



Indovina Bank Limited
Financial Statements
for the year ended 31 December 2022



Indovina Bank Limited 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 29 October 1992.

Business Registration Certificate No.

0300733752

11 May 1993

The Business Registration Certificate has been amended several times, the most recent of which is the 20th dated 2 February 2021 and issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Members

Mr. Nguyen Anh Tuan
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
(from 27 August 2022)
Chairman
(until 9 May 2022)
Vice Chairman
Member
Member
Member
Member

Board of Executives

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

General Director
Deputy General Director
Deputy General Director
Deputy General Director
Deputy General Director

Registered Office

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

Auditor

KPMG Limited
Vietnam

Indovina Bank Limited Statement of the Board of Executives

The Board of Executives of Indovina Bank Limited ("the Bank") presents this statement and the accompanying financial statements of the Bank for the year ended 31 December 2022.

The Bank's Board of Executives 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 Executives is also responsible for preparing the financial statements translated into Vietnam Dong ("VND") in accordance with the basis of financial statements translation policy as described 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 5 to 84 give a true and fair view of the financial position of the Bank as at 31 December 2022, 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 translated into VND have been prepared in accordance with the basis of financial statements translation policy as described 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 Executives to believe that the Bank will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Executives



Lưu Chun Hao
General Director

Ho Chi Minh City, 15 March 2023



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84 (28) 3821 9266 | kpmg.com.vn

INDEPENDENT AUDITOR'S REPORT

To the Investors Indovina Bank Limited

We have audited the accompanying financial statements of Indovina Bank Limited ("the Bank"), which comprise the statement of financial position as at 31 December 2022, the statements of financial performance 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 2023, as set out on pages 5 to 84.

The Board of Executives' Responsibility

The Bank's Board of Executives 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 Executives 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 Executives, 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 Limited as at 31 December 2022 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 translated into VND in accordance with the law

As part of our audit of the financial statements, we have audited the translation 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 statements translation policy as described 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 statements translation policy as described in Note 3(a)(ii) to the financial statements.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 22-01-00307-23-1



Hà Vũ Đình

Practicing Auditor Registration
Certificate No. 0414-2023-007-1
Deputy General Director

Ho Chi Minh City, 15 March 2023

Tran Dinh Vinh
Practicing Auditor Registration
Certificate No. 0339-2023-007-1



	Note	31/12/2022 USD	31/12/2021 USD	31/12/2022 Equivalent VND million Note 3(a)(ii)	31/12/2021 Equivalent VND million Note 3(a)(ii)
A ASSETS					
I Cash	4	8,702,287	9,150,291	207,550	207,831
II Balances with the State Bank of Vietnam	5	90,082,029	51,836,988	2,148,456	1,177,374
III Deposits with and loans to other credit institutions	6	484,768,966	167,110,997	11,561,740	3,795,592
1 Deposits with other credit institutions		373,998,250	81,104,658	8,919,858	1,842,130
2 Loans to other credit institutions		110,770,716	86,006,339	2,641,882	1,953,462
IV Held-for-trading securities	7	286,394,514	407,953,344	6,830,509	9,265,844
1 Held-for-trading securities		286,551,747	408,587,304	6,834,259	9,280,243
2 Allowance for held-for-trading securities		(157,233)	(633,960)	(3,750)	(14,399)
VI Loans and advances to customers		1,320,291,279	1,460,285,831	31,488,947	33,167,472
1 Loans and advances to customers	8	1,348,062,721	1,495,176,876	32,151,296	33,959,952
2 Allowance for loans and advances to customers	9	(27,771,442)	(34,891,045)	(662,349)	(792,480)
VIII Investment securities	10	217,878,556	274,942,903	5,196,404	6,244,778
1 Available-for-sale investment securities		218,363,972	275,666,057	5,207,981	6,261,203
3 Allowance for investment securities		(485,416)	(723,154)	(11,577)	(16,425)
X Fixed assets		23,848,114	25,125,263	568,777	570,670
1 Tangible fixed assets	11	7,855,684	8,914,458	187,358	202,474
a Cost		23,190,290	24,229,268	553,088	550,319
b Accumulated depreciation		(15,334,606)	(15,314,810)	(365,730)	(347,845)
3 Intangible fixed assets	12	15,992,430	16,210,805	381,419	368,196
a Cost		19,339,412	19,323,380	461,245	438,892
b Accumulated amortisation		(3,346,982)	(3,112,575)	(79,826)	(70,696)
XII Other assets	13	25,255,954	20,547,243	602,355	466,689
1 Receivables		4,633,284	3,551,871	110,504	80,674
2 Accrued interest and fees receivable		16,471,757	12,933,139	392,851	293,750
3 Deferred tax assets		401,825	2,010,584	9,584	45,666
4 Other assets		5,675,808	3,978,369	135,368	90,361
5 Allowance for losses on other assets		(1,926,720)	(1,926,720)	(45,952)	(43,762)
TOTAL ASSETS		2,457,221,699	2,416,952,860	58,604,738	54,896,250

The accompanying notes are an integral part of these financial statements

	Note	31/12/2022 USD	31/12/2021 USD	31/12/2022 Equivalent VND million Note 3(a)(ii)	31/12/2021 Equivalent VND million Note 3(a)(ii)
B LIABILITIES AND EQUITY					
LIABILITIES					
II Deposits and borrowings from other credit institutions	14	534,128,743	323,960,837	12,738,971	7,358,122
1 Deposits from other credit institutions		503,517,923	321,299,885	12,008,903	7,297,684
2 Borrowings from other credit institutions		30,610,820	2,660,952	730,068	60,438
III Deposits from customers	15	1,511,185,797	1,688,399,798	36,041,781	38,348,625
IV Derivatives and other financial liabilities	16	7,131,655	2,425,328	170,090	55,086
VI Valuable papers issued	17	85,098,532	83,022,938	2,029,600	1,885,700
VII Other liabilities	18	42,683,762	48,519,308	1,018,008	1,102,005
1 Accrued interest and fees payable		28,962,136	31,939,239	690,747	725,436
3 Other liabilities		13,721,626	16,580,069	327,261	376,569
TOTAL LIABILITIES		2,180,228,489	2,146,328,209	51,998,450	48,749,538
EQUITY					
VIII Equity					
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		53,119,197	47,918,256	1,194,776	1,071,673
3 Foreign exchange differences		-	-	1,296,999	1,008,952
5 Retained profits		30,874,013	29,706,395	737,013	688,587
TOTAL EQUITY	19	276,993,210	270,624,651	6,606,288	6,146,712
TOTAL LIABILITIES AND EQUITY		2,457,221,699	2,416,952,860	58,604,738	54,896,250

	Note	31/12/2022 USD	31/12/2021 USD	31/12/2022 Equivalent VND million	31/12/2021 Equivalent VND million
OFF-BALANCE SHEET ITEMS					
1	Loan guarantee	271,019	284,586	6,464	6,464
2	Foreign exchange commitments	33(a) 681,937,945	518,189,319	16,264,220	11,769,634
	<i>In which:</i>				
	▪ Commitments on purchase of foreign currencies	-	589,391	-	13,387
	▪ Commitments on sales of foreign currencies	-	587,468	-	13,343
	▪ Commitments on currency swap transactions	681,937,945	517,012,460	16,264,220	11,742,904
4	Letters of credit	33(a) 12,347,832	35,556,928	294,496	807,605
5	Other guarantees	33(a) 42,111,980	46,173,991	1,004,371	1,048,750
7	Uncollected accrued interest and fees receivable	33(b) 50,050,220	43,577,041	1,193,698	989,765
8	Written-off bad debts	33(c) 79,961,692	53,379,953	1,907,086	1,212,419
9	Other assets and documents	33(d) 337,698,825	364,077,841	8,054,117	8,269,300

15 March 2023

Prepared by

Nguyen Phuong Nam
Preparer

Reviewed by

Tran Le Thuy
Chief Accountant

Approved by

Luu Chun Hao
General Director

	Note	2022 USD	2021 USD	2022 Equivalent VND million Note 3(a)(ii)	2021 Equivalent VND million Note 3(a)(ii)
1 Interest and similar income		143,887,225	137,358,468	3,380,057	3,150,298
2 Interest and similar expenses		(71,020,627)	(76,118,366)	(1,663,507)	(1,746,652)
I Net interest and similar income	20	72,866,598	61,240,102	1,716,550	1,403,646
3 Fees and commission income		4,073,540	4,001,812	95,595	91,739
4 Fees and commission expenses		(1,389,663)	(1,315,002)	(32,525)	(30,179)
II Net fees and commission income	21	2,683,877	2,686,810	63,070	61,560
III Net (loss)/gain from trading of foreign currencies	22	(2,377,529)	2,180,439	(57,250)	49,839
IV Net gain from trading of held-for-trading securities	23	9,283,776	6,877,022	217,078	157,587
V Net gain/(loss) from sales of investment securities	24	237,738	(143,240)	6,447	(3,293)
5 Other income		3,346,248	4,474,018	79,480	102,894
6 Other expenses		(80,319)	(33,531)	(1,900)	(764)
VI Net other income	25	3,265,929	4,440,487	77,580	102,130
VIII Operating expenses	26	(23,650,099)	(24,702,113)	(554,121)	(566,433)
IX Net operating profit before allowance expenses for credit losses		62,310,290	52,579,507	1,469,354	1,205,036
X Allowance expenses for credit losses	27	(17,193,407)	(9,435,952)	(400,622)	(215,220)
XI Profit before tax (carried forward to the next page)		45,116,883	43,143,555	1,068,732	989,816

	Note	2022 USD	2021 USD	2022 Equivalent VND million Note 3(a)(ii)	2021 Equivalent VND million Note 3(a)(ii)
XI Profit before tax (brought forward from the previous page)		45,116,883	43,143,555	1,068,732	989,816
7 Corporate income tax expense – current	28	(7,639,565)	(8,358,759)	(182,204)	(190,396)
8 Corporate income tax expense – deferred	28	(1,608,759)	(537,045)	(37,543)	(12,198)
XIII Profit after tax		35,868,559	34,247,751	848,985	787,222

15 March 2023

Prepared by



Nguyen Phuong Nam
Preparer

Reviewed by



Tran Le Thuy
Chief Accountant

Approved by



Dieu Chun Hao
General Director

	2022	2021	2022	2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
CASH FLOWS FROM OPERATING ACTIVITIES				
01 Interest and similar income received	140,348,607	139,120,734	3,280,956	3,191,569
02 Interest and similar expenses paid	(73,997,730)	(80,450,495)	(1,698,196)	(1,845,615)
03 Net fees and commission income received	2,683,877	2,686,810	63,070	61,638
04 Net receipts from foreign currencies, gold and securities trading activities	6,429,520	9,316,938	148,783	213,740
05 Other income	321,554	252,869	7,589	5,801
06 Collections of bad debts previously written-off	2,978,153	4,187,618	70,792	96,068
07 Salaries and operating expenses paid	(22,063,847)	(23,359,284)	(512,701)	(535,885)
08 Corporate income tax paid	(9,457,557)	(10,278,895)	(219,660)	(235,808)
Cash flows from operating activities before changes in operating assets and liabilities	47,242,577	41,476,295	1,140,633	951,508
Changes in operating assets				
09 (Increase)/decrease in deposits with and loans to other credit institutions	(24,764,377)	41,096,355	(688,420)	942,791
10 Decrease/(increase) in held-for-trading securities	179,337,642	(90,829,792)	3,499,206	(2,083,726)
12 Decrease/(increase) in loans and advances to customers	147,114,155	(43,835,859)	1,808,656	(1,005,638)
13 Utilisation of allowances for credit losses	(24,313,010)	-	(575,818)	-
14 Increase in other operating assets	(1,808,046)	(983,936)	(51,652)	(22,572)
Changes in operating liabilities				
16 Increase in deposits and borrowings from other credit institutions	210,167,906	234,750,311	5,380,849	5,385,407
17 Decrease in deposits from customers	(177,214,001)	(27,972,563)	(2,306,844)	(641,719)
18 Increase/(decrease) in valuable papers issued	2,075,594	(93,075,785)	143,900	(2,135,252)
20 Increase/(decrease) in derivatives and other financial liabilities	4,706,327	(73,413)	115,004	(1,684)
21 Decrease in other operating liabilities	(2,689,552)	(6,898,332)	(54,898)	(158,255)
I NET CASH FLOWS FROM OPERATING ACTIVITIES	359,855,215	53,653,281	8,410,616	1,230,860

The accompanying notes are an integral part of these financial statements

	2022	2021	2022	2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
CASH FLOWS FROM INVESTING ACTIVITIES				
01 Payments for purchases of fixed assets	(167,382)	(734,058)	(3,963)	(16,840)
02 Proceeds from disposals of fixed assets	2,796	27,789	72	637
II NET CASH FLOWS FROM INVESTING ACTIVITIES	(164,586)	(706,269)	(3,891)	(16,203)
CASH FLOWS FROM FINANCING ACTIVITIES				
04 Payments of dividends	(29,000,000)	(33,000,000)	(665,985)	(761,805)
III NET CASH FLOWS FROM FINANCING ACTIVITIES	(29,000,000)	(33,000,000)	(665,985)	(761,805)
IV NET CASH FLOWS DURING THE YEAR	330,690,629	19,947,012	7,740,740	452,852
V CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	142,091,937	122,144,925	3,227,335	2,802,127
VI FOREIGN EXCHANGE TRANSLATION DIFFERENCE	-	-	307,789	(27,644)
VII CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 30)	472,782,566	142,091,937	11,275,864	3,227,335

15 March 2023

Prepared by



Nguyen Phuong Nam
Preparer

Reviewed by



Tran Le Thuy
Chief Accountant

Approved by



Liu 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 Limited ("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 No. 1525/QĐ-NHNN dated 25 June 2009 of the State Bank of Vietnam ("the SBV") extending to 40 years. According to Decision No. 158/QĐ-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 Limited, the State Bank of Vietnam has approved to change the operation period of the Bank to 99 years from 29 October 1992.

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 20th update dated 2 February 2021.

The Bank's main activities include mobilising and receiving short-term, medium-term and long-term deposits from 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 SBV; borrowings from the SBV in the form of refinancing according to the provisions of the Law on the SBV and the guidance of the SBV; 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 SBV; provide settlement services to customers; and other banking services as approved by the SBV.

(b) Charter capital

As at 31 December 2022, the Bank's charter capital is USD193,000,000 (31/12/2021: 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 2022, the Bank has one (1) head office, fifteen (15) branches and nineteen (19) transaction offices across the country (31/12/2021: one (1) head office, fourteen (14) branches and eighteen (18) transaction across the country).

(d) Number of employees

As at 31 December 2022, the Bank had 824 employees (31/12/2021: 830 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 Vietnamese 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 statements translation policy as described 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.

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 translated to USD at the average of buying and selling spot exchange rate ("spot exchange rate") at the time of the transaction. Non-monetary items denominated in currencies other than USD are translated into USD at the Bank's spot exchange rate at the transaction date.

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 arising from revaluation of assets and liabilities denominated in currencies other than USD to USD at the monthly reporting date are recognised in "Foreign exchange differences" account in equity on the statement of financial position and recognised in the statement of financial performance at the end of the annual accounting period.

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 reporting 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 Vietnamese authorities, the Bank's USD financial statements are translated into VND, rounded to the nearest million ("VND million"), using the following translation principals:

- Assets and liabilities are translated into VND at the average of the account transfer buying and selling spot exchange rate ("spot exchange rate") as at the last working day of the annual accounting period if the difference between this spot exchange rate and the weighted average of the buying and selling exchange rates of the last working day of the annual accounting period is less than 1%. In the event that the spot exchange rate differs by 1% or more from the weighted average of the buying and selling spot exchange rates of the last working day of the annual accounting period, the Bank uses the weighted average of the buying and selling spot exchange rates of the last working day of the annual accounting period for the translation.
- Contributed capital is translated into VND at the spot exchange rate at the date of capital contribution.
- Retained profits and reserves are translated into VND using line items on statement of financial performance.
- Items in the statement of financial performance 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 annual accounting period is approximately the same as the spot exchange rate at the time of transaction (the difference does not exceed 3%), the Bank uses the average exchange rate of the annual accounting period.
- Foreign exchange differences arising from the translation of financial statements from the accounting currency (USD) to the reporting currency (VND) are presented in "Foreign exchange differences" account in Equity.
- Comparative information is translated to VND according to the translation principles 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 and loans to other credit institutions are stated at cost less specific allowance for credit losses.

Demand deposits with other credit institutions are stated at cost.

The classification of credit risk for term deposits with and loans to other credit institutions and allowance calculation thereof are made in accordance with Circular No. 11/2021/TT-NHNN issued by the SBV dated 30 July 2021 ("Circular 11") regulating the classification of assets, credit loss allowance level, allowance calculation method and utilisation of allowance to manage risk in operations of credit institutions and foreign banks' branches. Accordingly, the Bank has classified and made specific allowance for credit losses on term deposits with and loans to other credit institutions in accordance with the accounting policy as described in Note 3(g).

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.

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 annual accounting period. In case there is no transaction within 10 days up to the end of the annual accounting period, the Bank does not make allowance for these securities.

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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 financial performance 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 financial performance 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 statement of financial position and then transferred to the statement of financial performance 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.

Loans and advances to customers are stated at the amount of outstanding principal less allowance for credit losses.

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**

Classification of term deposits with and loans to other credit institutions, foreign bank branches, 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 with Circular 11. Accordingly, the Bank carries out monthly debt classification based on the outstanding principals of debts at the last day of the month. The Bank carries out debt classification in accordance with the quantitative method as follows:

Group		Overdue status
1	Current debts	(a) Current debts being assessed as fully and timely recoverable, both principal and interest; or (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.
2	Special mentioned debts	(a) Debts being overdue between 10 days and 90 days; or (b) Debts having terms of repayment rescheduled for the first time which is undue.
3	Sub-standard debts	(a) Debts being overdue between 91 days and 180 days; or (b) Debts having terms of repayment extended for the first time which is undue; or (c) Debts having interest exempt or reduced because customers are not able to pay the interest according to the credit contract; or (d) Debts falling in one of the following cases not yet collected within 30 days since the issuance date of recovery decision: <ul style="list-style-type: none"> ▪ Debts having violated regulations specified in Points 1, 3, 4, 5, 6 of Article 126 of Laws on Credit Institutions; or ▪ Debts having violated regulations specified in Points 1, 2, 3, 4 of Article 127 of Laws on Credit Institutions; or ▪ Debts having violated regulations specified in Points 1, 2, 5 of Article 128 of Laws on Credit Institutions. (e) Debts in the collection process under inspection conclusions; or (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.
4	Doubtful debts	(a) Debts being overdue between 181 days and 360 days; or (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 (c) Debts having terms of repayment rescheduled for the second time which is undue; or (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 (e) Debts in the collection process under inspection conclusions but being overdue up to 60 days according to recovery term; or (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.

Group	Overdue status
5	<p>Loss debts</p> <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>

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

- Group 3 - Sub-standard debts: overdue 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 or more.

Where a customer owes more than one debt to the Bank and has any of its debts classified to a higher risk group of debts, 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.

Debt classification for debts with restructured repayment term, exemption or reduction of interest and fees to support customers affected by the Covid-19 pandemic

The Bank has applied Circular No. 14/2021/TT-NHNN dated 7 September 2021 ("Circular 14") and Circular No. 03/2021/TT-NHNN dated 2 April 2021 ("Circular 03") issued by the SBV amending and supplementing certain articles of Circular No. 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01") issued by the SBV 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, 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	Overdue status	Period in which overdue status arises	Classification principles
Before 23 January 2020	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	

In addition, the Bank determines and recognises 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	By 31 December 2021
At least 60% of the total required additional specific allowance	By 31 December 2022
100% of the total required additional specific allowance	By 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

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 outstanding principals of debts at the last day of each month less allowed value of collateral assets.

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

Debt group	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%

Value and maximum allowed ratio of collateral assets are determined in accordance with Circular 11 whereby each type of collateral assets has a certain maximum allowed rate for the purpose of calculating risk allowances.

General allowance for credit losses

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

(iii) Writing-off bad debts

Bad debts are debts classified as group 3, 4, 5.

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 financial performance 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

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

(i) Classification

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.

(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 financial performance 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 debt securities of unlisted corporates are stated at cost less allowance for credit losses in accordance with Circular 11 as described in Note 3(g).

Post-acquisition interest income of available-for-sale debt securities are recognised in the statement of financial performance 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.

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(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 financial performance 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 less amortisation. 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.

(l) Deposits and borrowings from other credit institutions

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

(m) Deposits from customers

Deposits from customers are stated at their cost.

(n) Valuable papers issued

Valuable papers issued are stated at their cost. Cost of valuable papers issued comprises proceeds from issuance net of costs directly attributable to the issuance.

(o) Other payables

Other payables are stated at their cost.

(p) 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. Before 2012, 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.

(q) Contributed capital

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

(r) 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.

(s) 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.

(t) Interest income

Interest income is recognised in the statement of financial performance on an accrual basis, except for interest income from debts classified in Group 2 to Group 5 (as described in Note 3(g)(i)) and restructured debts classified in Group 1 (Current debt) as a result of implementation of special ruling of the State authorities is recognised upon receipt. When a debt is classified in Group 2 to Group 5 as described in Note 3(g)(i), accrued interest receivable of these debts is derecognised and recorded as off-balance sheet items and is recognised in the statement of financial performance upon receipt.

When a debt is kept unchanged in Current debt group due to the implementation of special policies of the State, the interest receivable arising during the year is not accounted as income and the Bank shall monitor as the off-balance sheet item. Interest income on these debts is recognised in the statement of financial performance upon receipt.

(u) Interest expense

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

(v) 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 financial performance 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 financial performance when earned.

(w) Fees and commission expenses

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

(x) Operating lease payments

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

(y) 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.

(z) 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.

(aa) 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.

(bb) 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.

(cc) 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.

(dd) 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.

4. Cash

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Cash in VND	7,026,404	7,494,844	167,580	170,230
Cash in foreign currencies	1,675,883	1,655,447	39,970	37,601
	8,702,287	9,150,291	207,550	207,831

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	
	31/12/2022	31/12/2021
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%

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Current account and compulsory reserve				
▪ In VND	76,219,135	39,636,666	1,817,826	900,268
▪ In USD	13,862,894	12,200,322	330,630	277,106
	90,082,029	51,836,988	2,148,456	1,177,374

6. Deposits with and loans to other credit institutions

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Deposits with other credit institutions				
Demand deposit				
▪ In VND	7,833,218	4,587,412	186,822	104,194
▪ In foreign currencies	30,525,619	26,105,587	728,036	592,936
Term deposits				
▪ In VND	335,639,413	50,411,659	8,005,000	1,145,000
	373,998,250	81,104,658	8,919,858	1,842,130
Loans to other credit institutions				
▪ In VND	46,037,736	23,642,848	1,098,000	537,000
▪ In foreign currencies	64,732,980	62,363,491	1,543,882	1,416,462
	110,770,716	86,006,339	2,641,882	1,953,462
	484,768,966	167,110,997	11,561,740	3,795,592

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

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Current debts	446,410,129	136,417,998	10,646,882	3,098,462

7. Held-for-trading securities

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Debt securities				
▪ Government bonds	84,270,973	88,489,530	2,009,863	2,009,862
▪ Bonds issued by other local credit institutions	181,316,413	204,925,361	4,324,396	4,654,470
▪ Bonds issued by local economic entities	20,964,361	115,172,413	500,000	2,615,911
	286,551,747	408,587,304	6,834,259	9,280,243
Allowance for held-for-trading securities				
▪ General allowance for credit losses	(157,233)	(633,960)	(3,750)	(14,399)
	286,394,514	407,953,344	6,830,509	9,265,844

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

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Debt securities				
▪ Listed	84,270,973	119,133,933	2,009,863	2,705,889
▪ Unlisted	202,280,774	289,453,371	4,824,396	6,574,354
	286,551,747	408,587,304	6,834,259	9,280,243

Movement of general allowance for credit losses during the year was as follows:

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Opening balance	633,960	374,483	14,399	8,649
Allowance made during the year (Note 23)	(476,727)	259,477	(11,045)	5,928
Foreign exchange differences	-	-	396	(178)
Closing balance	157,233	633,960	3,750	14,399

8. Loans and advances to customers

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Loans to domestic economic entities and individuals	1,348,062,721	1,495,176,876	32,151,296	33,959,952

Loan portfolio by loan group was as follows:

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Current debts	1,175,906,621	1,462,615,469	28,045,373	33,220,385
Special mentioned debts	18,740,671	3,072,890	446,965	69,794
Sub-standard debts	3,857,358	337,878	91,998	7,674
Doubtful debts	35,668,344	6,552,350	850,690	148,824
Loss debts	113,889,727	22,598,289	2,716,270	513,275
	1,348,062,721	1,495,176,876	32,151,296	33,959,952

Loan portfolio by term was as follows:

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Short-term loans	408,975,092	503,195,527	9,754,056	11,429,080
Medium-term loans	256,951,277	262,251,800	6,128,288	5,956,525
Long-term loans	682,136,352	729,729,549	16,268,952	16,574,347
	1,348,062,721	1,495,176,876	32,151,296	33,959,952

Loan portfolio by business sector of customers was as follows:

	31/12/2022 USD	31/12/2021 USD	31/12/2022 Equivalent VND million Note 3(a)(ii)	31/12/2021 Equivalent VND million Note 3(a)(ii)
Real estate trading	71,613,378	317,211,029	1,707,979	7,204,814
Construction	291,248,783	266,959,408	6,946,283	6,063,449
Manufacturing and processing	221,462,550	266,211,761	5,281,882	6,046,468
Finance, banking and insurance	95,419,235	185,103,757	2,275,749	4,204,262
Accommodation and catering services	124,074,910	117,715,741	2,959,187	2,673,678
Electricity, gas, hot water, steam and air-conditioning	84,675,581	93,885,520	2,019,513	2,132,422
Wholesale and retail trade; repair of motor vehicles, motor cycles	177,257,317	87,670,072	4,227,587	1,991,250
Water supplying and garbage and sewage treatment and management	29,288,111	31,625,863	698,521	718,318
Employment activities in households, production of material products and services for household self-consumption	8,384,202	25,727,550	199,963	584,350
Transport, warehouse	20,165,991	21,572,947	480,959	489,986
Science and technology	108,148	2,378,909	2,579	54,032
Education and training	-	2,673,149	-	60,715
Mining	14,460,985	3,428,614	344,894	77,874
Agriculture, forestry and aquaculture	1,870,827	2,283,261	44,619	51,860
Health care and social work	17,163,698	477,077	409,354	10,836
Art, playing and recreation	749,324	678,760	17,871	15,417
Information and communications	96,436	-	2,300	-
Other service activities	190,023,245	69,573,458	4,532,056	1,580,221
	1,348,062,721	1,495,176,876	32,151,296	33,959,952

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

	31/12/2022 USD	31/12/2021 USD	31/12/2022 Equivalent VND million Note 3(a)(ii)	31/12/2021 Equivalent VND million Note 3(a)(ii)
In VND	1,228,031,411	1,374,500,091	29,288,549	31,219,021
In foreign currency	120,031,310	120,676,785	2,862,747	2,740,931
	1,348,062,721	1,495,176,876	32,151,296	33,959,952

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

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Other Joint stock companies	720,990,425	742,959,033	17,195,622	16,874,829
Limited liability companies	347,023,518	437,499,820	8,276,511	9,936,932
State-owned enterprises	69,865,920	92,155,542	1,666,302	2,093,129
Foreign invested companies	63,789,153	75,755,367	1,521,371	1,720,632
Individuals and household business	146,393,705	146,807,114	3,491,490	3,334,430
	1,348,062,721	1,495,176,876	32,151,296	33,959,952

9. Allowance for loans and advances to customers

Allowance for loans and advances to customers comprises of:

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
General allowance	9,256,292	11,044,006	220,763	250,843
Specific allowance	18,515,150	23,847,039	441,586	541,637
	27,771,442	34,891,045	662,349	792,480

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

	2022	2021	2022	2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Opening balance	11,044,006	10,645,936	250,843	245,868
Allowance (reverse)/made during the year (Note 27)	(1,787,714)	398,070	(42,308)	9,228
Foreign exchange difference	-	-	12,228	(4,253)
Closing balance	9,256,292	11,044,006	220,763	250,843

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

	2022 USD	2021 USD	2022 Equivalent VND million Note 3(a)(ii)	2021 Equivalent VND million Note 3(a)(ii)
Opening balance	23,847,039	14,809,157	541,637	342,017
Allowance made during the year (Note 27)	18,981,121	9,037,882	442,930	205,992
Allowance utilised during the year	(24,313,010)	-	(575,818)	-
Foreign exchange difference	-	-	32,837	(6,372)
Closing balance (*)	18,515,150	23,847,039	441,586	541,637

(*) Included in the specific allowance as at 31 December 2022 was USD11,457,322 (equivalent to VND273,257 million) of additional specific allowance to be made as required by Circular 03, corresponding to 93% of the total required additional specific allowance (31/12/2021: USD7,078,106 (equivalent to VND160,765 million) corresponding to 30% of the total required additional specific allowance) as described in Note 3(g).

10. Investment securities

	31/12/2022 USD	31/12/2021 USD	31/12/2022 Equivalent VND million Note 3(a)(ii)	31/12/2021 Equivalent VND million Note 3(a)(ii)
Available-for-sale investment securities				
<i>Debt securities</i>				
▪ Government bonds (*)	92,581,735	106,610,466	2,208,075	2,421,444
▪ Bonds issued by other local credit institutions	100,629,529	72,645,946	2,400,014	1,650,007
▪ Bonds issued by other local economic entities	25,152,708	96,409,645	599,892	2,189,752
	218,363,972	275,666,057	5,207,981	6,261,203
Allowance for available-for-sale investment securities				
▪ General allowance for credit losses (i)	(188,680)	(723,154)	(4,500)	(16,425)
▪ Specific allowance for credit losses (ii)	(296,736)	-	(7,077)	-
	(485,416)	(723,154)	(11,577)	(16,425)
	217,878,556	274,942,903	5,196,404	6,244,778

Investment securities categorised by debt group (excluding Government bonds) were as follows:

	31/12/2022	31/12/2021	31/12/2022 Equivalent VND million Note 3(a)(ii)	31/12/2021 Equivalent VND million Note 3(a)(ii)
	USD	USD		
Current debts	117,401,028	169,055,591	2,800,014	3,839,759
Special mentioned debts	8,381,209	-	199,892	-
	125,782,237	169,055,591	2,999,906	3,839,759

- (i) Included in the balance of Government Bonds as at 31 December 2022 are bonds with a total par value of USD17,190,776 (31/12/2021: USD18,051,336) pledged, custodied and deposited at the State Bank of Vietnam to conduct transactions on the open market (Note 32).

- (ii) Movements in general allowance for credit losses of investment securities during the year were as follows:

	2022	2021	2022 Equivalent VND million Note 3(a)(ii)	2021 Equivalent VND million Note 3(a)(ii)
	USD	USD		
Opening balance	723,154	579,914	16,425	13,393
Allowance (reverse)/made during the year (Note 24)	(534,474)	143,240	(13,524)	3,293
Foreign exchange difference	-	-	1,599	(261)
Closing balance	188,680	723,154	4,500	16,425

- (iii) Movements in specific allowance for credit losses of investment securities during the year were as follows:

	2022	2021	2022 Equivalent VND million Note 3(a)(ii)	2021 Equivalent VND million Note 3(a)(ii)
	USD	USD		
Opening balance	-	-	-	-
Allowance made during the year (Note 24)	296,736	-	7,077	-
Closing balance	296,736	-	7,077	-

11. Tangible fixed assets

	Office infrastructures USD	Office equipment USD	Motor vehicles USD	Total USD
Cost				
Opening balance	12,067,013	8,926,915	3,235,340	24,229,268
Additions	12,751	67,577	62,261	142,589
Transfer from construction in progress	26,642	-	-	26,642
Written off	(90,096)	(907,832)	-	(997,928)
Disposal	(146,815)	(35,119)	(28,347)	(210,281)
Closing balance	11,869,495	8,051,541	3,269,254	23,190,290
Accumulated depreciation				
Opening balance	5,774,823	7,288,684	2,251,303	15,314,810
Charge for the year	450,503	549,252	191,676	1,191,431
Written-off	(90,096)	(907,832)	-	(997,928)
Disposal	(110,241)	(35,119)	(28,347)	(173,707)
Closing balance	6,024,989	6,894,985	2,414,632	15,334,606
Net book value				
Opening balance	6,292,190	1,638,231	984,037	8,914,458
Closing balance	5,844,506	1,156,556	854,622	7,855,684

	Office infrastructures Equivalent VND million Note 3(a)(ii)	Office equipment Equivalent VND million Note 3(a)(ii)	Motor vehicles Equivalent VND million Note 3(a)(ii)	Total Equivalent VND million Note 3(a)(ii)
Cost				
Opening balance	274,078	202,757	73,484	550,319
Additions	304	1,595	1,479	3,378
Transfer from construction in progress	604	-	-	604
Written-off	(2,126)	(22,451)	-	(24,577)
Disposal	(3,491)	(869)	(663)	(5,023)
Foreign exchange difference	13,718	10,997	3,672	28,387
Closing balance	283,087	192,029	77,972	553,088
Accumulated depreciation				
Opening balance	131,165	165,547	51,133	347,845
Charge for the year	10,561	12,876	4,493	27,930
Written-off	(2,126)	(22,451)	-	(24,577)
Disposal	(2,618)	(869)	(663)	(4,150)
Foreign exchange difference	6,714	9,342	2,626	18,682
Closing balance	143,696	164,445	57,589	365,730
Net book value				
Opening balance	142,913	37,210	22,351	202,474
Closing balance	139,391	27,584	20,383	187,358

Other disclosure information of tangible fixed assets:

	31/12/2022 USD	31/12/2021 USD	31/12/2022 Equivalent VND million	31/12/2021 Equivalent VND million
Cost of tangible fixed assets which were fully depreciated but still in active use	9,299,649	9,085,722	221,797	206,364

12. Intangible fixed assets

	Land use rights USD	Software USD	Total USD
Cost			
Opening balance	15,298,737	4,024,643	19,323,380
Additions	-	24,793	24,793
Disposal	-	(8,761)	(8,761)
Closing balance	15,298,737	4,040,675	19,339,412
Accumulated amortisation			
Opening balance	321,878	2,790,697	3,112,575
Charge for the year	13,243	229,925	243,168
Disposal	-	(8,761)	(8,761)
Closing balance	335,121	3,011,861	3,346,982
Net book value			
Opening balance	14,976,859	1,233,946	16,210,805
Closing balance	14,963,616	1,028,814	15,992,430
	Land use rights Equivalent VND million Note 3(a)(ii)	Software Equivalent VND million Note 3(a)(ii)	Total Equivalent VND million Note 3(a)(ii)
Cost			
Opening balance	347,480	91,412	438,892
Additions	-	585	585
Disposal	-	(204)	(204)
Foreign exchange difference	17,395	4,577	21,972
Closing balance	364,875	96,370	461,245
Accumulated amortisation			
Opening balance	7,314	63,382	70,696
Charge for the year	311	5,393	5,704
Disposal	-	(204)	(204)
Foreign exchange difference	368	3,262	3,630
Closing balance	7,993	71,833	79,826
Net book value			
Opening balance	340,166	28,030	368,196
Closing balance	356,882	24,537	381,419

Other disclosure information of intangible fixed assets:

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Cost of intangible fixed assets which were fully amortised but still in active use	2,248,169	2,234,888	53,619	50,761

13. Other assets

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Receivables	4,633,284	3,551,871	110,504	80,674
▪ Short-term marginal deposit (i)	865,076	859,971	20,632	19,533
▪ Construction in progress	387,563	282,086	9,243	6,407
▪ Advances for business activities	234,703	274,189	5,598	6,228
▪ Receivables from the SBV related to the interest rate subsidy program	175,997	168,106	4,198	3,818
▪ Other receivables	45,777	40,799	1,092	926
▪ Corporate income tax receivable (Note 29)	997,448	-	23,789	-
▪ Other receivables are carried over from construction in progress (ii)	1,926,720	1,926,720	45,952	43,762
Accrued interest and fees receivable	16,471,757	12,933,139	392,851	293,750
Deferred tax assets	401,825	2,010,584	9,584	45,666
Other assets	5,675,808	3,978,369	135,368	90,361
▪ Prepaid expenses	1,350,949	1,490,906	32,220	33,863
▪ Tools and supplies	183,720	220,264	4,382	5,003
▪ Others	4,141,139	2,267,199	98,766	51,495
Allowance for other assets (ii)	(1,926,720)	(1,926,720)	(45,952)	(43,762)
	25,255,954	20,547,243	602,355	466,689

(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 1st and 2nd floor of Apex Tower Building at Lot HH3, Me 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. However, Cavico Vietnam Co., Ltd did not hand over the properties in accordance with the term specified in the contract. In 2020, the Bank filed a lawsuit against Cavico Vietnam Co., Ltd. to the People's Court of Hanoi. According to the Appeal No. 112/2020/KDTM-PT dated 16 July 2020 of the People's Court of Hanoi, Cavico Vietnam Co., Ltd is obliged to return to the Bank VND40,141 million and pay the amercement and compensation amounting to VND29,076 million.

At the reporting date, the Bank has not yet received any payment from Cavico Vietnam Co., Ltd, the Bank has assessed the recoverability and made allowance at the rate of 100% (31/12/2021: 100%) for the receivable mentioned above.

14. Deposits and borrowings from other credit institutions

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Demand deposits from other credit institutions				
▪ In VND	2,230,609	79,457	53,200	1,805
▪ In foreign currencies	3,767,398	1,425,223	89,853	32,370
Term deposits from other credit institutions				
▪ In VND	376,519,916	215,295,205	8,980,000	4,890,000
▪ In foreign currencies	121,000,000	104,500,000	2,885,850	2,373,509
	503,517,923	321,299,885	12,008,903	7,297,684
Borrowings from other credit institutions				
▪ In foreign currencies	30,610,820	2,660,952	730,068	60,438
	534,128,743	323,960,837	12,738,971	7,358,122

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

	31/12/2022	31/12/2021
In VND	3.15% - 14.00%	2.70% - 5.00%
In foreign currencies	2.90% - 5.20%	1.17% - 3.85%

15. Deposits from customers

	31/12/2022	31/12/2021	31/12/2022 Equivalent VND million Note 3(a)(ii)	31/12/2021 Equivalent VND million Note 3(a)(ii)
	USD	USD		
Demand deposits				
▪ In VND	284,957,690	319,365,337	6,796,241	7,253,745
▪ In USD	143,453,633	132,365,172	3,421,369	3,006,410
▪ In other foreign currencies	2,183,036	1,491,782	52,065	33,883
Term deposits				
▪ In VND	1,075,264,132	1,221,775,683	25,645,050	27,750,191
▪ In USD	4,839,334	12,820,837	115,418	291,200
Margin deposits				
▪ In VND	331,997	580,987	7,918	13,196
▪ In USD	155,975	-	3,720	-
	1,511,185,797	1,688,399,798	36,041,781	38,348,625

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

	31/12/2022	31/12/2021	31/12/2022 Equivalent VND million Note 3(a)(ii)	31/12/2021 Equivalent VND million Note 3(a)(ii)
	USD	USD		
Deposits from economic entities	1,121,346,349	1,225,655,089	26,744,110	27,838,304
- Foreign-invested enterprises	702,600,558	805,588,694	16,757,023	18,297,336
- Other limited liability companies	297,597,589	245,020,517	7,097,703	5,565,151
- Other joint stock companies	102,234,933	141,149,386	2,438,303	3,205,926
- State-owned companies	636,669	13,737,243	15,184	312,014
- One-member limited companies with 100% charter capital owned by the State	217,938	8,483,644	5,198	192,689
- Non-business administrative entities, party entities, unions and associations	5,949,239	5,787,611	141,889	131,454
- Limited company with 2 or more members with capital contribution of the State	6,452,507	3,092,238	153,892	70,234
- Joint stock companies partially owned by the State	5,223,287	1,820,719	124,575	41,354
- Household business	223,142	798,794	5,322	18,143
- Private enterprise	178,435	161,009	4,256	3,657
- Cooperatives and cooperative unions	32,029	15,234	764	346
- Partnerships	23	-	1	-
Deposits from individuals	357,016,770	428,943,557	8,514,850	9,742,595
Deposits from others	32,822,678	33,801,152	782,821	767,726
	1,511,185,797	1,688,399,798	36,041,781	38,348,625

16. Derivatives and other financial liabilities

As at 31 December 2022

	Total contract value (at foreign exchange rate at the contract date)		Total carrying value (at foreign exchange rate at reporting date)			
	USD	Equivalent VND million	Assets		Liabilities	
			USD	Equivalent VND million	USD	Equivalent VND million
Currency derivatives						
▪ Currency forward contracts	28,302,635	679,565	-	-	276,477	6,594
▪ Currency swap contracts	340,000,000	8,272,496	-	-	6,855,178	163,496
	368,302,635	8,952,061	-	-	7,131,655	170,090

As at 31 December 2021

	Total contract value (at foreign exchange rate at the contract date)		Total carrying value (at foreign exchange rate at reporting date)			
	USD	Equivalent VND million	Assets		Liabilities	
			USD	Equivalent VND million	USD	Equivalent VND million
Currency derivatives						
▪ Currency forward contracts	83,267,717	1,910,847	-	-	200,174	4,546
▪ Currency swap contracts	258,000,000	5,910,494	-	-	2,225,154	50,540
	341,267,717	7,821,341	-	-	2,425,328	55,086

17. Valuable papers issued

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Certificates of deposits				
▪ Less than 12 months (i)	14,645,702	24,769,956	349,300	562,600
▪ From 1 year to 5 years (ii)	70,452,830	58,252,982	1,680,300	1,323,100
	85,098,532	83,022,938	2,029,600	1,885,700

- (i) The balance represents short-term registered certificates of deposits issued for individuals and organisations, with par value from VND100 million, having original term to maturity from 1 month to 12 months, interest is paid at maturity date and bear interest rate ranging from 4.7% to 8.2% per annum (31/12/2021: interest rate ranging from 2.9% to 7.8% per annum).
- (ii) The balance represents long-term registered certificates of deposits issued for individuals and organisations, with par value from VND100 million, having original term to maturity from 12 to 36 months, interest is paid annually in arrear and bear interest rate ranging from 5.5% to 9.5% per annum (31/12/2021: interest rate ranging from 5.3% to 7.8% per annum).

18. Other liabilities

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Accrued interest and fees payable	28,962,136	31,939,239	690,747	725,436
Internal payables	3,818,136	3,666,483	91,063	83,277
Deferred income from guarantee services	230,038	240,394	5,486	5,460
Remittance payable	884,836	246,405	21,103	5,597
Cash held awaiting for settlement	8,143,698	11,410,753	194,227	259,172
Taxes payable to State Treasury (Note 29)	96,214	697,563	2,295	15,844
Other payables	46,309	49,449	1,105	1,109
Bonus and welfare fund	502,395	269,022	11,982	6,110
	42,683,762	48,519,308	1,018,008	1,102,005

19. Equity

Statement of changes in equity

	Charter capital USD	Supplement charter capital reserve USD	Financial reserve USD	Investment and development fund USD	Retained profits USD	Total USD
Balance at 1 January 2021	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)
Balance at 31 December 2021	193,000,000	16,402,832	31,316,044	199,380	29,706,395	270,624,651
Balance at 1 January 2022	193,000,000	16,402,832	31,316,044	199,380	29,706,395	270,624,651
Net profit for the year	-	-	-	-	35,868,559	35,868,559
Appropriation to reserves	-	1,793,428	3,407,513	-	(5,200,941)	-
Profit distribution	-	-	-	-	(29,000,000)	(29,000,000)
Appropriation to bonus and welfare fund	-	-	-	-	(500,000)	(500,000)
Balance at 31 December 2022	193,000,000	18,196,260	34,723,557	199,380	30,874,013	276,993,210

	Charter capital VND million Note 3(a)(ii)	Supplement charter capital reserve VND million Note 3(a)(ii)	Financial reserve VND million Note 3(a)(ii)	Investment and development fund VND million Note 3(a)(ii)	Retained profits VND million Note 3(a)(ii)	Foreign exchange differences VND million Note 3(a)(ii)	Total VND million Note 3(a)(ii)
Balance at 1 January 2021	3,377,500	327,471	625,577	4,478	784,243	1,108,919	6,228,188
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)
Balance at 31 December 2021	3,377,500	366,832	700,363	4,478	688,587	1,008,952	6,146,712
Balance at 1 January 2022	3,377,500	366,832	700,363	4,478	688,587	1,008,952	6,146,712
Net profit for the year	-	-	-	-	848,985	-	848,985
Appropriation to reserves	-	42,449	80,654	-	(123,103)	-	-
Profit distribution	-	-	-	-	(665,985)	-	(665,985)
Appropriation to bonus and welfare fund	-	-	-	-	(11,471)	-	(11,471)
Foreign exchange difference	-	-	-	-	-	288,047	288,047
Balance at 31 December 2022	3,377,500	409,281	781,017	4,478	737,013	1,296,999	6,606,288

20. Net interest income and similar income

	2022	2021	2022	2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Interest and similar income				
▪ Interest income from loans	114,249,488	109,034,747	2,684,505	2,500,822
▪ Interest income from deposits	2,945,772	1,200,776	69,679	27,544
▪ Interest income from investment	26,227,145	26,742,478	614,995	613,206
▪ Income from guarantee services	464,820	380,467	10,878	8,726
	143,887,225	137,358,468	3,380,057	3,150,298
Interest and similar expenses				
▪ Interest expense on deposits	(66,596,950)	(68,574,714)	(1,560,129)	(1,573,268)
▪ Interest expense on borrowings	(218,450)	(31,023)	(5,098)	(709)
▪ Interest expense on valuable papers issued	(4,205,227)	(7,512,629)	(98,280)	(172,675)
	(71,020,627)	(76,118,366)	(1,663,507)	(1,746,652)
Net interest income	72,866,598	61,240,102	1,716,550	1,403,646

21. Net fee and commission income

	2022	2021	2022	2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Fees and commission income from				
▪ Settlement services	3,486,847	3,552,066	81,863	81,424
▪ Treasury services	142,348	92,847	3,340	2,129
▪ Other services	444,345	356,899	10,392	8,186
	4,073,540	4,001,812	95,595	91,739
Fees and commission expense on				
▪ Settlement services	(870,824)	(835,016)	(20,387)	(19,169)
▪ Treasury services	(182,940)	(164,808)	(4,284)	(3,781)
▪ Other services	(335,899)	(315,178)	(7,854)	(7,229)
	(1,389,663)	(1,315,002)	(32,525)	(30,179)
Net fees and commission income	2,683,877	2,686,810	63,070	61,560

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

	2022	2021	2022	2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Gains from trading of foreign currencies				
▪ Gain from spot contracts	5,539,580	4,750,338	129,839	108,656
▪ Gain from currency derivatives	159,681	27,152	3,681	623
	5,699,261	4,777,490	133,520	109,279
Losses from trading of foreign currencies				
▪ Loss from spot contracts	(1,881,427)	(29,678)	(44,949)	(674)
▪ Loss from currency derivatives	(6,195,363)	(2,567,373)	(145,821)	(58,766)
	(8,076,790)	(2,597,051)	(190,770)	(59,440)
Net (loss)/gain from trading of foreign currencies	(2,377,529)	2,180,439	(57,250)	49,839

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

	2022	2021	2022	2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Gain from sales of held-for-trading securities	8,807,049	7,136,499	206,033	163,515
Allowance reversed/(made) for held-for-trading securities (Note 7)	476,727	(259,477)	11,045	(5,928)
Net gain from trading of held-for-trading securities	9,283,776	6,877,022	217,078	157,587

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

	2022 USD	2021 USD	2022 Equivalent VND million Note 3(a)(ii)	2021 Equivalent VND million Note 3(a)(ii)
General allowance reversed/(made) of investment securities (Note 10(ii))	534,474	(143,240)	13,524	(3,293)
Specific allowance made for investment securities (Note 10(iii))	(296,736)	-	(7,077)	-
Net gain/(loss) from sales of investment securities	237,738	(143,240)	6,447	(3,293)

25. Net other income

	2022 USD	2021 USD	2022 Equivalent VND million Note 3(a)(ii)	2021 Equivalent VND million Note 3(a)(ii)
Other income				
▪ Collections of bad debts previously written-off	2,978,153	4,187,618	70,792	96,309
▪ Other income	368,095	286,400	8,688	6,585
	3,346,248	4,474,018	79,480	102,894
Other expenses				
▪ Other expenses	(80,319)	(33,531)	(1,900)	(764)
Net other income	3,265,929	4,440,487	77,580	102,130

26. Operating expenses

	2022	2021	2022	2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Tax and fees	30,581	27,691	712	636
Personnel expenses	15,749,379	16,917,408	368,914	387,890
In which:				
▪ Salary and allowances	7,569,860	7,484,838	176,917	171,673
▪ Bonus	4,045,863	5,076,855	95,164	116,379
▪ Other	4,133,656	4,355,715	96,833	99,838
Asset expenditure	4,265,122	4,283,070	100,053	98,474
In which:				
▪ Depreciation and amortisation	1,434,599	1,537,892	33,634	35,488
▪ Leasing assets	1,690,966	1,545,415	39,665	35,439
▪ Property insurance	56,712	58,227	1,329	1,340
▪ Maintenance and repair of assets	962,118	1,012,984	22,592	23,259
▪ Tools and instruments	120,727	128,552	2,833	2,948
Insurance for deposits from customers	577,394	646,283	13,478	14,840
Publication, marketing and promotion expenses	710,001	713,610	16,626	16,379
Expenses for electricity, water and sanitation	389,777	423,634	9,151	9,721
Media expenses	315,679	317,933	7,395	7,291
Office supplies expenses	93,617	77,217	2,201	1,771
Non-deductible value added tax	223,296	245,539	5,259	5,624
Gasoline expenses	130,256	69,831	3,055	1,602
Travelling expenses	163,187	89,892	3,836	2,067
Other expenses	1,001,810	890,005	23,441	20,138
	23,650,099	24,702,113	554,121	566,433

27. Allowance expenses for credit losses

	2022	2021	2022	2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
General allowance for loans and advances to customers (Note 9)	(1,787,714)	398,070	(42,308)	9,228
Specific allowance for loans and advances to customers (Note 9)	18,981,121	9,037,882	442,930	205,992
	17,193,407	9,435,952	400,622	215,220

28. Corporate income tax

(a) Recognised in the statement of financial performance

	2022	2021	2022	2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Corporate income tax expense - current	7,639,565	8,358,759	182,204	190,396
Corporate income tax expense - deferred	1,608,759	537,045	37,543	12,198
Corporate income tax expense	9,248,324	8,895,804	219,747	202,594

(b) Reconciliation of effective tax rate

	2022	2021	2022	2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Profit before tax	45,116,883	43,143,555	1,068,732	989,816
Adjustments to:				
▪ Decrease in profit before tax	(10,052,918)	(15,432,375)	(230,800)	(358,872)
▪ Increase in profit before tax	3,104,692	11,240,516	73,087	258,013
Taxable profit	38,168,657	38,951,696	911,019	888,957
Corporate income tax expense for the year	7,633,731	7,790,339	182,204	177,791
Under provision in prior years	-	553,234	-	12,605
Foreign exchange difference	5,834	15,186	-	-
Corporate income tax expense for the year	7,639,565	8,358,759	182,204	190,396

(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

	1/1/2022 USD	Incurred USD	Paid USD	Foreign exchange difference USD	Reclassified to receivables USD	31/12/2022 USD
Value added tax	38,922	384,441	(393,536)	5,889	-	35,716
Corporate income tax	601,726	7,639,565	(9,457,557)	218,818	997,448	-
Personal income tax	56,490	950,165	(974,293)	26,518	-	56,880
Withholding tax	425	44,733	(44,515)	975	-	1,618
Other taxes	-	1,540	(1,540)	-	-	-
	697,563	9,020,444	(10,871,441)	252,200	997,448	96,214

	1/1/2022 Equivalent VND million Note 3(a)(ii)	Incurred Equivalent VND million Note 3(a)(ii)	Paid Equivalent VND million Note 3(a)(ii)	Reclassified to receivables Equivalent VND million Note 3(a)(ii)	31/12/2022 Equivalent VND million Note 3(a)(ii)
Value added tax	884	9,169	(9,201)	-	852
Corporate income tax	13,667	182,204	(219,660)	23,789	-
Personal income tax	1,283	22,661	(22,540)	-	1,404
Withholding tax	10	1,067	(1,038)	-	39
Other taxes	-	35	(35)	-	-
	15,844	215,136	(252,474)	23,789	2,295

30. Cash and cash equivalents

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Cash on hand	8,702,287	9,150,291	207,550	207,831
Balances with the SBV	90,082,029	51,836,988	2,148,456	1,177,374
Deposits with other credit institutions with original term to maturity of not more than three months	373,998,250	81,104,658	8,919,858	1,842,130
	472,782,566	142,091,937	11,275,864	3,227,335

31. Employees' remuneration

	2022	2021	2022	2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Total number of employees	817	830	817	830
Employees' remuneration				
1. Salary	7,569,860	7,484,838	176,917	171,673
2. Bonus	4,045,863	5,076,855	95,163	116,379
3. Others	2,695,885	1,954,932	63,131	46,252
4. Total income (1+2+3)	14,311,608	14,516,625	335,211	334,304
Average salary/employee/month	772	751	18	17
Average income/employee/month	1,460	1,457	34	34

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

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

	31/12/2022	31/12/2021	31/12/2022 Equivalent VND million Note 3(a)(ii)	31/12/2021 Equivalent VND million Note 3(a)(ii)
	USD	USD		
Real estates	2,045,561,455	2,037,172,280	48,786,641	46,270,294
Machine and equipment	206,202,097	186,774,975	4,917,920	4,242,220
Inventories	46,944,033	47,279,664	1,119,615	1,073,863
Equity securities and valuable papers	221,093,344	252,123,498	5,273,076	5,726,481
Other assets	678,104,171	674,532,382	16,172,785	15,320,654
	3,197,905,100	3,197,882,799	76,270,037	72,633,512

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

	31/12/2022	31/12/2021	31/12/2022 Equivalent VND million Note 3(a)(ii)	31/12/2021 Equivalent VND million Note 3(a)(ii)
	USD	USD		
Available-for-sale investment securities				
▪ Government bonds	17,190,776	18,051,336	410,000	410,000

33. Off-balance sheet items

(a) Contingent liabilities and commitments

	31/12/2022		31/12/2021		31/12/2021	
	Contractual amount - gross USD	Margin deposits USD	Contractual amount - net USD	Contractual amount - gross USD	Margin deposits USD	Contractual amount - net USD
Loan guarantees	271,019	-	271,019	284,586	-	284,586
Foreign exchange commitments	681,937,945	-	681,937,945	518,189,319	-	518,189,319
<i>In which:</i>						
▪ Commitments on purchase of foreign currencies	-	-	-	589,391	-	589,391
▪ Commitments on sales of foreign currencies	-	-	-	587,468	-	587,468
▪ Commitments on currency swap transactions	681,937,945	-	681,937,945	517,012,460	-	517,012,460
Letter of credit	12,603,583	(255,751)	12,347,832	35,909,581	(352,653)	35,556,928
Other guarantees	42,344,202	(232,222)	42,111,980	46,402,325	(228,334)	46,173,991

	31/12/2022		31/12/2021		31/12/2021	
	Contractual amount - gross Equivalent VND million Note 3(a)(ii)	Margin deposits Equivalent VND million Note 3(a)(ii)	Contractual amount - net Equivalent VND million Note 3(a)(ii)	Contractual amount - gross Equivalent VND million Note 3(a)(ii)	Margin deposits Equivalent VND million Note 3(a)(ii)	Contractual amount - net Equivalent VND million Note 3(a)(ii)
Loan guarantees	6,464	-	6,464	6,464	-	6,464
Foreign exchange commitments	16,264,220	-	16,264,220	11,769,634	-	11,769,634
<i>In which:</i>						
▪ Commitments on purchase of foreign currencies	-	-	-	13,387	-	13,387
▪ Commitments on sales of foreign currencies	-	-	-	13,343	-	13,343
▪ Commitments on currency swap transactions	16,264,220	-	16,264,220	11,742,904	-	11,742,904
Irrevocable loan commitments	-	-	-	-	-	-
Letter of credit	300,596	(6,100)	294,496	815,614	(8,009)	807,605
Other guarantees	1,009,909	(5,538)	1,004,371	1,053,936	(5,186)	1,048,750

(b) Uncollected accrued interest and fees receivable

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Uncollected accrued interest receivable from loan	49,730,516	43,577,041	1,186,073	989,765
Uncollected accrued interest receivable from securities	319,704	-	7,625	-
	50,050,220	43,577,041	1,193,698	989,765

(c) Written-off bad debts

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Principal of written-off bad debts under monitoring	56,841,809	36,516,782	1,355,677	829,406
Interest of written-off bad debts under monitoring	23,119,883	16,863,171	551,409	383,013
	79,961,692	53,379,953	1,907,086	1,212,419

(d) Other assets and documents

	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	USD	USD	Equivalent VND million Note 3(a)(ii)	Equivalent VND million Note 3(a)(ii)
Other valuable documents	337,698,825	364,077,841	8,054,117	8,269,300

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	2022 USD	2021 USD	2022 Equivalent VND million Note 3(a)(ii)	2021 Equivalent VND million Note 3(a)(ii)
Joint Stock Commercial Bank for Industry and Trade of Vietnam – Head Office				
Deposits with other credit institutions	5,534,256	1,949,328	131,992	44,275
Deposits from other credit institutions	41,948,972	21,244	1,000,483	483
Profit distribution	14,500,000	16,500,000	332,993	380,903
Interest expense	138,307	21	3,309	1
Interest income	821,172	910,816	19,194	20,687
Fee expenses	145,977	172,106	3,432	3,912
Investment in bonds	12,578,616	13,208,295	300,000	300,000
Derivative financial instruments expenses	1,315	91,958	30	2,089
Cathay United Bank				
Deposits with other credit institutions	1,375,365	1,688,512	32,802	38,351
Deposits from other credit institutions	14,820,108	41,488	353,460	942
Profit distribution	14,500,000	16,500,000	332,993	380,903
Interest expense	264,811	-	6,342	-
Fee income	4,650	58	111	1
Cathay United Bank – Chu Lai Branch				
Deposits from other credit institutions	12,377	1,362,605	295	30,949
Fee income	120	1,431	3	27
Interest expense	70	1,172	2	33
Salary and allowances for Board of Management members	609,839	641,918	14,199	14,684

Closing balance	31/12/2022	31/12/2021	31/12/2022 Equivalent VND million Note 3(a)(ii)	31/12/2021 Equivalent VND million Note 3(a)(ii)
	USD	USD		
Joint Stock Commercial Bank for Industry and Trade of Vietnam – Head Office				
Deposits with other credit institutions	20,249	21,242	483	482
Deposits from other credit institutions	20,251	21,244	483	483
Bonds	12,578,616	13,208,295	300,000	300,000
Joint Stock Commercial Bank for Industry and Trade of Vietnam – Branch				
Deposits with other credit institutions	5,514,007	1,928,086	131,509	43,793
Cathay United Bank				
Deposits with other credit institutions	1,375,365	1,688,512	32,802	38,351
Cathay United Bank – Chu Lai Branch				
Deposits from other credit institutions	12,377	1,362,605	295	30,949
Cathay United Bank Representative Office				
Deposits from other credit institutions	14,820,108	41,488	353,460	942



As at 31 December 2022

	Deposits with and loans to other credit institutions Equivalent VND million Note 3(a)(ii)	Loans and advances to customers Equivalent VND million Note 3(a)(ii)	Deposits and borrowings from other credit institutions Equivalent VND million Note 3(a)(ii)	Deposits from customers Equivalent VND million Note 3(a)(ii)	Credit commitments Equivalent VND million Note 3(a)(ii)	Derivative financial instruments (Total contract value) Equivalent VND million Note 3(a)(ii)	Trading and investment securities Equivalent VND million Note 3(a)(ii)
Domestic	11,030,921	32,151,296	12,008,380	36,041,781	1,316,969	8,952,061	12,042,240
Overseas	530,819	-	730,591	-	-	-	-
	11,561,740	32,151,296	12,738,971	36,041,781	1,316,969	8,952,061	12,042,240

As at 31 December 2021

	Deposits with and loans to other credit institutions Equivalent VND million Note 3(a)(ii)	Loans and advances to customers Equivalent VND million Note 3(a)(ii)	Deposits and borrowings from other credit institutions Equivalent VND million Note 3(a)(ii)	Deposits from customers Equivalent VND million Note 3(a)(ii)	Credit commitments Equivalent VND million Note 3(a)(ii)	Derivative financial instruments (Total contract value) Equivalent VND million Note 3(a)(ii)	Trading and investment securities Equivalent VND million Note 3(a)(ii)
Domestic	3,367,095	33,959,952	7,296,126	38,348,625	1,876,014	7,821,341	15,541,447
Overseas	428,497	-	61,996	-	-	-	-
	3,795,592	33,959,952	7,358,122	38,348,625	1,876,014	7,821,341	15,541,447

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 Board of Members, the Risk Management Committee, the Crisis Steering Committee, the Board of Executives, heads of business units and departments having risk management functions at the Bank's Head Office.

Board of Members

The Board of Members 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 Members on the issuance of regulations and policies under the authority of the Board of Members 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 Members.

Board of Controllers

The Board of Controllers 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 Executives and reports the findings and recommendations to the Board of Controllers.

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 Members, Board of Controllers, Board of Executives 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 Board of Executives 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 Members. 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 Members and Board of Executives, 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 Executives, the Risk Management Committee, the Board of Members, 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 end of the annual accounting period.

- 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 end of the annual accounting period.
 - 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 end of the annual accounting period.
- The actual interest rate repricing term of valuable papers issued is determined based on the remaining contractual term calculated from the end of the annual accounting period.
- The actual interest rate repricing term of grants and entrusted funds is determined based on the next interest rate repricing date subsequent to the end of the annual accounting period.
- 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 annual accounting period:

As at 31 December 2022

	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
Assets									
Cash on hand	-	8,702,287	-	-	-	-	-	-	8,702,287
Balances with the SBV	-	-	90,082,029	-	-	-	-	-	90,082,029
Deposits with and loans to other credit institutions	-	38,358,837	363,231,378	32,522,333	38,077,802	12,578,616	-	-	484,768,966
Held-for-trading securities – gross	-	-	114,050,524	54,108,785	-	118,392,438	-	-	286,551,747
Loans and advances to customers – gross (*)	172,156,100	-	205,678,754	827,798,420	20,430,521	119,297,980	2,700,946	-	1,348,062,721
Investment securities – gross	-	-	8,385,744	20,964,361	29,350,105	29,350,115	62,575,386	67,738,261	218,363,972
Fixed assets	-	23,848,114	-	-	-	-	-	-	23,848,114
Other assets – gross	1,926,720	25,255,954	-	-	-	-	-	-	27,182,674
	174,082,820	96,165,192	781,428,429	935,393,899	87,858,428	279,619,149	65,276,332	67,738,261	2,487,562,510
Liabilities									
Deposits and borrowings from other credit institutions	-	-	507,517,923	26,050,376	-	81,333	479,111	-	534,128,743
Deposits from customers	-	-	690,339,084	207,087,025	303,646,579	230,182,931	75,737,306	4,192,872	1,511,185,797
Derivatives and other financial liabilities	-	7,131,655	-	-	-	-	-	-	7,131,655
Valuable papers issued	-	-	1,979,035	1,278,826	55,450,734	25,689,727	700,210	-	85,098,532
Other liabilities	-	42,683,762	-	-	-	-	-	-	42,683,762
	-	49,815,417	1,199,836,042	234,416,227	359,097,313	255,953,991	76,916,627	4,192,872	2,180,228,489
Interest sensitivity gap of balance sheet items	174,082,820	46,349,775	(418,407,613)	700,977,672	(271,238,885)	23,665,158	(11,640,295)	63,545,389	307,334,021
Interest sensitivity gap on and off-balance sheet items	174,082,820	46,349,775	(418,407,613)	700,977,672	(271,238,885)	23,665,158	(11,640,295)	63,545,389	307,334,021

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

As at 31 December 2021

	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
Assets									
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 (*)	32,561,407	-	244,967,171	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
	34,488,127	85,515,796	489,343,648	1,224,559,810	137,071,118	322,047,267	84,192,607	77,909,366	2,455,127,739
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
	-	50,944,636	964,948,651	471,122,695	315,651,118	235,651,536	98,763,767	9,245,806	2,146,328,209
Interest sensitivity gap of balance sheet items	34,488,127	34,571,160	(475,605,003)	753,437,115	(178,580,000)	86,395,731	(14,571,160)	68,663,560	308,799,530
Interest sensitivity gap on and off-balance sheet items	34,488,127	34,571,160	(475,605,003)	753,437,115	(178,580,000)	86,395,731	(14,571,160)	68,663,560	308,799,530

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

As at 31 December 2022

	Overdue Equivalent VND million Note 3(a)(ii)	Non-interest bearing Equivalent VND million Note 3(a)(ii)	Up to 1 month Equivalent VND million Note 3(a)(ii)	From 1 to 3 months Equivalent VND million Note 3(a)(ii)	From over 3 to 6 months Equivalent VND million Note 3(a)(ii)	From over 6 to 12 months Equivalent VND million Note 3(a)(ii)	From over 1 to 5 years Equivalent VND million Note 3(a)(ii)	Over 5 years Equivalent VND million Note 3(a)(ii)	Total Equivalent VND million Note 3(a)(ii)
Assets									
Cash on hand	-	207,550	-	-	-	-	-	-	207,550
Balances with the SBV	-	-	2,148,456	-	-	-	-	-	2,148,456
Deposits with and loans to other credit institutions	-	914,858	8,663,068	775,658	908,156	300,000	-	-	11,561,740
Held-for-trading securities – gross	-	-	2,720,104	1,290,495	-	2,823,660	-	-	6,834,259
Loans and advances to customers – gross (*)	4,105,923	-	4,905,438	19,742,992	487,268	2,845,257	64,418	-	32,151,296
Investment securities – gross	-	-	200,000	500,000	700,000	700,000	1,492,423	1,615,558	5,207,981
Fixed assets	-	568,777	-	-	-	-	-	-	568,777
Other assets – gross	45,952	602,355	-	-	-	-	-	-	648,307
	4,151,875	2,293,540	18,637,066	22,309,145	2,095,424	6,668,917	1,556,841	1,615,558	59,328,366
Liabilities									
Deposits and borrowings from other credit institutions	-	-	12,104,303	621,301	-	1,940	11,427	-	12,738,971
Deposits from customers	-	-	16,464,586	4,939,026	7,241,971	5,489,863	1,806,335	100,000	36,041,781
Derivatives and other financial liabilities	-	170,090	-	-	-	-	-	-	170,090
Valuable papers issued	-	-	47,200	30,500	1,322,500	612,700	16,700	-	2,029,600
Other liabilities	-	1,018,008	-	-	-	-	-	-	1,018,008
	-	1,188,098	28,616,089	5,590,827	8,564,471	6,104,503	1,834,462	100,000	51,998,450
Interest sensitivity gap of balance sheet items	4,151,875	1,105,442	(9,979,023)	16,718,318	(6,469,047)	564,414	(277,621)	1,515,558	7,329,916
Interest sensitivity gap on and off-balance sheet items	4,151,875	1,105,442	(9,979,023)	16,718,318	(6,469,047)	564,414	(277,621)	1,515,558	7,329,916



As at 31 December 2021

	Overdue Equivalent VND million Note 3(a)(ii)	Non-interest bearing Equivalent VND million Note 3(a)(ii)	Up to 1 month Equivalent VND million Note 3(a)(ii)	From 1 to 3 months Equivalent VND million Note 3(a)(ii)	From over 3 to 6 months Equivalent VND million Note 3(a)(ii)	From over 6 to 12 months Equivalent VND million Note 3(a)(ii)	From over 1 to 5 years Equivalent VND million Note 3(a)(ii)	Over 5 years Equivalent VND million Note 3(a)(ii)	Total Equivalent VND million Note 3(a)(ii)
Assets									
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
	783,329	1,942,320	11,114,462	27,813,427	3,113,297	7,314,659	1,912,267	1,769,555	55,763,316
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
	-	1,157,091	21,916,878	10,700,609	7,169,384	5,352,354	2,243,222	210,000	48,749,538
Interest sensitivity gap of balance sheet items	783,329	785,229	(10,802,416)	17,112,818	(4,056,087)	1,962,305	(330,955)	1,559,555	7,013,778
Interest sensitivity gap on and off-balance sheet items	783,329	785,229	(10,802,416)	17,112,818	(4,056,087)	1,962,305	(330,955)	1,559,555	7,013,778

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

As at 31 December 2022	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
Assets						
Balances with the SBV						
▪ VND	0.50%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	0.00%	(*)	(*)	(*)	(*)	(*)
Deposits with and loans to other credit institutions						
▪ VND	3.05% - 10.00%	6.20% - 13.00%	14.00%	11.00%	(*)	(*)
▪ Foreign currencies	2.20% - 2.90%	2.40% - 6.40%	3.80% - 6.00%	(*)	(*)	(*)
Held-for-trading securities						
▪ VND	3.50% - 8.00%	3.60% - 6.40%	(*)	4.70% - 8.80%	(*)	(*)
Loans and advances to customers						
▪ VND	2.60% - 13.40%	4.20% - 15.20%	6.00% - 10.50%	6.00% - 13.00%	3.00% - 11.25%	(*)
▪ Foreign currencies	3.40% - 7.00%	2.10% - 8.20%	2.20% - 6.80%	3.70% - 5.30%	(*)	(*)
Investment securities						
▪ VND	5.60%	6.00% - 6.40%	5.90% - 8.30%	6.50% - 8.50%	4.10% - 12.40%	5.10% - 7.98%
Liabilities						
Deposits and borrowings from other credit institutions						
▪ VND	0.10% - 9.00%	1.90% - 3.00%	(*)	(*)	(*)	(*)
▪ Foreign currencies	4.60% - 5.20%	4.75% - 5.50%	(*)	3.90% - 5.50%	3.70% - 5.30%	(*)
Deposits from customers						
▪ VND	1.00% - 5.80%	5.70% - 6.00%	8.20% - 8.60%	8.70% - 9.00%	8.80% - 9.30%	9.10% - 9.30%
▪ Foreign currencies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Valuable papers issued						
▪ VND	4.70% - 5.70%	4.90% - 7.80%	5.60% - 8.20%	5.50% - 9.50%	8.80%	(*)

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

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
Assets						
Balances with the SBV						
▪ VND	0.50%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	0.00%	(*)	(*)	(*)	(*)	(*)
Deposits with and loans to other credit institutions						
▪ VND	2.70% - 3.80%	3.80% - 4.20%	4.80% - 4.90%	5.00%	(*)	(*)
▪ Foreign currencies	1.55%	1.17% - 1.46%	1.32% - 3.85%	1.43% - 2.90%	(*)	(*)
Held-for-trading securities						
▪ VND	7.80%	7.70% - 10.30%	5.00% - 9.40%	3.20% - 11.50%	(*)	(*)
Loans and advances to customers						
▪ VND	(*)	2.20% - 5.50%	2.21% - 5.50%	2.46% - 3.70%	3.30%	(*)
▪ Foreign currencies	1.80% - 11.10%	3.20% - 11.70%	3.20% - 10.50%	3.20% - 10.80%	3.20% - 11.25%	(*)
Investment securities						
▪ VND	5.20%	(*)	5.00% - 8.80%	5.30% - 9.10%	5.40% - 10.75%	5.40% - 7.90%
Liabilities						
Deposits and borrowings from other credit institutions						
▪ VND	0.10% - 2.90%	1.90% - 3.00%	(*)	(*)	(*)	(*)
▪ Foreign currencies	0.20% - 0.35%	0.25% - 0.42%	(*)	0.40% - 0.61%	0.40% - 0.61%	(*)
Deposits from customers						
▪ VND	0.20% - 9.30%	0.20% - 8.90%	4.00% - 9.40%	4.10% - 9.40%	5.10% - 8.80%	6.57%
▪ Foreign currencies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Valuable papers issued						
▪ VND	2.9% - 7.40%	3.3% - 7.80%	4.10% - 7.80%	5.30% - 7.80%	5.50% - 7.80%	(*)

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

Interest rate sensitivity analysis

The Bank has not performed the sensitivity analysis for interest rates at 31 December 2022 and 31 December 2021 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 and EUR. 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 end of the annual accounting period:

	Exchange rate as at	
	31/12/2022	31/12/2021
USD/VND	23,850	22,713
EUR/VND	25,177	25,871
GBP/VND	28,437	30,820
CHF/VND	25,613	24,959
JPY/VND	179	198
SGD/VND	17,599	16,867
CAD/VND	17,450	17,903
AUD/VND	16,255	16,651
HKD/VND	3,025	2,893

As at 31 December 2022	EUR USD	USD USD	VND USD	Other currencies USD	Total USD
Assets					
Cash on hand	4,106	1,669,913	7,026,404	1,864	8,702,287
Balances with the SBV	-	13,862,894	76,219,135	-	90,082,029
Deposits with and loans to other credit institutions – gross	1,956,214	92,057,501	389,510,367	1,244,884	484,768,966
Held-for-trading securities – gross	-	-	286,551,747	-	286,551,747
Loans and advances to customers – gross	-	120,031,310	1,228,031,411	-	1,348,062,721
Investment securities – gross	-	-	218,363,972	-	218,363,972
Fixed assets	-	23,848,114	-	-	23,848,114
Other assets – gross	-	6,577,361	20,605,313	-	27,182,674
Total assets (1)	1,960,320	258,047,093	2,226,308,349	1,246,748	2,487,562,510
Liabilities and equity					
Deposits and borrowings from other credit institutions	-	155,378,218	378,750,525	-	534,128,743
Deposits from customers	1,894,589	148,448,942	1,360,553,819	288,447	1,511,185,797
Derivatives and other financial liabilities	-	(340,000,000)	347,131,655	-	7,131,655
Valuable papers issued	-	-	85,098,532	-	85,098,532
Other liabilities	-	6,107,808	36,575,954	-	42,683,762
Total liabilities and equity (2)	1,894,589	(30,065,032)	2,208,110,485	288,447	2,180,228,489
FX position on-balance sheet [(3)=(1)-(2)]	65,731	288,112,125	18,197,864	958,301	307,334,021
FX position off-balance sheet (4)	-	-	-	-	-
FX position on and off-balance sheet [(5)=(3)+(4)]	65,731	288,112,125	18,197,864	958,301	307,334,021



As at 31 December 2021	EUR USD	USD USD	VND USD	Other currencies USD	Total USD
Assets					
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
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	252,732,942	2,199,714,003	1,268,174	2,455,127,739
Liabilities and equity					
Deposits and borrowings from other credit institutions	-	108,586,175	215,374,662	-	323,960,837
Deposits from customers	1,193,987	145,186,009	1,541,722,007	297,795	1,688,399,798
Derivatives and other financial liabilities	-	(258,000,000)	260,425,328	-	2,425,328
Valuable papers issued	-	-	83,022,938	-	83,022,938
Other liabilities	-	4,559,928	43,958,863	517	48,519,308
Total liabilities and equity (2)	1,193,987	332,112	2,144,503,798	298,312	2,146,328,209
FX position on-balance sheet [(3)=(1)-(2)]	218,633	252,400,830	55,210,205	969,862	308,799,530
FX position off-balance sheet (4)	-	-	-	-	-
FX position on and off-balance sheet [(5)=(3)+(4)]	218,633	252,400,830	55,210,205	969,862	308,799,530

As at 31 December 2022	EUR Equivalent VND million Note 3(a)(ii)	USD Equivalent VND million Note 3(a)(ii)	VND Equivalent VND million Note 3(a)(ii)	Other currencies Equivalent VND million Note 3(a)(ii)	Total Equivalent VND million Note 3(a)(ii)
Assets					
Cash on hand	98	39,827	167,581	44	207,550
Balances with the SBV	-	330,630	1,817,826	-	2,148,456
Deposits with and loans to other credit institutions – gross	46,656	2,195,571	9,289,823	29,690	11,561,740
Held-for-trading securities – gross	-	-	6,834,259	-	6,834,259
Loans and advances to customers – gross	-	2,862,747	29,288,549	-	32,151,296
Investment securities – gross	-	-	5,207,981	-	5,207,981
Fixed assets	-	568,777	-	-	568,777
Other assets – gross	-	156,870	491,437	-	648,307
Total assets (1)	46,754	6,154,422	53,097,456	29,734	59,328,366
Liabilities and equity					
Deposits and borrowings from other credit institutions	-	3,705,770	9,033,201	-	12,738,971
Deposits from customers	45,186	3,540,507	32,449,209	6,879	36,041,781
Derivatives and other financial liabilities	-	(8,109,000)	8,279,090	-	170,090
Valuable papers issued	-	-	2,029,600	-	2,029,600
Other liabilities	-	145,671	872,337	-	1,018,008
Total liabilities and equity (2)	45,186	(717,052)	52,663,437	6,879	51,998,450
FX position on-balance sheet [(3)=(1)-(2)]	1,568	6,871,474	434,019	22,855	7,329,916
FX position off-balance sheet (4)	-	-	-	-	-
FX position on and off-balance sheet [(5)=(3)+(4)]	1,568	6,871,474	434,019	22,855	7,329,916

As at 31 December 2021	EUR Equivalent VND million Note 3(a)(ii)	USD Equivalent VND million Note 3(a)(ii)	VND Equivalent VND million Note 3(a)(ii)	Other currencies Equivalent VND million Note 3(a)(ii)	Total Equivalent VND million Note 3(a)(ii)
Assets					
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
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
Total assets (1)	32,085	5,740,323	49,962,104	28,804	55,763,316
Liabilities and equity					
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	-	(5,859,954)	5,915,040	-	55,086
Valuable papers issued	-	-	1,885,700	-	1,885,700
Other liabilities	-	103,570	998,423	12	1,102,005
Total liabilities and equity (2)	30,890	7,543	48,708,100	3,005	48,749,538
FX position on-balance sheet [(3)=(1)-(2)]	1,195	5,732,780	1,254,004	25,799	7,013,778
FX position off-balance sheet (4)	-	-	-	-	-
FX position on and off-balance sheet [(5)=(3)+(4)]	1,195	5,732,780	1,254,004	25,799	7,013,778



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 Note 3(a)(ii)
As at 31 December 2022		
USD (strengthening by 5%)	11,538,185	275,186
EUR (weakening by 3%)	(1,412)	(34)
As at 31 December 2021		
USD (weakening by 2%)	(3,339,844)	(75,858)
EUR (weakening by 9%)	(15,710)	(86)

(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 2022 and 31 December 2021, 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.

As at 31 December 2022

	Overdue				Current			
	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	Over 5 years USD	Total USD
Assets								
Cash on hand	-	-	8,702,287	-	-	-	-	8,702,287
Balances with the SBV	-	-	90,082,029	-	-	-	-	90,082,029
Deposits with and loans to other credit institutions – gross	-	-	401,590,215	32,522,333	50,656,418	-	-	484,768,966
Held-for-trading securities – gross	-	-	114,050,524	54,108,785	118,392,438	-	-	286,551,747
Loans and advances to customers – gross (*)	153,415,429	18,740,671	48,210,769	131,984,933	216,520,422	337,955,279	441,235,218	1,348,062,721
Investment securities – gross	-	-	8,385,744	20,964,361	58,700,220	62,575,386	67,738,261	218,363,972
Fixed assets	-	-	-	-	-	-	23,848,114	23,848,114
Other assets – gross	1,926,720	-	25,255,954	-	-	-	-	27,182,674
Total assets (1)	155,342,149	18,740,671	696,277,522	239,580,412	444,269,498	400,530,665	532,821,593	2,487,562,510
Liabilities								
Deposits and borrowings from other credit institutions	-	-	507,517,923	26,050,376	81,333	479,111	-	534,128,743
Deposits from customers	-	-	690,339,084	207,087,025	533,829,510	75,737,306	4,192,872	1,511,185,797
Derivatives and other financial liabilities	-	-	-	7,131,655	-	-	-	7,131,655
Valuable papers issued	-	-	1,979,035	1,278,826	81,140,461	700,210	-	85,098,532
Other liabilities	-	-	13,817,946	7,962,705	18,904,079	1,999,032	-	42,683,762
Total liabilities (2)	-	-	1,213,653,988	249,510,587	633,955,383	78,915,659	4,192,872	2,180,228,489
Net liquidity gap [(3)=(1)-(2)]	155,342,149	18,740,671	(517,376,466)	(9,930,175)	(189,685,885)	321,615,006	528,628,721	307,334,021

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

As at 31 December 2021

	Overdue				Current			
	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	Over 5 years USD	Total USD
Assets								
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
Investment securities – gross	-	-	8,805,934	-	107,424,137	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
Total assets (1)	31,415,237	3,072,890	467,620,239	249,380,427	558,930,577	406,448,083	738,260,286	2,455,127,739
Liabilities								
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
Derivatives and other financial liabilities	-	-	11,341	1,713,880	700,107	-	-	2,425,328
Valuable papers issued	-	-	1,307,621	12,156,034	25,192,621	44,366,662	-	83,022,938
Other liabilities	-	-	18,977,192	9,724,903	16,481,731	3,154,079	181,403	48,519,308
Total liabilities (2)	-	-	983,937,182	482,561,480	568,484,493	101,917,845	9,427,209	2,146,328,209
Net liquidity gap [(3)=(1)-(2)]	31,415,237	3,072,890	(516,316,943)	(233,181,053)	(9,553,916)	304,530,238	728,833,077	308,799,530

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



As at 31 December 2022

	Overdue				Current			
	Overdue over 3 months VND million Note 3(a)(ii)	Overdue up to 3 months VND million Note 3(a)(ii)	Up to 1 month VND million Note 3(a)(ii)	From over 1 to 3 months VND million Note 3(a)(ii)	From over 3 months to 12 months VND million Note 3(a)(ii)	From over 1 year to 5 years VND million Note 3(a)(ii)	Over 5 years VND million Note 3(a)(ii)	Total VND million Note 3(a)(ii)
Assets								
Cash on hand	-	-	207,550	-	-	-	-	207,550
Balances with the SBV	-	-	2,148,456	-	-	-	-	2,148,456
Deposits with and loans to other credit institutions – gross	-	-	9,577,926	775,658	1,208,156	-	-	11,561,740
Held-for-trading securities – gross	-	-	2,720,104	1,290,495	2,823,660	-	-	6,834,259
Loans and advances to customers – gross (*)	3,658,958	446,965	1,149,827	3,147,841	5,164,012	8,060,233	10,523,460	32,151,296
Investment securities – gross	-	-	200,000	500,000	1,400,000	1,492,423	1,615,558	5,207,981
Fixed assets	-	-	-	-	-	-	568,777	568,777
Other assets – gross	45,952	-	602,355	-	-	-	-	648,307
Total assets (1)	3,704,910	446,965	16,606,218	5,713,994	10,595,828	9,552,656	12,707,795	59,328,366
Liabilities								
Deposits and borrowings from other credit institutions	-	-	12,104,303	621,301	1,940	11,427	-	12,738,971
Deposits from customers	-	-	16,464,586	4,939,026	12,731,834	1,806,335	100,000	36,041,781
Derivatives and other financial liabilities	-	-	-	170,090	-	-	-	170,090
Valuable papers issued	-	-	47,200	30,500	1,322,500	16,700	-	2,029,600
Other liabilities	-	-	329,558	189,911	450,862	47,677	-	1,018,008
Total liabilities (2)	-	-	28,945,647	5,950,828	15,119,836	1,882,139	100,000	51,998,450
Net liquidity gap [(3)=(1)-(2)]	3,704,910	446,965	(12,339,429)	(236,834)	(4,524,008)	7,670,517	12,607,795	7,329,916

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



As at 31 December 2021

	Overdue				Current			
	Overdue over 3 months VND million Note 3(a)(ii)	Overdue up to 3 months VND million Note 3(a)(ii)	Up to 1 month VND million Note 3(a)(ii)	From over 1 to 3 months VND million Note 3(a)(ii)	From over 3 months to 12 months VND million Note 3(a)(ii)	From over 1 year to 5 years VND million Note 3(a)(ii)	Over 5 years VND million Note 3(a)(ii)	Total VND million Note 3(a)(ii)
Assets								
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	14,427,880	33,959,952
Investment securities – gross	-	-	200,009	-	2,439,924	1,851,714	1,769,556	6,261,203
Fixed assets	-	-	-	-	-	-	570,670	570,670
Other assets – gross	43,762	-	466,689	-	-	-	-	510,451
Total assets (1)	713,535	69,794	10,621,059	5,664,177	12,694,990	9,231,655	16,768,106	55,763,316
Liabilities								
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	210,000	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	-	-	431,026	220,879	374,347	71,636	4,117	1,102,005
Total liabilities (2)	-	-	22,348,160	10,960,416	12,911,987	2,314,858	214,117	48,749,538
Net liquidity gap [(3)=(1)-(2)]	713,535	69,794	(11,727,101)	(5,296,239)	(216,997)	6,916,797	16,553,989	7,013,778

(*) 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:

	31/12/2022		31/12/2021	
	Carrying amount USD	Fair values USD	Carrying amount USD	Fair values USD
Financial assets				
<i>Categorised as financial assets at fair value through profit or loss:</i>				
- Held-for-trading securities	286,394,514	(*)	407,953,344	(*)
<i>Categorised as loans and receivables:</i>				
- Cash in hand	8,702,287	8,702,287	9,150,291	9,150,291
- Balances with the SBV	90,082,029	90,082,029	51,836,988	51,836,988
- Deposits with and loans to other credit institutions	484,768,966	484,768,966	167,110,997	167,110,997
- Loans and advances to customers	1,320,291,279	(*)	1,460,285,831	(*)
- Receivables	1,709,116	(*)	1,625,151	(*)
- Accrued interest and fees receivable	16,471,757	(*)	12,933,139	(*)
<i>Categorised as available-for-sale financial assets:</i>				
- Government bonds	92,581,735	(*)	106,610,466	(*)
- Bonds issued by other local credit institutions	100,629,529	(*)	72,645,946	(*)
- Bonds issued by other local economic entities	24,667,292	(*)	95,686,491	(*)
Financial liabilities				
<i>Categorised as financial liabilities carried at amortised cost:</i>				
- Deposits and borrowings from other credit institutions	534,128,743	(*)	323,960,837	(*)
- Deposits from customers	1,511,185,797	(*)	1,688,399,798	(*)
- Derivatives and other financial liabilities	7,131,655	(*)	2,425,328	(*)
- Valuable papers issued	85,098,532	(*)	83,022,938	(*)
- Accrued interest and fees payable	28,962,136	(*)	31,939,239	(*)
- Other financial liabilities	9,074,843	(*)	11,706,607	(*)

	31/12/2022		31/12/2021	
	Carrying amount	Fair values	Carrying amount	Fair values
	VND million Note 3(a)(ii)	VND million Note 3(a)(ii)	VND million Note 3(a)(ii)	VND million Note 3(a)(ii)
Financial assets				
<i>Categorised as financial assets at fair value through profit or loss:</i>				
- Held-for-trading securities	6,830,509	(*)	9,265,844	(*)
<i>Categorised as loans and receivables:</i>				
- Cash in hand	207,550	207,550	207,831	207,831
- Balances with the SBV	2,148,456	2,148,456	1,177,374	1,177,374
- Deposits with and loans to other credit institutions	11,561,740	11,561,740	3,795,592	3,795,592
- Loans and advances to customers	31,488,947	(*)	33,167,472	(*)
- Receivables	40,763	(*)	36,912	(*)
- Accrued interest and fees receivable	392,851	(*)	293,750	(*)
<i>Categorised as available-for-sale financial assets:</i>				
- Government bonds	2,208,075	(*)	2,421,444	(*)
- Bonds issued by other local credit institutions	2,400,014	(*)	1,650,007	(*)
- Bonds issued by local economic entities	588,315	(*)	2,173,327	(*)
Financial liabilities				
<i>Categorised as financial liabilities carried at amortised cost:</i>				
- Deposits and borrowings from other credit institutions	12,738,971	(*)	7,358,122	(*)
- Deposits from customers	36,041,781	(*)	38,348,625	(*)
- Derivatives and other financial liabilities	170,090	(*)	55,086	(*)
- Valuable papers issued	2,029,600	(*)	1,885,700	(*)
- Accrued interest and fees payable	690,747	(*)	725,436	(*)
- Other financial liabilities	216,435	(*)	265,878	(*)

(*) 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.

37. Commitments

(a) Capital expenditure commitments

At the reporting date, the Bank had the following outstanding capital commitments approved but not recorded in the statement of financial position:

	31/12/2022 USD	31/12/2021 USD	31/12/2022 Equivalent VND million Note 3(a)(ii)	31/12/2021 Equivalent VND million Note 3(a)(ii)
Approved and contracted	124,397	48,241	2,967	1,096

(b) Lease commitments

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

	31/12/2022 USD	31/12/2021 USD	31/12/2022 Equivalent VND million Note 3(a)(ii)	31/12/2021 Equivalent VND million Note 3(a)(ii)
Within one year	1,646,006	1,370,742	38,991	31,446
Over one year to five years	1,507,977	3,111,289	35,721	71,376
More than five years	423,216	1,421,285	10,025	32,606
	3,577,199	5,903,316	84,737	135,428

15 March 2023

Prepared by



Nguyen Phuong Nam
Preparer

Reviewed by



Tran Le Thuy
Chief Accountant

Approved by



Liu Chun Hao
General Director