### **(b) Credit risk**

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



### **Credit risk management**

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

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

### **Collaterals**

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

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

### **Commitments and guarantees**

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

### **Credit risk concentration**

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



**(c) Market risks**

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

**(i) Interest rate risk**

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

*Analysis of assets and liabilities by interest repricing period*

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

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

- Cash on hand, gold; held-for-trading securities; derivatives and other financial assets; other assets (including fixed assets and other assets) and other liabilities are classified as non-interest-bearing items.
- Balances with the State Bank of Vietnam are considered as current, interest rate repricing term is therefore considered within one month.

The actual interest rate repricing term of debt securities is determined based on the actual maturity term of each type of securities at the reporting date.

- The actual interest rate repricing term of deposits with and loans to other credit institutions; loans and advances to customers; borrowings from the Government and the State Bank of Vietnam; deposits and borrowings from other credit institutions and deposits from customers is determined as follows:
  - Items which bear fixed interest rate for the entire contractual term: the actual interest rate repricing term is determined based on the remaining contractual term calculated from the reporting date.
  - Items which bear floating interest rate: the actual interest rate repricing term is determined based on the next interest rate repricing date subsequent to the reporting date.
- The actual interest rate repricing term of valuable papers issued is determined based on the remaining contractual term calculated from the reporting date.
- The actual interest rate repricing term of grants and entrusted funds is determined based on the next interest rate repricing date subsequent to the reporting date.
- The actual interest rate repricing term of other liabilities are classified as non-interest-bearing items.

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

Notes to the financial statements for the year ended 31 December 2021 (continued)

As at 31 December 2021

Assets	Overdue USD	Non-interest bearing USD	Up to 1 month USD	From 1 to 3 months USD	From over 3 to 6 months USD	From over 6 to 12 months USD	From over 1 to 5 years USD	Over 5 years USD	Total USD
Cash on hand	-	9,150,291	-	-	-	-	-	-	9,150,291
Balances with the SBV	-	-	51,836,988	-	-	-	-	-	51,836,988
Deposits with and loans to other credit institutions	-	30,692,999	37,239,324	31,185,262	43,999,058	23,994,354	-	-	167,110,997
Held-for-trading securities – gross	-	-	146,494,230	115,760,153	22,013,825	124,319,096	-	-	408,587,304
Loans and advances to customers – gross (*)	32,561,408	-	244,967,170	1,077,614,395	27,034,239	110,333,677	2,665,987	-	1,495,176,876
Investment securities – gross	-	-	8,805,935	-	44,023,996	63,400,140	81,526,620	77,909,366	275,666,057
Fixed assets	-	25,125,263	-	-	-	-	-	-	25,125,263
Other assets – gross	1,926,720	20,547,243	-	-	-	-	-	-	22,473,963
	<b>34,488,128</b>	<b>85,515,796</b>	<b>489,343,647</b>	<b>1,224,559,810</b>	<b>137,071,118</b>	<b>322,047,267</b>	<b>84,192,607</b>	<b>77,909,366</b>	<b>2,455,127,739</b>

Liabilities

Deposits and borrowings from other credit institutions	-	-	183,327,997	137,971,888	-	494,943	2,166,009	-	323,960,837
Deposits from customers	-	-	780,313,033	320,994,773	299,858,400	225,756,690	52,231,096	9,245,806	1,688,399,798
Derivatives and other financial liabilities	-	-	-	2,425,328	-	-	-	-	2,425,328
Valuable papers issued	-	-	1,307,621	12,156,034	15,792,718	9,399,903	44,366,662	-	83,022,938
Other liabilities	-	48,519,308	-	-	-	-	-	-	48,519,308

Interest sensitivity gap of balance sheet items

	-	48,519,308	964,948,651	473,548,023	315,651,118	235,651,536	98,763,767	9,245,806	2,146,328,209
Interest sensitivity gap on and off-balance sheet items	34,488,128	36,996,488	(475,605,004)	751,011,787	(178,580,000)	86,395,731	(14,571,160)	68,663,560	308,799,530

Interest sensitivity gap on and off-balance sheet items

	34,488,128	36,996,488	(475,605,004)	751,011,787	(178,580,000)	86,395,731	(14,571,160)	68,663,560	308,799,530
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(\*) Overdue debts are calculated on the basis of each repayment of each individual loan.



Notes to the financial statements for the year ended 31 December 2021 (continued)

As at 31 December 2020	Overdue USD	Non-interest bearing USD	Up to 1 month USD	From 1 to 3 months USD	From over 3 to 6 months USD	From over 6 to 12 months USD	From over 1 to 5 years USD	Over 5 years USD	Total USD
<b>Assets</b>									
Cash on hand	-	8,390,747	-	-	-	-	-	-	8,390,747
Balances with the SBV	-	-	55,655,159	-	-	-	-	-	55,655,159
Deposits with and loans to other credit institutions	-	19,129,545	30,309,591	35,979,649	57,556,039	42,226,889	-	-	185,201,713
Held-for-trading securities – gross	-	-	107,848,326	125,104,711	-	122,324,105	-	-	355,277,142
Loans and advances to customers – gross (*)	21,207,959	-	135,571,559	1,159,869,715	58,763,174	63,980,865	11,947,745	-	1,451,341,017
Investment securities – gross	-	-	-	4,329,942	7,683,401	12,900,418	133,251,957	79,980,709	238,146,427
Fixed assets	-	25,995,840	-	-	-	-	-	-	25,995,840
Other assets – gross	-	23,555,321	-	-	-	-	-	-	23,555,321
	<b>21,207,959</b>	<b>77,071,453</b>	<b>329,384,635</b>	<b>1,325,284,017</b>	<b>124,002,614</b>	<b>241,432,277</b>	<b>145,199,702</b>	<b>79,980,709</b>	<b>2,343,563,366</b>
<b>Liabilities</b>									
Deposits and borrowings from other credit institutions	-	-	85,102,666	-	25,333	139,378	3,943,149	-	89,210,526
Deposits from customers	-	-	664,815,915	122,905,670	323,399,774	337,005,777	259,152,348	9,092,877	1,716,372,361
Derivatives and other financial liabilities	-	-	-	2,498,741	-	-	-	-	2,498,741
Valuable papers issued	-	-	2,182,291	25,174,280	37,393,375	53,232,301	58,116,476	-	176,098,723
Other liabilities	-	61,369,905	-	-	-	-	-	-	61,369,905
	<b>-</b>	<b>61,369,905</b>	<b>752,100,872</b>	<b>150,578,691</b>	<b>360,818,482</b>	<b>390,377,456</b>	<b>321,211,973</b>	<b>9,092,877</b>	<b>2,045,550,256</b>
<b>Interest sensitivity gap of balance sheet items</b>	<b>21,207,959</b>	<b>15,701,548</b>	<b>(422,716,237)</b>	<b>1,174,705,326</b>	<b>(236,815,868)</b>	<b>(148,945,179)</b>	<b>(176,012,271)</b>	<b>70,887,832</b>	<b>298,013,110</b>
<b>Interest sensitivity gap on and off-balance sheet items</b>	<b>21,207,959</b>	<b>15,701,548</b>	<b>(422,716,237)</b>	<b>1,174,705,326</b>	<b>(236,815,868)</b>	<b>(148,945,179)</b>	<b>(176,012,271)</b>	<b>70,887,832</b>	<b>298,013,110</b>

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



Notes to the financial statements for the year ended 31 December 2021 (continued)

As at 31 December 2021

Assets	Overdue Equivalent VND million	Non-interest bearing Equivalent VND million	Up to 1 month Equivalent VND million	From 1 to 3 months Equivalent VND million	From over 3 to 6 months Equivalent VND million	From over 6 to 12 months Equivalent VND million	From over 1 to 5 years Equivalent VND million	Over 5 years Equivalent VND million	Total Equivalent VND million
Cash on hand	-	207,831	-	-	-	-	-	-	207,831
Balances with the SBV	-	-	1,177,374	-	-	-	-	-	1,177,374
Deposits with and loans to other credit institutions	-	697,130	845,817	708,311	999,351	544,983	-	-	3,795,592
Held-for-trading securities – gross	-	-	3,327,323	2,629,260	500,000	2,823,660	-	-	9,280,243
Loans and advances to customers – gross (*)	739,567	-	5,563,939	24,475,856	614,029	2,506,009	60,552	-	33,959,952
Investment securities – gross	-	-	200,009	-	999,917	1,440,007	1,851,715	1,769,555	6,261,203
Fixed assets	-	570,670	-	-	-	-	-	-	570,670
Other assets – gross	43,762	466,689	-	-	-	-	-	-	510,451
	<b>783,329</b>	<b>1,942,320</b>	<b>11,114,462</b>	<b>27,813,427</b>	<b>3,113,296</b>	<b>7,314,660</b>	<b>1,912,267</b>	<b>1,769,555</b>	<b>55,763,316</b>

Liabilities

Deposits and borrowings from other credit institutions	-	-	4,163,928	3,133,755	-	11,242	49,197	-	7,358,122
Deposits from customers	-	-	17,723,250	7,290,754	6,810,684	5,127,612	1,186,325	210,000	38,348,625
Derivatives and other financial liabilities	-	-	-	55,086	-	-	-	-	55,086
Valuable papers issued	-	-	29,700	276,100	358,700	213,500	1,007,700	-	1,885,700
Other liabilities	-	1,102,005	-	-	-	-	-	-	1,102,005
	<b>-</b>	<b>1,102,005</b>	<b>21,916,878</b>	<b>10,755,695</b>	<b>7,169,384</b>	<b>5,352,354</b>	<b>2,243,222</b>	<b>210,000</b>	<b>48,749,538</b>

Interest sensitivity gap of  
balance sheet items

	<b>783,329</b>	<b>840,315</b>	<b>(10,802,416)</b>	<b>17,057,732</b>	<b>(4,056,088)</b>	<b>1,962,306</b>	<b>(330,955)</b>	<b>1,559,555</b>	<b>7,013,778</b>
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Interest sensitivity gap on and  
off-balance sheet items

	<b>783,329</b>	<b>840,315</b>	<b>(10,802,416)</b>	<b>17,057,732</b>	<b>(4,056,088)</b>	<b>1,962,306</b>	<b>(330,955)</b>	<b>1,559,555</b>	<b>7,013,778</b>
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Notes to the financial statements for the year ended 31 December 2021 (continued)

As at 31 December 2020

	Overdue Equivalent VND million	Non-interest bearing Equivalent VND million	Up to 1 month Equivalent VND million	From 1 to 3 months Equivalent VND million	From over 3 to 6 months Equivalent VND million	From over 6 to 12 months Equivalent VND million	From over 1 to 5 years Equivalent VND million	Over 5 years Equivalent VND million	Total Equivalent VND million
<b>Assets</b>									
Cash on hand	-	193,784	-	-	-	-	-	-	193,784
Balances with the SBV	-	-	1,285,356	-	-	-	-	-	1,285,356
Deposits with and loans to other credit institutions	-	441,797	700,000	830,950	1,329,257	975,230	-	-	4,277,234
Held-for-trading securities – gross	-	-	2,490,757	2,889,293	-	2,825,076	-	-	8,205,126
Loans and advances to customers – gross (*)	489,798	-	3,131,025	26,787,191	1,357,136	1,477,638	275,933	-	33,518,721
Investment securities – gross	-	-	-	100,000	177,448	297,935	3,077,454	1,847,155	5,499,992
Fixed assets	-	600,374	-	-	-	-	-	-	600,374
Other assets – gross	-	544,009	-	-	-	-	-	-	544,009
	<b>489,798</b>	<b>1,779,964</b>	<b>7,607,138</b>	<b>30,607,434</b>	<b>2,863,841</b>	<b>5,575,879</b>	<b>3,353,387</b>	<b>1,847,155</b>	<b>54,124,596</b>

**Liabilities**

Deposits and borrowings from other credit institutions	-	-	1,965,446	-	585	3,219	91,067	-	2,060,317
Deposits from customers	-	-	15,353,924	2,838,506	7,468,918	7,783,148	5,985,123	210,001	39,639,620
Derivatives and other financial liabilities	-	-	-	57,708	-	-	-	-	57,708
Valuable papers issued	-	-	50,400	581,400	863,600	1,229,400	1,342,200	-	4,067,000
Other liabilities	-	1,417,338	-	-	-	-	-	-	1,417,338

**Interest sensitivity gap of  
balance sheet items**

	-	1,417,338	17,369,770	3,477,614	8,333,103	9,015,767	7,418,390	210,001	47,241,983
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**Interest sensitivity gap on and  
off-balance sheet items**

	489,798	362,626	(9,762,632)	27,129,820	(5,469,262)	(3,439,888)	(4,065,003)	1,637,154	6,882,613
	489,798	362,626	(9,762,632)	27,129,820	(5,469,262)	(3,439,888)	(4,065,003)	1,637,154	6,882,613



Notes to the financial statements for the year ended 31 December 2021 (continued)

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

As at 31 December 2021	Less than 1 month	From 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years
<b>Assets</b>						
Balances with the SBV						
▪ VND	0.5%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	0%	(*)	(*)	(*)	(*)	(*)
Deposits with and loans to other credit institutions						
▪ VND	2.7% - 3.8%	3.8% - 4.2%	4.8% - 4.9%	5%	(*)	(*)
▪ Foreign currencies	1.55%	1.17% - 1.46%	1.32% - 3.85%	1.43% - 2.9%	(*)	(*)
Loans and advances to customers						
▪ VND	(*)	2.2% - 5.5%	2.21% - 5.5%	2.46% - 3.7%	3.3%	(*)
▪ Foreign currencies	1.8% - 11.1%	3.2% - 11.7%	3.2% - 10.5%	3.2% - 10.8%	3.2% - 11.25%	(*)
Investment securities						
▪ VND	5.2%	(*)	5.0% - 8.8%	5.3% - 9.1%	5.4% - 10.75%	5.4% - 7.9%
<b>Liabilities</b>						
Deposits and borrowings from other credit institutions						
▪ VND	0.1% - 2.9%	1.9% - 3.0%	(*)	(*)	(*)	(*)
▪ Foreign currencies	0.2% - 0.35%	0.25% - 0.42%	(*)	0.4% - 0.61%	0.4% - 0.61%	(*)
Deposits from customers						
▪ VND	0.2% - 9.3%	0.2% - 8.9%	4% - 9.4%	4.1% - 9.4%	5.1% - 8.8%	6.57%
▪ Foreign currencies	0%	0%	0%	0%	0%	0%
Valuable papers issued						
▪ VND	2.9% - 7.4%	3.3% - 7.8%	4.1% - 7.8%	5.3% - 7.8%	5.5% - 7.8%	(*)

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



Notes to the financial statements for the year ended 31 December 2021 (continued)

As at 31 December 2020

**Assets**

Balances with the SBV						
▪ VND	0.5%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	0%	(*)	(*)	(*)	(*)	(*)
Deposits with and loans to other credit institutions						
▪ VND	0.5% - 2.6%					
▪ Foreign currencies	(*)	2.7% - 5%	4.3% - 4.5%	5.5%	(*)	(*)
Loans and advances to customers						
▪ VND	1.7% - 11.1%	4.0% - 12.45%	4% - 10.96%	4% - 11.1%	3% - 11.4%	(*)
▪ Foreign currencies	2.8%	2.21% - 6.7%	2.5% - 5.5%	2.8% - 4.6%	(*)	(*)
Investment securities						
▪ VND	(*)	7.5%	10.3%	8% - 8.5%	5.2% - 11%	5% - 7.9%

**Liabilities**

Borrowings the SBV						
▪ VND	(*)	(*)	(*)	(*)	(*)	(*)
Deposits and borrowings from other credit institutions						
▪ VND	0.1% - 0.6%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	0.15% - 0.25%	(*)	0.74%	0.74%	0.49% - 0.73%	(*)
Deposits from customers						
▪ VND	0.2% - 8.9%	2.5% - 8.9%	3% - 9.2%	4.3% - 9.3%	5.1% - 9.4%	6.57%
▪ Foreign currencies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Valuable papers issued						
▪ VND	2.5% - 7.5%	2.6% - 7.6%	4.4% - 7.6%	5.3% - 7.7%	5.3% - 7.8%	(*)

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



## Interest rate sensitivity analysis

The Bank has not performed the sensitivity analysis for interest rates at 31 December 2021 and 31 December 2020 because there are no specific guidelines and regulations of the State Bank of Vietnam and other relevant authorities.

### (ii) Currency risk

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

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

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

	Exchange rate as at	
	31/12/2021	31/12/2020
USD/VND	22,713	23,095
EUR/VND	25,871	28,424
GBP/VND	30,820	31,539
CHF/VND	24,959	26,240
JPY/VND	198,00	224,01
SGD/VND	16,867	17,474
CAD/VND	17,903	18,149
AUD/VND	16,651	18,006
HKD/VND	2,893	2,980

Notes to the financial statements for the year ended 31 December 2021 (continued)

As at 31 December 2021

Assets

	EUR USD	USD USD	VND USD	Other currencies USD	Total USD
Cash on hand	3,178	1,652,196	7,494,844	73	9,150,291
Balances with the SBV	-	12,200,322	39,636,666	-	51,836,988
Deposits with and loans to other credit institutions – gross	1,409,442	85,791,535	78,641,919	1,268,101	167,110,997
Held-for-trading securities – gross	-	-	408,587,304	-	408,587,304
Derivatives and other financial liabilities	-	291,755,906	33,755,906	-	325,511,812
Loans and advances to customers – gross	-	120,676,785	1,374,500,091	-	1,495,176,876
Investment securities – gross	-	-	275,666,057	-	275,666,057
Fixed assets	-	25,125,263	-	-	25,125,263
Other assets – gross	-	7,286,841	15,187,122	-	22,473,963

Total assets (1)

1,412,620 544,488,848 2,233,469,909 1,268,174 2,780,639,551

Liabilities and equity

Deposits and borrowings from other credit institutions  
Deposits from customers  
Derivatives and other financial liabilities  
Valuable papers issued  
Other liabilities

- 108,586,175 215,374,662 - 323,960,837  
1,193,987 145,186,009 1,541,722,007 297,795 1,688,399,798  
- 33,755,906 294,181,234 - 327,937,140  
- - 83,022,938 - 83,022,938  
- 4,559,928 43,958,863 517 48,519,308

Total liabilities and equity (2)

1,193,987 292,088,018 2,178,259,704 298,312 2,471,840,021

FX position on-balance sheet [(3)=(1)-(2)]

218,633 252,400,830 55,210,205 969,862 308,799,530



Notes to the financial statements for the year ended 31 December 2021 (continued)

As at 31 December 2020

Assets

	EUR USD	USD USD	VND USD	Other currencies USD	Total USD
Cash on hand	31,310	1,545,500	6,813,937	-	8,390,747
Balances with the SBV	-	13,972,877	41,682,282	-	55,655,159
Deposits with and loans to other credit institutions – gross	1,395,881	101,710,539	80,169,156	1,926,137	185,201,713
Held-for-trading securities – gross	-	-	355,277,142	-	355,277,142
Derivatives and other financial liabilities	-	195,342,673	101,333,933	-	296,676,606
Loans and advances to customers – gross	-	114,907,319	1,336,433,698	-	1,451,341,017
Investment securities – gross	-	-	238,146,427	-	238,146,427
Fixed assets	-	25,995,840	-	-	25,995,840
Other assets – gross	-	8,655,546	14,899,775	-	23,555,321

Total assets (1)

1,427,191	462,130,294	2,174,756,350	1,926,137	2,640,239,972
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Liabilities and equity

Deposits and borrowings from other credit institutions	-	32,647,413	56,563,113	-	89,210,526
Deposits from customers	894,926	146,203,246	1,568,104,880	1,169,309	1,716,372,361
Derivatives and other financial liabilities	-	17,842,687	281,332,660	-	299,175,347
Valuable papers issued	-	-	176,098,723	-	176,098,723
Other liabilities	-	9,673,200	51,696,178	527	61,369,905

Total liabilities and equity (2)

894,926	206,366,546	2,133,795,554	1,169,836	2,342,226,862
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FX position on-balance sheet [(3)-(1)-(2)]

532,265	255,763,748	40,960,796	756,301	298,013,110
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## As at 31 December 2021

Assets	EUR Equivalent VND million	USD Equivalent VND million	VND Equivalent VND million	Other currencies Equivalent VND million	Total Equivalent VND million
Cash on hand	72	37,527	170,230	2	207,831
Balances with the SBV	-	277,106	900,268	-	1,177,374
Deposits with and loans to other credit institutions – gross	32,013	1,948,583	1,786,194	28,802	3,795,592
Held-for-trading securities – gross	-	-	9,280,243	-	9,280,243
Derivatives and other financial liabilities	-	6,626,652	766,698	-	7,393,350
Loans and advances to customers – gross	-	2,740,931	31,219,021	-	33,959,952
Investment securities – gross	-	-	6,261,203	-	6,261,203
Fixed assets	-	570,670	-	-	570,670
Other assets – gross	-	165,506	344,945	-	510,451
<b>Total assets (1)</b>	<b>32,085</b>	<b>12,366,975</b>	<b>50,728,802</b>	<b>28,804</b>	<b>63,156,666</b>
<b>Liabilities and equity</b>					
Deposits and borrowings from other credit institutions	-	2,466,317	4,891,805	-	7,358,122
Deposits from customers	30,890	3,297,610	35,017,132	2,993	38,348,625
Derivatives and other financial liabilities	-	766,698	6,681,738	-	7,448,436
Valuable papers issued	-	-	1,885,700	-	1,885,700
Other liabilities	-	103,570	998,423	12	1,102,005
<b>Total liabilities and equity (2)</b>	<b>30,890</b>	<b>6,634,195</b>	<b>49,474,798</b>	<b>3,005</b>	<b>56,142,888</b>
<b>FX position on-balance sheet [(3)=(1)-(2)]</b>	<b>1,195</b>	<b>5,732,780</b>	<b>1,254,004</b>	<b>25,799</b>	<b>7,013,778</b>

Notes to the financial statements for the year ended 31 December 2021 (continued)

As at 31 December 2020

Assets	EUR Equivalent VND million	USD Equivalent VND million	VND Equivalent VND million	Other currencies Equivalent VND million	Total Equivalent VND million
Cash on hand	723	35,693	157,368	-	193,784
Balances with the SBV	-	322,704	962,652	-	1,285,356
Deposits with and loans to other credit institutions – gross	32,238	2,349,005	1,851,507	44,484	4,277,234
Held-for-trading securities – gross	-	-	8,205,126	-	8,205,126
Derivatives and other financial liabilities	-	4,511,440	2,340,307	-	6,851,747
Loans and advances to customers – gross	-	2,653,785	30,864,936	-	33,518,721
Investment securities – gross	-	-	5,499,992	-	5,499,992
Fixed assets	-	600,374	-	-	600,374
Other assets – gross	-	199,899	344,110	-	544,009
<b>Total assets (1)</b>	<b>32,961</b>	<b>10,672,900</b>	<b>50,225,998</b>	<b>44,484</b>	<b>60,976,343</b>
<b>Liabilities and equity</b>					
Deposits and borrowings from other credit institutions	-	753,992	1,306,325	-	2,060,317
Deposits from customers	20,668	3,376,564	36,215,382	27,006	39,639,620
Derivatives and other financial liabilities	-	412,077	6,497,378	-	6,909,455
Valuable papers issued	-	-	4,067,000	-	4,067,000
Other liabilities	-	223,403	1,193,923	12	1,417,338
<b>Total liabilities and equity (2)</b>	<b>20,668</b>	<b>4,766,036</b>	<b>49,280,008</b>	<b>27,018</b>	<b>54,093,730</b>
<b>FX position on-balance sheet [(3)=(1)-(2)]</b>	<b>12,293</b>	<b>5,906,864</b>	<b>945,990</b>	<b>17,466</b>	<b>6,882,613</b>



Below is a breakdown of the possible impact on the Bank's net profit after considering current levels of exchange rates and past volatility and market expectations at the end of the year. the end of the accounting year.

	Effect to net profit Increase/(decrease) USD	Effect to net profit Increase/(decrease) VND million
<b>As at 31 December 2021</b>		
USD (weakening by 2%)	(3,339,844)	(75,858)
EUR (weakening by 9%)	(15,710)	(86)
<b>As at 31 December 2020</b>		
USD (weakening by 1%)	(38,423)	(887)
EUR (strengthening by 13%)	147,003	1,267

**(iii) Equity price risk**

Equity price risk is the risk that the market value of securities decrease due to changes in the price of individual securities. Securities price risk arises from the Bank's listed trading capital securities.

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

As at 31 December 2021 and 31 December 2020, the Bank is not exposed to the equity price risk because the Bank does not hold any held-for-trading listed equity securities.

**(d) Liquidity risk**

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

*Management of liquidity risk*

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

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

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

*Analysis of the maturity of financial assets and financial liabilities*

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

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

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

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





Notes to the financial statements for the year ended 31 December 2021 (continued)

As at 31 December 2021

	Overdue		Current		From over 1 year to 5 years		Over 5 years		Total
	Overdue over 3 months	Overdue up to 3 months	Up to 1 month	From over 1 to 3 months	From over 3 months to 12 months	From over 1 year to 5 years	Over 5 years	USD	USD
<b>Assets</b>									
Cash on hand	-	-	9,150,291	-	-	-	-	-	9,150,291
Balances with the SBV	-	-	51,836,988	-	-	-	-	-	51,836,988
Deposits with and loans to other credit institutions – gross	-	-	67,932,323	31,185,262	67,993,412	-	-	-	167,110,997
Held-for-trading securities – gross	-	-	146,494,230	115,760,153	146,332,921	-	-	-	408,587,304
Loans and advances to customers – gross (*)	29,488,517	3,072,890	162,853,230	102,435,012	237,180,107	324,921,463	635,225,657	1,495,176,876	2,756,666,057
Investment securities – gross	-	-	8,805,934	-	107,424,137	81,526,620	77,909,366	25,125,263	25,125,263
Fixed assets	-	-	-	-	-	-	-	-	-
Other assets – gross	1,926,720	-	20,547,243	-	-	-	-	-	22,473,963
<b>Total assets (1)</b>	<b>31,415,237</b>	<b>3,072,890</b>	<b>467,620,239</b>	<b>249,380,427</b>	<b>558,930,577</b>	<b>406,448,083</b>	<b>738,260,286</b>	<b>2,455,127,739</b>	
<b>Liabilities</b>									
Deposits and borrowings from other credit institutions	-	-	183,327,997	137,971,890	494,943	2,166,007	-	-	323,960,837
Deposits from customers	-	-	780,313,031	320,994,773	525,615,091	52,231,097	9,245,806	1,688,399,798	2,425,328
Derivatives and other financial liabilities	-	-	11,341	1,713,880	700,107	-	-	-	83,022,938
Valuable papers issued	-	-	1,307,621	12,156,034	25,192,621	44,366,662	-	-	48,519,308
Other liabilities	-	-	48,519,308	-	-	-	-	-	-
<b>Total liabilities (2)</b>	<b>-</b>	<b>-</b>	<b>1,013,479,298</b>	<b>472,836,577</b>	<b>552,002,762</b>	<b>98,763,766</b>	<b>9,245,806</b>	<b>2,146,328,209</b>	
<b>Net liquidity gap [(3)=(1)-(2)]</b>	<b>31,415,237</b>	<b>3,072,890</b>	<b>(545,859,059)</b>	<b>(223,456,150)</b>	<b>6,927,815</b>	<b>307,684,317</b>	<b>729,014,480</b>	<b>308,799,530</b>	

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



As at 31 December 2020							
	Overdue		Current				Total USD
	Overdue over 3 months USD	Overdue up to 3 months USD	Up to 1 month USD	From over 1 to 3 months USD	From over 3 months to 12 months USD	From over 1 year to 5 years USD	
<b>Assets</b>							
Cash on hand	-	-	8,390,747	-	-	-	8,390,747
Balances with the SBV	-	-	55,655,159	-	-	-	55,655,159
Deposits with and loans to other credit institutions – gross	-	-	49,439,136	35,979,649	99,782,928	-	185,201,713
Held-for-trading securities – gross	-	-	107,848,326	125,104,711	122,324,105	-	355,277,142
Loans and advances to customers – gross (*)	8,010,284	13,197,675	99,902,899	83,368,932	273,576,169	311,377,543	1,451,341,017
Investment securities – gross	-	-	-	4,329,942	20,583,819	133,251,957	238,146,427
Fixed assets	-	-	-	-	-	-	25,995,840
Other assets – gross	-	-	23,555,321	-	-	-	23,555,321
<b>Total assets (1)</b>	<b>8,010,284</b>	<b>13,197,675</b>	<b>344,791,588</b>	<b>248,783,234</b>	<b>516,267,021</b>	<b>444,629,500</b>	<b>2,343,563,366</b>
<b>Liabilities</b>							
Deposits and borrowings from other credit institutions	-	-	85,102,666	-	164,711	3,943,149	89,210,526
Deposits from customers	-	-	776,248,342	223,299,863	613,600,427	94,130,851	1,716,372,361
Derivatives and other financial liabilities	-	-	-	2,498,741	-	-	2,498,741
Valuable papers issued	-	-	2,182,291	25,174,280	90,625,676	58,116,476	176,098,723
Other liabilities	-	-	61,369,905	-	-	-	61,369,905
<b>Total liabilities (2)</b>	<b>-</b>	<b>-</b>	<b>924,903,204</b>	<b>250,972,884</b>	<b>704,390,814</b>	<b>156,190,476</b>	<b>2,045,550,256</b>
<b>Net liquidity gap [(3)=(1)-(2)]</b>	<b>8,010,284</b>	<b>13,197,675</b>	<b>(580,111,616)</b>	<b>(2,189,650)</b>	<b>(188,123,793)</b>	<b>288,439,024</b>	<b>298,013,110</b>

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

Notes to the financial statements for the year ended 31 December 2021 (continued)

As at 31 December 2021		Overdue		Current			Total
		Overdue over 3 months VND million	Up to 1 month VND million	From over 1 to 3 months VND million	From over 3 months to 12 months VND million	From over 1 year to 5 years VND million	Total VND million
<b>Assets</b>							
Cash on hand	-	-	207,831	-	-	-	207,831
Balances with the SBV	-	-	1,177,374	-	-	-	1,177,374
Deposits with and loans to other credit institutions – gross	-	-	1,542,947	708,311	1,544,334	-	3,795,592
Held-for-trading securities – gross	-	-	3,327,323	2,629,260	3,323,660	-	9,280,243
Loans and advances to customers – gross (*)	669,773	69,794	3,698,886	2,326,606	5,387,072	7,379,941	33,959,952
Investment securities – gross	-	-	200,009	-	2,439,924	1,851,714	6,261,203
Fixed assets	-	-	-	-	-	-	570,670
Other assets – gross	43,762	-	466,689	-	-	-	510,451
<b>Total assets (1)</b>	<b>713,535</b>	<b>69,794</b>	<b>10,621,059</b>	<b>5,664,177</b>	<b>12,694,990</b>	<b>9,231,655</b>	<b>55,763,316</b>
<b>Liabilities</b>							
Borrowings from the SBV	-	-	-	-	-	-	-
Deposits and borrowings from other credit institutions	-	-	4,163,927	3,133,756	11,242	49,197	7,358,122
Deposits from customers	-	-	17,723,250	7,290,754	11,938,296	1,186,325	38,348,625
Derivatives and other financial liabilities	-	-	257	38,927	15,902	-	55,086
Valuable papers issued	-	-	29,700	276,100	572,200	1,007,700	1,885,700
Other liabilities	-	-	1,102,005	-	-	-	1,102,005
<b>Total liabilities (2)</b>	<b>-</b>	<b>-</b>	<b>23,019,139</b>	<b>10,739,537</b>	<b>12,537,640</b>	<b>2,243,222</b>	<b>48,749,538</b>
<b>Net liquidity gap [(3)=(1)-(2)]</b>	<b>713,535</b>	<b>69,794</b>	<b>(12,398,080)</b>	<b>(5,075,360)</b>	<b>157,350</b>	<b>6,988,433</b>	<b>7,013,778</b>

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

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As at 31 December 2020	Overdue		Current				Total	
	Overdue over 3 months VND million	Overdue up to 3 months VND million	Up to 1 month VND million	From over 1 to 3 months VND million	From over 3 months to 12 months VND million	From over 1 year to 5 years VND million	Over 5 years VND million	Total VND million
<b>Assets</b>								
Cash on hand	-	-	193,784	-	-	-	-	193,784
Balances with the SBV	-	-	1,285,356	-	-	-	-	1,285,356
Deposits with and loans to other credit institutions – gross	-	-	1,141,797	830,950	2,304,487	-	-	4,277,234
Held-for-trading securities – gross	-	-	2,490,757	2,889,293	2,825,075	-	-	8,205,126
Loans and advances to customers – gross (*)	184,998	304,800	2,307,257	1,925,405	6,318,242	7,191,264	15,286,754	33,518,721
Investment securities – gross	-	-	-	100,000	475,383	3,077,454	1,847,154	5,499,992
Fixed assets	-	-	-	-	-	-	600,374	600,374
Other assets – gross	-	-	544,009	-	-	-	-	544,009
<b>Total assets (1)</b>	<b>184,998</b>	<b>304,800</b>	<b>7,962,960</b>	<b>5,745,649</b>	<b>11,923,187</b>	<b>10,268,718</b>	<b>17,734,282</b>	<b>54,124,593</b>
<b>Liabilities</b>								
Deposits and borrowings from other credit institutions	-	-	1,965,446	-	3,804	91,067	-	2,060,317
Deposits from customers	-	-	17,927,455	5,157,110	14,171,102	2,173,952	210,000	39,639,620
Derivatives and other financial liabilities	-	-	-	57,708	-	-	-	57,708
Valuable papers issued	-	-	50,400	581,400	2,093,000	1,342,200	-	4,067,000
Other liabilities	-	-	1,417,338	-	-	-	-	1,417,338
<b>Total liabilities (2)</b>	<b>-</b>	<b>-</b>	<b>21,360,639</b>	<b>5,796,219</b>	<b>16,267,906</b>	<b>3,607,219</b>	<b>210,000</b>	<b>47,241,983</b>
<b>Net liquidity gap [(3)=(1)-(2)]</b>	<b>184,998</b>	<b>304,800</b>	<b>(13,397,679)</b>	<b>(50,570)</b>	<b>(4,344,719)</b>	<b>6,661,499</b>	<b>17,524,282</b>	<b>6,882,610</b>

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



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

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

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

	31/12/2021		31/12/2020	
	Carrying amount USD	Fair values USD	Carrying amount USD	Fair values USD
<b>Financial assets</b>				
<i>Categorised as financial assets at fair value through profit or loss:</i>				
- Held-for-trading securities	407,953,344	407,953,344	354,902,659	354,902,659
<i>Listed securities</i>				
<i>Unlisted securities</i>				
<i>Categorised as loans and receivables:</i>				
- Cash in hand, gold	9,150,291	9,150,291	8,390,747	8,390,747
- Balances with the SBV	51,836,988	51,836,988	55,655,159	55,655,159
- Deposits with and loans to other credit institutions	167,110,997	167,110,997	185,201,713	185,201,713
- Loans and advances to customers	1,460,285,831	(*)	1,425,885,924	(*)
- Receivables	1,625,151	(*)	1,216,957	(*)
- Accrued interest and fees receivable	12,933,139	(*)	14,695,405	(*)
<i>Categorised as available-for-sale financial assets:</i>				
- <i>Listed securities</i>	106,610,466	(*)	105,438,768	(*)
- <i>Unlisted securities</i>	72,645,946	(*)	55,312,754	(*)
<b>Financial liabilities</b>				
<i>Categorised as financial liabilities carried at amortised cost:</i>				
- Deposits and borrowings from other credit institutions	323,960,837	(*)	89,210,526	(*)
- Deposits from customers	1,688,399,798	(*)	1,716,372,361	(*)
- Derivatives and other financial liabilities	2,425,328	(*)	2,498,741	(*)
- Valuable papers issued	83,022,938	(*)	176,098,723	(*)
- Accrued interest and fees payable	31,939,239	(*)	36,271,368	(*)
- Other financial liabilities	11,947,000	(*)	25,098,537	(*)

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

	31/12/2021		31/12/2020	
	Carrying amount	Fair values	Carrying amount	Fair values
	VND million	VND million	VND million	VND million
<b>Financial assets</b>				
<i>Categorised as financial assets at fair value through profit or loss:</i>				
- Held-for-trading securities	9,265,844	9,265,844	8,196,477	8,196,477
<i>Categorised as loans and receivables:</i>				
- Cash in hand, gold	207,831	207,831	193,784	193,784
- Balances with the SBV	1,177,374	1,177,374	1,285,356	1,285,356
- Deposits with and loans to other credit institutions	3,795,592	3,795,592	4,277,234	4,277,234
- Loans and advances to customers	33,167,472	(*)	32,930,836	(*)
- Receivables	36,912	(*)	28,105	(*)
- Accrued interest and fees receivable	293,750	(*)	339,390	(*)
<i>Categorised as available-for-sale financial assets:</i>				
- Government bonds	2,421,444	(*)	2,435,109	(*)
- Bonds issued by other domestic credit institutions	1,650,007	(*)	1,277,448	(*)
- Bonds issued by domestic financial institutions	2,173,327	(*)	1,774,042	(*)
<b>Financial liabilities</b>				
<i>Categorised as financial liabilities carried at amortised cost:</i>				
- Deposits and borrowings from other credit institutions	7,358,122	(*)	2,060,317	(*)
- Deposits from customers	38,348,625	(*)	39,639,620	(*)
- Derivatives and other financial liabilities	55,086	(*)	57,708	(*)
- Valuable papers issued	1,885,700	(*)	4,067,000	(*)
- Accrued interest and fees payable	725,436	(*)	837,687	(*)
- Other financial liabilities	271,352	(*)	579,651	(*)

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

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### 37. Commitments

#### (a) Capital expenditure commitments

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

	31/12/2021 USD	31/12/2020 USD	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
Approved and contracted	48,241	217,403	1,096	5,021

#### (b) Lease commitments

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

	31/12/2021 USD	31/12/2020 USD	31/12/2021 Equivalent VND million	31/12/2020 Equivalent VND million
Within one year	1,370,742	1,485,631	31,446	34,311
Over one year to five years	3,111,289	2,920,784	71,376	67,456
More than five years	1,421,285	1,445,635	32,606	33,387
	5,903,316	5,852,050	135,428	135,154

### 38. Unusual items

In 2021, Covid-19 pandemic caused business disruption and adverse effects on people's lives in many countries. Due to the impact of Covid-19, the SBV has issued Circular No. 01/2020/TT-NHNN, Circular No. 03/2021/TT-NHNN, Circular No. 14/2021/TT-NHNN on rescheduling of debt repayment terms, waiver, reduction of interest and fees, maintaining the debt classifications in order to support customers affected by Covid-19 pandemic. The extent of the impact of the COVID-19 pandemic on the Bank's operational and financial performance will depend on future developments, including the duration and spread of the outbreak which are highly uncertain and unpredictable at the issuance date of these financial statements. While the Bank's Board of Management believes that the pandemic is likely to have a partial negative impact on the Bank's results of operations, the extent of the specific impact cannot be reliably estimated at the issuance date of these financial statements except for the additional specific allowance for loans in accordance with Circular 03.

15 March 2022

Prepared by



Ha Tung Lam  
Preparer

Reviewed by



Tran Le Thuy  
Chief Accountant

Approved by



Phạm Chun Hao  
General Director



