



**Nam A Commercial Joint Stock Bank**  
Consolidated interim financial statements  
for the six-month period ended 30 June 2021



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<b>CONTENTS</b>	<b>PAGE</b>
Bank Information	1 - 2
Statement of the Board of Directors	3
Consolidated Interim Financial Statements Review Report	4 - 5
Consolidated balance sheet (Form B02a/TCTD-HN)	6 - 8
Consolidated statement of income (Form B03a/TCTD-HN)	9
Consolidated statement of cash flows (Form B04a/TCTD-HN)	10 - 11
Notes to the consolidated interim financial statements (Form B05a/TCTD-HN)	12 - 92

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**Nam A Commercial Joint Stock Bank  
Bank Information**

<b>Operation Licence No.</b>	0026/NH-GP	22 August 1992	
	The Operation Licence was issued by the State Bank of Vietnam and is valid for 99 years from the licence date.		
<b>Establishment Licence No.</b>	463/GP-UB	1 September 1992	
	The Establishment Licence was issued by the People's Committee of Ho Chi Minh City.		
<b>Business/Enterprise Registration Certificate No.</b>	0300872315	1 September 1992	
	The Business Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 0300872315 dated 28 September 2020. The initial Business Registration Certificate and its updates were issued by the Department of Planning and Investment of Ho Chi Minh City.		
<b>Board of Management</b>	Mr. Nguyen Quoc Toan Mr. Tran Ngo Phuc Vu Mr. Phan Dinh Tan Mr. Nguyen Quoc My Ms. Vo Thi Tuyen Nga Ms. Do Anh Thu	Chairman Vice Chairman Vice Chairman Vice Chairman Member Independent Member	
<b>Supervisory Board</b>	Ms. Trieu Kim Can Ms. Nguyen Thi Thuy Van Ms. Nguyen Thuy Van	Chief Supervisor Member Member	

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**Nam A Commercial Joint Stock Bank**  
**Bank Information (continued)**

<b>Board of Directors</b>	Mr. Tran Ngoc Tam Mr. Tran Khai Hoan Ms. Vo Thi Tuyet Nga Mr. Le Quang Quang Mr. Hoang Viet Cuong Mr. Nguyen Danh Thiet Mr. Ha Huy Cuong Mr. Le Anh Tu	General Director Standing Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director
<b>Chief Accountant</b>	Ms. Nguyen Thi My Lan	
<b>Legal Representative</b>	Mr. Nguyen Quoc Toan	Chairman
<b>Registered Office</b>	No. 201 – 203 Cach Mang Thang Tam Street Ward 4, District 3, Ho Chi Minh City Vietnam	
<b>Auditor</b>	KPMG Limited Vietnam	





**Nam A Commercial Joint Stock Bank  
Statement of the Board of Directors**

The Board of Directors of Nam A Commercial Joint Stock Bank ("the Bank") presents this statement and the accompanying consolidated interim financial statements of the Bank and its subsidiary (collectively referred to as "the Group") for the six-month period ended 30 June 2021.

The Bank's Board of Directors is responsible for the preparation and fair presentation of the consolidated interim 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 interim financial reporting. In the opinion of the Bank's Board of Directors:

- (a) the consolidated interim financial statements set out on pages from 6 to 92 give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, and of their consolidated results of operations and their consolidated cash flows for the six-month period 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 interim financial reporting; and
- (b) at the date of this statement, there are no reasons for the Bank's Board of Directors to believe that the Bank and its subsidiary will not be able to pay their debts as and when they fall due.

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



On behalf of the Board of Directors

*Tran Ngoc Tam*  
General Director

Ho Chi Minh City, 11 August 2021



KPMG Limited Branch  
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115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## CONSOLIDATED INTERIM FINANCIAL STATEMENTS REVIEW REPORT

### To the Shareholders Nam A Commercial Joint Stock Bank

We have reviewed the accompanying consolidated interim financial statements of Nam A Commercial Joint Stock Bank ("the Bank") and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 30 June 2021, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Directors on 11 August 2021, as set out on pages 6 to 92.

### The Board of Directors' Responsibility

The Bank's Board of Directors is responsible for the preparation and fair presentation of these consolidated interim 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 interim financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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### Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Nam A Commercial Joint Stock Bank and its subsidiary as at 30 June 2021 and of their consolidated results of operations and their consolidated cash flows for the six-month period 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 interim financial reporting.

### Emphasis of Matter

We draw attention to Note 3(d) and Note 6(i) to the consolidated interim financial statements which describe that the Bank temporarily classified loans to three people's credit funds under special supervision following the direction of the State Bank of Vietnam amounting to VND229,885 million as at 30 June 2021 (31 December 2020: VND239,229 million) as Current debts while awaiting for specific guidance from the State Bank of Vietnam. Our conclusion is not qualified in respect of this matter.

KPMG Limited's Branch in Ho Chi Minh City  
Vietnam

Review Report No.: 21-01-00292-21-2



Tran Thi Le Hang  
Practicing Auditor Registration  
Certificate No. N.3782-2017-007-1  
Deputy General Director

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

Ho Chi Minh City, 11 August 2021

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	Note	30/6/2021 VND million	31/12/2020 VND million
<b>A ASSETS</b>			
<b>I Cash on hand, gold</b>	4	974,560	985,235
<b>II Balances with the State Bank of Vietnam</b>	5	6,769,790	4,428,378
<b>III Deposits with and loans to other credit institutions</b>	6	15,304,648	11,893,543
1 Deposits with other credit institutions		15,074,763	11,654,314
2 Loans to other credit institutions		229,885	239,229
<b>IV Held-for-trading securities</b>	7	127,921	127,921
1 Held-for-trading securities		144,141	144,141
2 Allowance for held-for-trading securities		(16,220)	(16,220)
<b>V Derivatives and other financial assets</b>	20	2,838	-
<b>VI Loans and advances to customers</b>		94,926,216	88,320,271
1 Loans and advances to customers	8	95,890,673	89,171,618
2 Allowance for loans and advances to customers	9	(964,457)	(851,347)
<b>VIII Investment securities</b>	10	20,188,521	20,286,783
1 Available-for-sale securities		6,959,194	7,141,959
2 Held-to-maturity securities		13,299,560	13,150,962
3 Allowance for investment securities		(70,233)	(6,138)
<b>IX Capital contribution, long-term investments</b>	11	115,280	114,348
4 Other long-term investments		115,280	115,280
5 Allowance for diminution in value of long-term investments		-	(932)
<b>X Fixed assets</b>		973,031	1,001,748
1 Tangible fixed assets	12	488,865	516,217
a Cost		959,434	947,469
b Accumulated depreciation		(470,569)	(431,252)
2 Finance lease fixed assets	13	60,424	53,656
a Cost		90,882	82,504
b Accumulated depreciation		(30,458)	(28,848)
3 Intangible fixed assets	14	423,742	431,875
a Cost		556,094	556,094
b Accumulated amortisation		(132,352)	(124,219)
<b>XI Investment property</b>	15	24,615	33,936
a Cost		24,615	33,936
<b>XII Other assets</b>	16	6,246,569	7,123,032
1 Receivables		2,731,695	4,196,219
2 Accrued interest and fees receivable		3,211,912	2,631,737
4 Other assets		349,560	342,197
5 Allowance for losses on other assets		(46,598)	(47,121)
<b>TOTAL ASSETS</b>		<b>145,653,989</b>	<b>134,315,195</b>

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



	Note	30/6/2021 VND million	31/12/2020 VND million
<b>B LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>I Borrowings from the Government and the State Bank of Vietnam</b>	17	1,125	1,254
<b>II Deposits and borrowings from other credit institutions</b>	18	17,664,320	19,087,757
1 Deposits from other credit institutions		13,545,654	13,256,856
2 Borrowings from other credit institutions		4,118,666	5,830,901
<b>III Deposits from customers</b>	19	107,955,598	98,254,031
<b>IV Derivatives and other financial liabilities</b>	20	-	5,571
<b>V Grants and entrusted funds received</b>	21	468,331	472,367
<b>VI Valuable papers issued</b>	22	9,142,413	6,957,313
<b>VII Other liabilities</b>	23	2,970,953	2,938,132
1 Accrued interest and fees payable		2,149,720	2,409,958
3 Other liabilities		821,233	528,174
<b>TOTAL LIABILITIES</b>		<b>138,202,740</b>	<b>127,716,425</b>
<b>EQUITY</b>			
<b>VIII Equity</b>	25	7,451,249	6,598,770
1 Capital		4,735,774	4,735,774
a Charter capital		4,564,468	4,564,468
b Capital for construction, purchases of fixed assets		10	10
c Share premium		171,271	171,271
g Other capital		25	25
2 Reserves		562,641	561,281
3 Foreign exchange differences		3,171	-
5 Retained profits		2,149,663	1,301,715
<b>TOTAL EQUITY</b>		<b>7,451,249</b>	<b>6,598,770</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>145,653,989</b>	<b>134,315,195</b>

	Note	30/6/2021 VND million	31/12/2020 VND million
<b>OFF-BALANCE SHEET ITEMS</b>			
2 Foreign exchange commitments	39	8,056,195	6,443,232
<i>In which:</i>			
▪ Purchase commitments of foreign currencies		207,180	-
▪ Commitments on currency swap transactions		7,849,015	6,443,232
4 Letters of credit	39	1,115,151	1,222,571
5 Other guarantees	39	665,559	884,071

11 August 2021

Prepared by



Nguyen Thi Thao  
 Head of General Accountant

Reviewed by



Nguyen Thi My Lan  
 Chief Accountant

Approved by



Tran Ngoc Tam  
 General Director



	Note	Six-month period ended		
		30/6/2021 VND million	30/6/2020 VND million	
1	Interest and similar income	26	5,451,184	4,120,614
2	Interest and similar expenses	26	(3,352,468)	(3,067,562)
<b>I</b>	<b>Net interest income and similar income</b>	<b>26</b>	<b>2,098,716</b>	<b>1,053,052</b>
3	Fees and commission income	27	121,928	99,165
4	Fees and commission expenses	27	(35,587)	(50,669)
<b>II</b>	<b>Net fees and commission income</b>	<b>27</b>	<b>86,341</b>	<b>48,496</b>
<b>III</b>	<b>Net gain from trading of foreign currencies</b>	<b>28</b>	<b>24,034</b>	<b>36,544</b>
<b>V</b>	<b>Net gain from sales of investment securities</b>	<b>29</b>	<b>104,068</b>	<b>46,113</b>
5	Other income	30	10,084	14,902
6	Other expenses	30	(7,150)	(4,615)
<b>VI</b>	<b>Net other income</b>	<b>30</b>	<b>2,934</b>	<b>10,287</b>
<b>VII</b>	<b>Gain from capital contribution, shares purchase</b>	<b>31</b>	<b>76</b>	<b>63</b>
<b>VIII</b>	<b>Operating expenses</b>	<b>32</b>	<b>(1,066,283)</b>	<b>(717,010)</b>
<b>IX</b>	<b>Net operating profit before allowance expenses for credit losses</b>		<b>1,249,886</b>	<b>477,545</b>
<b>X</b>	<b>Allowance expenses for credit losses</b>	<b>33</b>	<b>(176,271)</b>	<b>(276,641)</b>
<b>XI</b>	<b>Profit before tax</b>		<b>1,073,615</b>	<b>200,904</b>
7	Corporate income tax expense – current	34	(216,016)	(41,307)
<b>XII</b>	<b>Total corporate income tax expense</b>	<b>34</b>	<b>(216,016)</b>	<b>(41,307)</b>
<b>XIII</b>	<b>Profit after tax</b>		<b>857,599</b>	<b>159,597</b>
<b>XV</b>	<b>Basic earnings per share (VND/share)</b>	<b>35</b>	<b>1,879</b>	<b>410</b>

11 August 2021

Prepared by



Nguyen Thi Thao  
 Head of General Accountant

Reviewed by



Nguyen Thi My Lan  
 Chief Accountant

Approved by



Tran Ngoc Tam  
 General Director

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

		Six-month period ended	
		30/6/2021	30/6/2020
		VND million	VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Interest and similar income received	4,872,304	3,578,668
02	Interest and similar expenses paid	(3,612,205)	(2,669,607)
03	Net fees and commission income received	85,498	48,009
04	Net receipts from foreign currencies, gold and securities trading activities	129,514	83,555
05	Other (expenses)/income	(4,541)	5,858
06	Collections of bad debts previously written-off	6,879	3,296
07	Salaries and operating expenses paid	(1,009,264)	(804,086)
08	Corporate income tax paid	(125,062)	(100,372)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>343,123</b>	<b>145,321</b>
<b>Changes in operating assets</b>			
09	Decrease in deposits with and loans to other credit institutions	9,344	-
10	Decrease/(increase) in held-for-trading and investment securities	34,167	(825,904)
11	Increase in derivatives and other financial assets	(2,838)	(461)
12	Increase in loans and advances to customers	(5,197,776)	(11,418,118)
13	Utilisation of allowances for credit losses	(840)	(207,439)
14	(Increase)/decrease in other operating assets	(17,993)	2,070,464
<b>Changes in operating liabilities</b>			
15	Decrease in borrowings from the Government and the State Bank of Vietnam	(129)	(129)
16	Decrease in deposits and borrowings from other credit institutions	(1,427,751)	(1,901,000)
17	Increase in deposits from customers	9,701,567	12,323,353
18	Increase in valuable papers issued	2,185,100	772,720
19	Decrease in grants and entrusted funds received	(4,036)	(558,591)
20	Decrease in derivatives and other financial liabilities	(5,571)	(4,718)
21	Increase in other operating liabilities	176,931	60,640
<b>I</b>	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>5,793,298</b>	<b>456,138</b>



Six-month period ended  
 30/6/2021      30/6/2020  
 VND million      VND million

<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
01	Payments for purchases of fixed assets and related construction in progress	(55,048)	(54,422)
02	Proceeds from disposals of fixed assets	499	220
05	Proceeds from disposals of investment properties	9,515	16,955
09	Receipts of dividends and distributions from capital contribution, long-term investments	76	63
<b>II</b>	<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(44,958)</b>	<b>(37,184)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
04	Payments of dividends	(325)	(307)
<b>III</b>	<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(325)</b>	<b>(307)</b>
<b>IV</b>	<b>NET CASH FLOWS DURING THE PERIOD</b>	<b>5,748,015</b>	<b>418,647</b>
<b>V</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>17,067,927</b>	<b>15,588,135</b>
<b>VI</b>	<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS</b>	<b>3,171</b>	<b>(807)</b>
<b>VII</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 36)</b>	<b>22,819,113</b>	<b>16,005,975</b>


11 August 2021

Prepared by



Nguyen Thi Thao  
 Head of General Accountant

Reviewed by



Nguyen Thi My Lan  
 Chief Accountant

Approved by



Tran Ngoc Tam  
 General Director

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

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

## 1. Reporting entity

### (a) Establishment and operations

Nam A Commercial Joint Stock Bank ("the Bank") is a commercial joint stock bank incorporated in the Socialist Republic of Vietnam.

The Bank was established under Operation Licence No. 0026/NH-GP issued by the State Bank of Vietnam ("the SBV") on 22 August 1992, Establishment Licence No. 463/GP-UB issued by the People's Committee of Ho Chi Minh City on 1 September 1992 and initial Business Registration Certificate No. 0300872315 issued by the Department of Planning and Investment of Ho Chi Minh City on 1 September 1992 with 40<sup>th</sup> update on 28 September 2020. The Operation Licence of the Bank is valid for 99 years from the licence date.

The Bank's principal activities include mobilising short, medium and long-term deposits in the form of time deposits, demand deposits, deposit certificates; receiving funds; taking borrowings from other credit institutions; granting short, medium and long-term loans; discounting commercial papers, bonds and valuable papers; venturing capital and joint-venture; conducting payment transactions services; conducting foreign currency and gold trading transactions, international trade finance services, mobilising overseas sources of funds and other international banking services with overseas counterparties as approved by the State Bank of Vietnam; carrying out factoring activities; providing cash management services, banking and financial consulting, services of keeping and managing assets; renting safe boxes; trading government bonds, corporate bonds; entrusted lending and receiving entrusted funds; insurance agency services; providing credit facility under form of bank guarantees; purchasing debts; providing foreign exchange services on domestic and international markets within the scope stipulated by the State Bank of Vietnam; trading gold; renting out part of the Bank's unused premises.

### (b) Charter capital

As at 30 June 2021, the Bank's charter capital is VND4,564,468,430,000 (31/12/2020: VND4,564,468,430,000). The par value is VND10,000 per share.

### (c) Location and operation network

The Bank's Head Office is located at No. 201 – 203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City, Vietnam. As at 30 June 2021, the Bank has one (1) business center and one hundred and seven (107) branches and transaction offices across the country (31/12/2020: one (1) business center and one hundred and six (106) branches and transaction offices across the country).

### (d) The Group's structure

As at 30 June 2021 and 31 December 2020, the Bank had one subsidiary as follows:

	Percentage of equity owned and voting rights	
	30/6/2021	31/12/2020
Nam A Bank Asset Management Company Limited	100%	100%



Nam A Bank Asset Management Company Limited ("the subsidiary") was established under Decision No. 288/QĐ-NHNN of the State Bank of Vietnam and Business Registration Certificate No. 0304691951 issued by the Department of Planning and Investment of Ho Chi Minh City on 1 November 2006 (18<sup>th</sup> amendment on 9 September 2020) with a charter capital of VND100 billion and an operation period which is the remaining operation period of the Bank in the territory of Vietnam. The charter capital contributed up to 30 June 2021 is VND100 billion (31/12/2020: VND100 billion). The subsidiary's head office is located at SR18-SR19 Quy Nhon Trade Center, No. 7 Nguyen Tat Thanh, Ly Thuong Kiet Ward, Quy Nhon City, Binh Dinh Province, Vietnam.

The principal activities of the subsidiary are to dispose of the loan assets in the form of appropriate guarantees: renovation, repairing and upgrading of assets for sale, lease, business operation, capital contribution, joint venture by properties to recover debts; to receive and manage outstanding debts (including debts with secured assets and debts without secured assets) and secured assets (mortgages, pledged assets, debt-bearing assets and assets handed over to the Bank in court) related to the debts, collecting debts in the fastest way; to actively sell assets at the Bank's discretion at market prices (selling prices may be higher or lower than the value of outstanding debts) in the form of self-selling in the market, selling through centers of property auction services and selling to the State's debt purchase and sale companies (when established); to buy and sell outstanding debts of other credit institutions, debt management companies and to exploit assets of commercial banks according to current provisions of laws; to perform work as authorised by the Bank; to restructure outstanding debts with the following measures: debt rescheduling, interest exemption, additional investment, conversion into contributed capital; to handle assets of debts by taking appropriate measures: repairing, upgrading and upgrading assets for sale, lease, business operation, joint venture, capital contribution by properties to recover debts; to carry out debt trading services including debt purchase, debt sale, debt brokerage, trading debt consultancy.

The consolidated interim financial statements for the six-month period ended 30 June 2021 comprise the financial statements of the Bank and its subsidiary (collectively referred to as "the Group").

**(e) Number of employees**

As at 30 June 2021, the Group had 3,799 employees (31/12/2020: 3,570 employees).

**2. Basis of preparation**

**(a) Statement of compliance**

The consolidated interim 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 consolidated interim financial statements are not intended to present the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. Furthermore, the utilisation is not designed for those who are not informed about Vietnam's accounting principles, procedures and practices applicable to credit institutions.

**(b) Basis of measurement**

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

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**(c) Annual accounting period**

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

The consolidated interim financial statements are prepared for the six-month period ended 30 June 2021.

**(d) Accounting and presentation currency**

The Group's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purpose, rounded to the nearest million ("VND million").

**(e) Form of accounting records applied**

The Group 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 Group in the preparation of these consolidated interim financial statements.

Except for accounting policies applied to loans restructured under Circular No. 03/2021/TT-NHNN as described in Note 3(g), the accounting policies that have been adopted by the Group in the preparation of these consolidated interim financial statements are consistent with those adopted in the preparation of the most recent consolidated annual financial statements.

**(a) Basis of consolidation**

**(i) Subsidiaries**

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiary are included in the consolidated interim financial statements from the date that control commences until the date that control ceases.

Where the accounting policies of the subsidiary are different from those adopted by the Bank, adjustments have been made where necessary to ensure consistency of accounting policies adopted for the consolidated interim financial statements.

**(ii) Transactions eliminated on consolidation**

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim financial statements.

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**(b) Foreign currency transactions**

All transactions are recorded in original currencies. Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the average of buying and selling spot exchange rate of that currency ("spot exchange rate") at the end of the last working day of the accounting period if the difference between the spot exchange rate and the weighted average of the buying and selling exchange rates of the last working day of the accounting period is less than 1%, in case the difference between the spot exchange rate at the end of the last working day of the accounting period and the weighted average of the buying and selling exchange rates of the last working day of the accounting period is greater than or equal to 1%, the Group will use the weighted average of the buying and selling exchange rates of the last working day of the accounting period. Non-monetary assets and liabilities denominated in currencies other than VND are translated to VND at the average of buying and selling exchange rates on the transaction dates.

Income and expenses in foreign currencies are translated into VND at the average of buying and selling exchange rates on transaction dates.

Foreign exchange differences arising from monthly translation of monetary assets and liabilities are recognised in the "Foreign exchange differences" account in equity on the consolidated balance sheet and then transferred to the consolidated statement of income at the end of the annual accounting period.

Refer to Note 42(c)(ii) for the major exchange rates used at the end of the accounting period.

**(c) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, gold, balances with the SBV, deposits with and loans to other credit institutions with original term to maturity of not more than three months, Government's promissory notes and other short-term valuable papers qualified to be discounted at the SBV, and securities which have maturity dates within three months from the purchase dates.

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

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

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

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

Demand deposits with other credit institutions are stated at cost.

Debt classification of term deposits with and loans to other credit institutions and allowance calculation thereof is made in accordance with Circular No. 02/2013/TT-NHNN dated 21 January 2013 issued by the SBV regulating the classification of assets, credit loss allowance level, allowance calculation method and utilisation of allowance in operations of credit institutions and branches of foreign banks ("Circular 02") and Circular No. 09/2014/TT-NHNN dated 18 March 2014 issued by the SBV amending and supplementing certain articles of Circular 02 ("Circular 09") as described in Note 3(h).

In accordance with Circular 02, the Group is not required to make general allowance for term deposits with and loans to other credit institutions.

In addition, the Group has also recognised loans to three people's credit funds under special supervision following the direction of the SBV with original term to maturity of not more than 4 years and which was extended for another 2 years according to Decision No. 837/DNA-TTGS dated 16 June 2020 of the SBV. The Group temporarily classified these loans as Current debts while awaiting for specific guidance from the SBV.

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

**(i) Classification**

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

**(ii) Recognition**

The Group 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 02 and Circular 09 as described in Note 3(h).

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 held-for-trading listed equity securities, the market price is the closing price at the latest trading date until the end of the accounting period.

For held-for-trading unlisted equity securities that have been registered for trading on the unlisted public company market ("UPCOM"), the market price is the average price of the most recent 30 trading dates until the end of the accounting period announced by the Stock Exchange.

For held-for-trading unlisted securities and not yet registered for trading on the UPCOM, in case there is indicator of diminution in value of these securities, allowance is made in accordance with the accounting policy as described in Note 3(j).

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 consolidated statement of income upon receipt (cash basis).

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**(iv) Derecognition**

Held-for-trading securities are derecognised when the rights to receive cash flows from the securities have expired or the Group has transferred substantially all risks and rewards of ownership of these securities.

**(f) Derivative financial instruments**

***Forward and swap currency contracts***

Forward currency contracts and swap currency contracts are recorded at the net contract values in the consolidated interim 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 consolidated statement of income on a straight-line basis over the terms of these contracts.

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

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

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

Loans and advances to customers are stated at the amount of principal less allowance for credit losses. Allowance for credit losses on loans and advances to customers comprises specific allowance and general allowance.

Debt classification and allowance for credit losses for loans and advances to customers are made in accordance with the requirements of Circular 02 and Circular 09 as described in Note 3(h).

Loans and advances to customers are derecognised when the contractual rights to receive cash flows from the loan contracts expire, or the Group has transferred substantially all risks and rewards of ownership associated with the loans to other parties.

For the loans sold to Vietnam Asset Management Company ("VAMC"), the Group derecognises them from the consolidated balance sheet in accordance with the guidance in Official Letter No. 8499/NHNN-TCKT dated 14 November 2013 issued by the SBV ("Official Letter 8499") and Official Letter No. 925/NHNN-TCKT dated 19 February 2014 issued by the SBV ("Official Letter 925").

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

(i) **Debt classification**

Debt classification for term deposits with and loans to other credit institutions, unlisted corporate bonds, loans and advances to customers, entrusted loans and debts sold but not yet collected (together referred to as "debts"), is made in accordance with the quantitative method as stipulated in Article 10 of Circular 02. The Group carries out quarterly debt classification based on the outstanding principals of debts at the last working date of each quarter (except for Quarter 4, debt classification based on the outstanding principals of debts at the last working date of November for the purpose of making allowance for credit losses) 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.
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; 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"> <li>▪ Debts having violated regulations specified in Points 1, 3, 4, 5, 6 of Article 126 of Laws on Credit Institutions; or</li> <li>▪ Debts having violated regulations specified in Points 1, 2, 3, 4 of Article 127 of Laws on Credit Institutions; or</li> <li>▪ Debts having violated regulations specified in Points 1, 2, 5 of Article 128 of Laws on Credit Institutions,</li> </ul> (e) Debts in the collection process under inspection conclusions.
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; 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.



107 / NG T N G / 15



Group		Overdue status
5	Loss debts	(a) Debts being overdue more than 360 days; or (b) Debts having terms of repayment rescheduled for the first time and being overdue more than 90 days according to the first rescheduled terms of repayment; or (c) Debts having terms of repayment rescheduled for the second time and being overdue according to the second reschedule terms of repayment; or (d) Debts having terms of repayment rescheduled for the third time or more, regardless of whether the debts are overdue or not; or (e) Debts specified in point (d) of Sub-standard debts not yet collected over 60 days since the issuance date of recovery decision; or (f) Debts in the collection process under inspection conclusions but being overdue of more than 60 days according to recovery term; or (g) 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.

For off-balance sheet commitments, the Group classified debts based on the overdue days from the date when the Group performs committed obligations:

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

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

When the Group participates in a syndicated loan not as the lead bank, the Group reclassifies all debts (including the syndicated loan) of the customer into a higher risk group of debt as decided by the lead bank, participating banks and by the Group.

The Group 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 Group into a group of debts with lower risk as compared to those provided by CIC, the Group is required to reclassify such debts and off-balance sheet commitments to the group of debts as provided by CIC.

**Before 17 May 2021:**

The Group has applied Circular No. 01/2020/TT-NHNN ("Circular 01") issued by the SBV on 13 March 2020 on rescheduling of debt repayment terms, waiver, reduction of interest and fees, maintaining the debt classifications in order to support customers affected by Covid-19 pandemic. Accordingly, for customers who have the obligation to repay the principals and/or interest being due during the period from 23 January 2020 to the date following 3 months from the date the Prime Minister announces the end of Covid-19 pandemic, and for customers who are unable to repay their principals and/or interest in due time under the signed contract or loan agreement because of declines in revenue and income caused by the impacts of Covid-19 pandemic, the Group is allowed to reschedule the repayment period for these debts while maintaining the same debt group as previously classified before 23 January 2020.



**From 17 May 2021:**

The Group has applied Circular No. 03/2021/TT-NHNN ("Circular 03") issued by the SBV on 2 April 2021 on amending, supplementing certain articles of Circular 01 on rescheduling of debt repayment term, waiver or reduction of interest and fees, maintaining the debt classification in order to support customers affected by the Covid-19 pandemic when all of the following conditions are met:

- Debts incurred before 10 June 2020 from lending, financial leasing activities;
- Customers who have the obligation to repay the principal and/or interest being due during the period from 23 January 2020 to 31 December 2021;
- Outstanding debts of which repayment terms have been rescheduled in the following cases:
  - (i) Outstanding debts being undue or overdue up to 10 (ten) days from the due date of repayment term under the signed contract or loan agreement;
  - (ii) Outstanding debts incurred before 23 January 2020 and being overdue during the period from 23 January 2020 to 29 March 2020;
  - (iii) Outstanding debts incurred from 23 January 2020 and being overdue before 17 May 2021.
- The Group assesses that customers are unable to repay the principals and/or interest in due time under the signed contract or loan agreement because of declines in revenue or income caused by the impacts of Covid-19 pandemic;
- Customers request for rescheduling debts' repayment term and the Bank assesses that they are able to fully repay the principals and/or interest according to the rescheduled repayment term;
- The Group shall not reschedule the debts that violate laws and regulations;
- Time for rescheduling of debt repayment term (including extension of repayment term) are relevant to the impact of Covid-19 pandemic to the customers and shall not exceed 12 months from the day that the Bank implements the debt repayment rescheduling;
- Rescheduling of debt repayment term shall be carried out until 31 December 2021.

And for customers who are unable to repay their principals and/or interest in due time under the signed contract or loans agreement because of the declines in revenue and income caused by the impact of the Covid-19 pandemic, the Group is allowed to reschedule the repayment period for these debts while maintaining the same debt group as previously classified before rescheduling.

**(ii) Allowance for credit losses**

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

**Specific allowance for credit losses**

In accordance with the requirements of Circular 02 and Circular 09, specific allowance for credit losses at the end of each quarter is calculated based on the allowance rate corresponding to the results of debt classification and outstanding principals of debts at the last working date of each quarter (except for Quarter 4, specific allowance is calculated based on the allowance rate corresponding to the results of debt classification and outstanding principals of debts at the last working date of November) less the allowed value of collaterals.

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

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%

The allowed value of collaterals is determined in accordance with the following principles as set out in Circular 02:

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

Collateral assets that do not satisfy the legal conditions as specified in Point 3, Article 12 of Circular 02 are deemed to have zero allowed value.

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Maximum allowed ratio of collateral assets are as follows:

Type of collateral assets	Maximum allowed ratio
(a) Deposits from customers in VND	100%
(b) Gold billets, except for the types of gold specified in item (i) below; deposits from customers in foreign currencies	95%
(c) Government bonds, transferable instruments, valuable papers issued by the Bank, saving deposit certificates, certificates of deposit, bills and notes issued by other credit institutions or foreign bank branches: <ul style="list-style-type: none"> <li>▪ With a remaining term of below 1 year</li> <li>▪ With a remaining term of between 1 year to 5 years</li> <li>▪ With a remaining term of over 5 years</li> </ul>	95% 85% 80%
(d) Securities issued by other credit institutions and listed on a stock exchange	70%
(e) Securities issued by other enterprises and listed on a stock exchange	65%
(f) Unlisted securities and valuable papers, except for the types of securities specified in item (c) above, issued by other credit institutions registered for listing on a stock exchange;	50%
Unlisted securities and valuable papers, except for the types of securities specified in item (c) above, issued by other credit institutions not registered for listing on a stock exchange	30%
(g) Unlisted securities and valuable papers issued by enterprises registered for listing on a stock exchange;	30%
Unlisted securities and valuable papers issued by enterprises not registered for listing on a stock exchange	10%
(h) Real estates	50%
(i) Gold billets not having quoted price, other types of gold and other collateral assets	30%

As at 30 June 2021, the Group calculated the specific allowance for credit losses based on the result of debt classification, outstanding balance of debts and allowed value of collateral assets as at 31 March 2021 (31/12/2020: based on the result of debt classification, outstanding balance of debts and allowed value of collateral assets as at 30 November 2020).

From 17 May 2021, according to Circular 03, the Group shall make additional specific allowance for credit losses for customers having outstanding balance of debts of which repayment term are rescheduled, waiver, reduction of interest and fee in accordance with requirements of this circular. The specific allowance amount to be added is the difference between:

- Specific allowance amount shall be made for all outstanding debts of customers based on the results of debt classification in accordance with regulations of the SBV on debt classification in the operation of credit institutions and branches of foreign banks (not applying of maintaining the same debt group in accordance with Article 6, Circular 03); and
- Specific allowance amount shall be made for all outstanding debts of customers based on the results of debt classification specified in Article 6, Circular 03 for outstanding debts which are maintained the same debt group; and based on the results of debt classification in accordance with regulations of the SBV on debt classification in the operation of credit institutions and branches of foreign banks for remaining outstanding debts.

If additional specific allowance is a positive amount, the Group shall make additional specific allowance as follows:

- By 31 December 2021: at least 30% of the additional specific allowance shall be made;
- By 31 December 2022: at least 60% of the additional specific allowance shall be made;
- By 31 December 2023: 100% of the additional specific allowance shall be made.

As at 30 June 2021, the Group has not made additional specific allowance under the guidance of Circular 03.

#### **General allowance for credit losses**

In accordance with Circular 02, a general allowance is made at 0.75% of the outstanding balances of debts at the last working date of each quarter (except for Quarter 4, the general allowance is made at 0.75% of the outstanding balance of debts at the last working date of November) excluding term deposits with and loans to other credit institutions and debts being classified as Loss debts.

As at 30 June 2021, the Group provided a general allowance for credit losses based on the above balances as at 31 March 2021 (31/12/2020: a general allowance was provided based on the above balances as at 30 November 2020).

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

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

In accordance with Circular 02 and Circular 09, 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 consolidated statement of income upon receipt.

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

In accordance with Circular 02 and Circular 09, the debt classification of off-balance sheet commitments is done solely for risk management, credit quality supervision of credit granting activities. The Group is not required to make provision for off-balance sheet commitments, except where the Group 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(h)(i) and Note 3(h)(ii).

#### **(i) Investment securities**

Investment securities include available-for-sale and held-to-maturity securities. The Group 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 Group is allowed to reclassify investment securities maximum once after the initial classification at the purchase date.



(i) **Available-for-sale securities**

**Classification**

Available-for-sale 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.

**Recognition**

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

**Measurement**

Equity securities

Available-for-sale equity securities are initially stated at cost, which includes purchase price plus any directly attributable transaction costs such as brokerage fees, transaction fees, information fees and bank charges (if any). Subsequently, these securities are stated at the lower of book value and market price with the loss being recognised in the consolidated statement of income.

For available-for-sale listed equity securities, the market price is the closing price at the latest trading date until the end of the accounting period.

For available-for-sale unlisted equity securities that have been registered for trading on the unlisted public company market ("UPCOM"), the market price is the average of price of the most recent 30 trading dates until the end of the accounting period announced by the Stock Exchange.

For available-for-sale unlisted securities and not yet registered for trading on the UPCOM, in case there is indicator of diminution in value of these securities, allowance is made in accordance with the accounting policy as described Note 3(i).

Debt securities

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 consolidated statement of income on a straight-line basis over the period from the acquisition date to the maturity date. In case that these available-for-sale securities are sold before their maturity dates, the unamortised premiums and discounts are fully recognised in the consolidated statement of income at the selling date.

For available-for-sale listed debt securities, the market price is determined based on the latest transaction price on the Stock Exchange within 10 days until the end of the accounting period. If there is no transaction within 10 days until the end of the accounting period, no allowance is made for such debt securities.

Available-for-sale debt securities which are unlisted corporate bonds are recognised at cost less allowance for credit losses in accordance with Circular 02 and Circular 09 as described in Note 3(h).

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

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

#### ***Derecognition***

Available-for-sale securities are derecognised when the rights to receive cash flows from the securities have expired or the Group has transferred substantially all risks and rewards of ownership of these securities.

### **(ii) Held-to-maturity securities**

#### ***Classification***

Held-to-maturity securities are debt securities with fixed or determinable payments and a fixed maturity where the Group has the positive intention and ability to hold until maturity.

#### ***Recognition***

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

#### ***Measurement***

Held-to-maturity unlisted corporate bonds are stated at cost less allowance for credit losses. Debt classification and allowance for credit losses of unlisted corporate bonds are made in accordance with the requirements of Circular 02 and Circular 09 as described in Note 3(h).

Other held-to-maturity securities are stated at cost less allowance for diminution in value. Allowance for diminution in value is made when there is an indicator of long-term decline or strong evidence that the Group might not be able to fully recover the amount and the Group does not make allowance for diminution in value for short-term changes in prices.

Premiums and discounts arising from purchases of held-to-maturity securities are amortised to the consolidated statement of income on a straight-line basis over the period from the acquisition date to the maturity date.

Post-acquisition interest income from held-to-maturity securities is recognised in the consolidated statement of income on an accrual basis. Pre-acquisition interest income is recognised as a reduction to cost when received.

The allowance for credit losses of held-to-maturity unlisted corporate bonds and the allowance for diminution in the value of other held-to-maturity securities as mentioned above are reversed if the recoverable amount 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.

#### ***Derecognition***

Held-to-maturity securities are derecognised when the rights to receive cash flows from these securities have expired or the Group has transferred substantially all risks and rewards of ownership of these securities.



**(iii) Special bonds issued by Vietnam Asset Management Company ("VAMC")**

The Group accounts for bad debts sold in exchange for special bonds issued by VAMC in accordance with the guidance in Official Letter 8499 and Official Letter 925.

**Classification**

Special bonds issued by VAMC are valuable papers issued by VAMC to purchase the Group's bad debts and are classified as held-to-maturity debt securities issued by local economic entities.

**Recognition**

Special bonds are initially recognised at par value at transaction date and subsequently measured at par value less allowance for losses.

**Measurement**

In exchange of each bad debt sold to VAMC, the Group receives a corresponding special bond issued by VAMC. Par value of the special bond is equal to the carrying value of bad debt sold net off specific allowance which was made but not yet utilised.

After completing the procedures of selling bad debts, the Group writes down the book value of bad debts, using specific allowance which was made but not yet utilised and derecognises interest receivables of such bad debts from off-balance sheet. At the same time, the Group recognises the special bonds issued by VAMC in held-to-maturity securities issued by local economic entities.

For the special bonds issued by VAMC, specific allowance is calculated and made in accordance with the guidance in Circular No. 19/2013/TT-NHNN dated 6 September 2013 ("Circular 19") issued by the SBV regulating the purchase, sale and disposal of bad debts of VAMC and Circular No. 14/2015/TT-NHNN dated 28 August 2015 ("Circular 14") issued by the SBV, Circular No. 08/2016/TT-NHNN dated 16 June 2016 ("Circular 08") issued by the SBV and Circular No. 09/2017/TT-NHNN dated 14 August 2017 ("Circular 09") issued by the SBV amending and supplementing certain articles of Circular 19. Accordingly, the minimum specific allowance required to make annually during the term of the special bonds is the positive difference between 20% of the par value of the special bonds deducting the collected amounts of the underlying bad debts during the period. Annually, the Group is required to make adequate specific allowance mentioned as above within 5 consecutive working days before the due date of special bonds and is not required to make general allowance for these special bonds. Allowance for special bonds is recognised in the consolidated statement of income.

**(i) Other long-term investments**

Other long-term investments are investments in equity instruments of entities where the Group has no control or significant influence. These long-term investments are initially recognised at cost. Subsequently, they are measured at cost less allowance for diminution in value.

Allowance for diminution in the value of other long-term investments is made if the investees make loss. Allowance for diminution in value of long-term investment is calculated by the real capital contributed by all investors of the economic organisation, minus (-) the owner's equity of the economic organisation and multiplied (x) the ratio of charter capital ownership (%) of the Group at economic organizations receiving contributed capital at the time allowance made. The allowance is reversed if there is a subsequent increase in the recoverable amount after the allowance being recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.



**(k) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises 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 consolidated statement of income in the period 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:

▪ buildings and structures	5 - 30 years
▪ machinery and equipment	3 - 8 years
▪ motor vehicles	6 - 10 years
▪ office equipment	3 - 8 years
▪ other fixed assets	4 - 10 years

**(l) Finance lease fixed assets**

Finance lease is a lease transaction whereby the Group has recognised the majority of the risks and rewards associated with the ownership of leased assets. Asset ownership may be transferred at the end of the lease term. At the time of receipt of leased assets, the Group recognises leased assets as finance lease fixed assets and finance lease liabilities on the consolidated balance sheet at an amount equal to the lower of fair value of finance lease fixed assets and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation of finance lease fixed assets is computed on a straight-line basis over the estimated useful lives of the leased assets. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in Note 3(k)(ii). If it is not certain that the Group will have asset ownerships upon the expiry of the lease agreement, the leased assets will be depreciated over a shorter period of time between the lease term and the useful life of the assets.

All lease agreements that are not classified as finance leases are classified as operating leases.

**(m) Intangible fixed assets**

**(i) Land use rights**

Land use rights comprise:

- Those granted by the State for which land use payments have been made; and
- Those acquired in a legitimate transfer.

Definite land use rights are stated at cost less amortisation. The initial cost of a 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.

(n) **Investment property**

***Investment property held for capital appreciation***

Investment property held for capital appreciation is stated at cost less any devaluation in market price. The carrying amount of an investment property item held for capital appreciation is reduced when there is evidence that its market price falls below its carrying amount and the loss can be measured reliably. Any reduction in value of investment property held for capital appreciation is charged to cost of sales of investment property.

(o) **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 Group and awaiting for settlement. For foreclosed assets of which the ownership has not been transferred to the Group, the Group records as off-balance sheet items.

Foreclosed assets of which the ownership has been transferred to the Group are recorded at cost less allowance for losses. The Group makes allowance for losses when there are indicators of impairment of recoverable value.

(iii) ***Other assets***

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

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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 period.

For overdue debts, the Group 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 Group after giving consideration to the recovery of these debts.

**(p) Sales of debts**

**(i) Receivables from sales of debts**

Debts that have been sold but not yet collected are classified as assets having credit risk and recognised at the remaining uncollected amount and debt classification and allowance for credit losses on these receivables are made in accordance with the requirements of Circular 02 and Circular 09 as described in the Note 3(h).

**(ii) Revenue and cost of debts sold**

Revenue and cost of debts sold are recognised in accordance with the guidance in Circular No. 09/2015/TT-NHNN dated 17 July 2015 of the SBV regulating the purchasing and selling debt activities of credit institutions, branches of foreign banks.

Accordingly, the difference between the selling price and the book value of the debt sold shall be accounted as follows:

For debts that are being recorded on the balance sheet:

- Where the selling price is higher than the book value, the difference shall be recorded as income;
- Where the selling price is lower than the book value, the difference shall be compensated from the individual or collective indemnity (in case of the loss is determined to be caused by any individual or collective and compensation is required in accordance with regulations), from the insurance claim and from the risk provision which has been appropriated in expenses, the deficit shall be recorded as expense.

For debts that are being recorded as off-balance sheet items and debts that have been removed from the balance sheet, the proceeds from the sales of debts shall be recorded as income.

**(q) Prepaid expenses**

Prepaid expenses are amortised over the prepaid period or the period of time in which the corresponding economic benefits are derived from these expenses.

The following types of expenses are recognised as prepaid expenses, are stated at cost and amortised to the consolidated statement of income on a straight-line basis over the period from above 1 month to 36 months:

- Prepaid rental expense
- Overhaul expenses of fixed assets
- Tools and instruments used for multiple years
- Expenses on other services

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

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

**(s) Deposits from customers**

Deposits from customers are stated at their cost.

**(t) Valuable papers issued**

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

**(u) Other payables**

Other payables are stated at their cost.

**(v) Provisions**

A provision is recognised if, as a result of a past event, the Group 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 Group 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 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 Group 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. Circular 180 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 Group 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 Group 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 Group for the years of service is recorded as an expense in the consolidated statement of income when incurred.

**(w) Bonus and welfare fund**

Bonus and welfare fund is not required by laws and is fully distributable, and is used primarily to make payments to the Group's employees. Bonus and welfare fund is appropriated from the Group's profit after tax in accordance with the shareholders' resolution at the Annual General Meeting and is recognised as other liabilities. The appropriation rate is decided by the shareholders at the Annual General Meeting.

**(x) Capital**

**(i) Charter capital**

Charter capital is the total par value of ordinary shares issued. Ordinary shares are stated at par value. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

**(ii) Share premium**

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

**(y) Reserves**

**(i) Statutory reserves**

**The Bank**

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



**Nam A Bank Asset Management Company Limited – Nam A Commercial Joint Stock Bank – the subsidiary.**

According to the Circular No. 27/2002/TT-BTC issued by the Ministry of Finance dated 22 March 2002, the appropriation of statutory reserves shall be made in accordance with the requirements applicable to the Bank as described above.

**(ii) Other reserves**

Other reserves including investment and development fund and other funds are appropriated from the Group's profit after tax in accordance with the shareholders' resolution at the Annual General Meeting. These reserves are not required by laws, fully distributable and classified as part of equity.

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

**(i) Commitments and contingent liabilities**

From time to time, the Group has outstanding commitments to extend credit. These commitments take the form of approved loans and overdraft facilities. The Group 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 Group's assets and therefore are not included in the consolidated balance sheet of the Group.

**(aa) Interest income**

Interest income is recognised in the consolidated statement of income on an accrual basis, except for interest income from debts classified in Group 2 to Group 5 and restructured debts classified in Group 1 as a result of implementation of Circular 01 and Circular 03 (as described in Note 3(h)(i)) and debts classified in Group 1 by implementing the policy of the State, of which interest income is recognised in the consolidated statement of income upon receipt. Accrued interest receivable of these debts is derecognised and recorded as off-balance sheet items and are recognised in the consolidated statement of income upon receipt (cash basis).

**(bb) Interest expense**

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

**(cc) 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 consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives are recognised as an integral part of the total lease income.

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



**(dd) Fees and commission expenses**

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

**(ee) Dividend income**

Dividend receivable in the form of cash is recognised in the consolidated statement of income when the Group's right to receive dividend is established.

Dividend received in the form of shares and bonus shares is not recognised as income and the Group only records the increase in number of shares. Dividends received which are attributable to the period before acquisition date are deducted from the carrying amount of the investment.

**(ff) Revenue from sales of assets**

Revenue from sales of assets is recognised in the consolidated statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of assets.

**(gg) Operating lease payments**

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

**(hh) Fiduciary activities and entrusted funds**

The Group carries out fiduciary activities to invest, lend and manage assets; therefore, the Group acts as trustee and in other fiduciary capacities that result in the holding or placing of assets, loans on behalf of individuals, corporates and other credit institutions.

The value of entrusting investment and entrusted funds received are recognised when the entrusting contracts have been signed and entrusted funds have been utilised. Rights and obligations of the entrustor and trustee relating to profit and profit sharing, entrusting fee, other rights and obligations are in compliance with the terms of the entrusting contracts.

In accordance with the term of signed entrusting agreements, fiduciary activities of the Group comprise:

*Fiduciary activities in which the Group bears no risk*

The Group acts as trustee and in other fiduciary capacities that result in holding assets on behalf of customers, entrusted investments and loans to customers in which entrustors bear all risks of fiduciary activities. These assets are excluded from these consolidated interim financial statements as they are not assets of the Group. Entrusted funds received from entrustors but not yet disbursed are recognised as other liabilities on the consolidated balance sheet. After the disbursement, the Group recognised the entrusted funds as off-balance sheet items in accordance with Circular No. 30/2014/TT-NHNN dated 6 November 2014 issued by the SBV.

*Fiduciary activities in which the Group bears the risk*

Entrusted funds which is exposed to risk include grants, entrusted investment funds which are used for designated purposes and for which the Group is obliged to make repayment of principal upon its maturity. The Group recognises the received funds as entrusted funds and recognises loans to customers financed by these entrusted funds as its loans and advances to customers in the consolidated interim financial statements of the Group.

**(ii) Taxation**

Corporate income tax on the profit or loss for the period comprises current and deferred tax. Corporate income tax is recognised in the consolidated 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 period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

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 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.

**(jj) Earnings per share**

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Group (after deducting the bonus and welfare fund made during the accounting period) by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, including convertible bonds and share options.

**(kk) Related parties**

Parties are considered to be related to the Group 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 Group 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.



10/11/2021



**(II) Segment reporting**

A segment is a distinguishable component of the Group 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 Group's primary format for segment reporting is based on geographical segments and the secondary format is based on business segments.

**(mm) Financial instruments**

Solely for the purpose of providing disclosures about the significance of financial instruments to the Group's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Group 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 Group 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 Group 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 Group has the positive intention and ability to hold to maturity, other than:

- those that the Group, upon initial recognition, designates as at fair value through profit or loss;
- those that the Group 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 Group intends to sell immediately or in the near term, which are classified as held-for-trading and those that the Group, on initial recognition, designates as at fair value through profit or loss;
- that the Group, upon initial recognition, designates as available-for-sale; or
- for which the Group 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 Group 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 Group 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.

**(nn) 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 consolidated interim financial statements indicate nil balances.

**(oo) Comparative information**

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



#### 4. Cash on hand, gold

	30/6/2021 VND million	31/12/2020 VND million
Cash in VND	878,964	779,221
Cash in foreign currencies	94,380	204,613
Gold	1,216	1,401
	<hr/>	<hr/>
	974,560	985,235
	<hr/>	<hr/>

#### 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 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	
	30/6/2021	31/12/2020
Preceding month's average deposit balances of:		
<i>Deposits from customers:</i>		
▪ Demand deposits and term deposits in foreign currencies with term of less than 12 months	8%	8%
▪ Deposits in foreign currencies with term of 12 months and above	6%	6%
▪ Demand deposits and term deposits in VND with term of less than 12 months	3%	3%
▪ Deposits in VND with term of 12 months and above	1%	1%
<i>Overseas credit institutions</i>		
▪ Deposits in foreign currencies	1%	1%
	<hr/>	<hr/>
	30/6/2021 VND million	31/12/2020 VND million
<b>Current account and compulsory reserve</b>		
▪ In VND	6,662,392	4,331,562
▪ In USD	107,398	96,816
	<hr/>	<hr/>
	6,769,790	4,428,378
	<hr/>	<hr/>

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

	30/6/2021 VND million	31/12/2020 VND million
<b>Deposits with other credit institutions</b>		
Demand deposits		
▪ In VND	8,958,571	7,976,654
▪ In foreign currencies	364,252	264,200
Term deposits		
▪ In VND	2,368,000	2,442,000
▪ In foreign currencies	3,383,940	971,460
	<hr/>	<hr/>
	15,074,763	11,654,314
<hr/>		
<b>Loans to other credit institutions</b>		
▪ In VND	229,885	239,229
	<hr/>	<hr/>
	229,885	239,229
	<hr/>	<hr/>
	15,304,648	11,893,543

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

	30/6/2021 VND million	31/12/2020 VND million
Current debts (i)	5,981,825	3,652,689

- (i) Included in Current debts balance as at 30 June 2021 were loans to three people's credit funds under special supervision following the direction of the SBV amounting to VND229,885 million (31/12/2020: VND239,229 million) being temporarily classified as Current debts while awaiting for specific guidance from the SBV.

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## 7. Held-for-trading securities

	30/6/2021 VND million	31/12/2020 VND million
<b>Equity securities</b>		
▪ Equity securities issued by other local credit institutions	103,369	103,369
▪ Equity securities issued by local economic entities	40,772	40,772
	<hr/>	<hr/>
	144,141	144,141
	<hr/>	<hr/>
<b>Allowance for held-for-trading securities</b>		
▪ Allowance for diminution in value of held-for-trading securities	(16,220)	(16,220)
	<hr/>	<hr/>
	127,921	127,921
	<hr/>	<hr/>

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

	30/6/2021		31/12/2020	
	Cost VND million	Allowance VND million	Cost VND million	Allowance VND million
<b>Equity securities</b>				
▪ Unlisted	144,141	(16,220)	144,141	(16,220)
	<hr/>	<hr/>	<hr/>	<hr/>

Movements in allowance for diminution in value of held-for-trading securities during the period were as follows:

	Six-month period ended	
	30/6/2021 VND million	30/6/2020 VND million
Opening balance and closing balance	16,220	16,220
	<hr/>	<hr/>



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## 8. Loans and advances to customers

	30/6/2021 VND million	31/12/2020 VND million
Loans to domestic economic entities and individuals	95,886,468	89,162,855
Discounted transferrable instruments and valuable papers	1,311	4,570
Loans funded by grants and entrusted funds	2,894	4,193
	95,890,673	89,171,618

Loan portfolio by credit risk group is as follows:

	30/6/2021 VND million	31/12/2020 VND million
Current debts	93,098,040	86,089,251
Special mentioned debts	1,430,412	2,338,597
Sub-standard debts	98,598	138,750
Doubtful debts	210,827	137,123
Loss debts	1,052,796	467,897
	95,890,673	89,171,618

Loan portfolio by term is as follows:

	30/6/2021 VND million	31/12/2020 VND million
Short-term loans	47,845,432	54,740,963
Medium-term loans	22,498,078	16,010,236
Long-term loans	25,547,163	18,420,419
	95,890,673	89,171,618



Loan portfolio by business sector of customers is as follows:

	30/6/2021 VND million	31/12/2020 VND million
Wholesale and retail; repair of automobiles, motorcycles, and other vehicles with engines	20,974,867	22,201,440
Accommodation and catering services	19,633,748	16,059,283
Production and distribution of electricity, gas, hot water, steam and air conditioning	14,411,293	14,176,618
Employment activities in households, production of material products and services for household self-consumption	13,494,813	12,778,543
Construction	12,200,378	12,813,543
Real estates	4,311,822	2,786,735
Processing and manufacturing industries	2,758,264	2,923,639
Arts and entertainment	2,151,276	1,222,786
Others	5,954,212	4,209,031
	<b>95,890,673</b>	<b>89,171,618</b>

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

	30/6/2021 VND million	31/12/2020 VND million
Limited liability companies	36,274,285	33,094,024
Joint stock companies	34,752,601	32,158,903
Private companies	32	32
Individuals and household business	24,795,008	23,816,261
Others	68,747	102,398
	<b>95,890,673</b>	<b>89,171,618</b>

## 9. Allowance for loans and advances to customers

Allowance for loans and advances to customers comprises of:

	30/6/2021 VND million	31/12/2020 VND million
General allowance	710,392	642,348
Specific allowance	254,065	208,999
	964,457	851,347

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

	General allowance VND million	Specific allowance VND million	Total VND million
<b>Six-month period ended 30/6/2021</b>			
Opening balance	642,348	208,999	851,347
Allowance made during the period (Note 33)	68,044	45,906	113,950
Allowance utilised for debts sold to VAMC during the period (Note 10(ii))	-	(840)	(840)
Closing balance	710,392	254,065	964,457
<b>Six-month period ended 30/6/2020</b>			
Opening balance	467,941	325,725	793,666
Allowance made during the period (Note 33)	59,250	34,799	94,049
Allowance utilised during the period	-	(207,439)	(207,439)
Closing balance	527,191	153,085	680,276





## 10. Investment securities

	30/6/2021 VND million	31/12/2020 VND million
<b>Available-for-sale securities</b>		
<i>Debt securities</i>		
▪ Government bonds (iv)	5,120,794	4,993,616
▪ Bonds issued by other local credit institutions (iv)	1,200,000	1,499,943
▪ Bonds issued by other local economic entities	638,400	648,400
	6,959,194	7,141,959
<b>Allowance for available-for-sale securities</b>		
▪ General allowance for credit losses (i)	(4,788)	(4,788)
	6,954,406	7,137,171
<b>Held-to-maturity securities (excluding special bonds issued by VAMC)</b>		
<i>Debt securities</i>		
▪ Government bonds (iv)	10,634,411	9,749,713
▪ Bonds issued by other local credit institutions (iv)	1,259,907	1,271,216
▪ Bonds issued by other local economic entities	-	180,000
	11,894,318	11,200,929
<b>Allowance for held-to-maturity securities</b>		
▪ General allowance for credit losses (i)	-	(1,350)
	11,894,318	11,199,579
<b>Special bonds issued by VAMC</b>		
▪ Special bonds par value (ii)	1,405,242	1,950,033
▪ Allowance for special bonds (iii)	(65,445)	-
	1,339,797	1,950,033
	20,188,521	20,286,783

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

	30/6/2021 VND million	31/12/2020 VND million
Current debts	3,098,307	3,599,559

- (i) Movements in general allowance for credit losses for available-for-sale securities and held-to-maturity securities which are bonds issued by other local economic entities during the period were as follows:

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Opening balance	6,138	6,138
Allowance reversed during the period (Note 29)	(1,350)	(1,200)
Closing balance	4,788	4,938

- (ii) These are special bonds issued by VAMC in order to purchase the Group's bad debts. During the six-month period ended 30 June 2021, the Group sold VND74,674 million of debt principals to VAMC and the allowance for these debts amounting to VND840 million (Note 9), equivalent to the total par value of special bonds amounting to VND73,834 million. As of 30 June 2021, the Group sold VND1,619,097 million of debt principals to VAMC, with allowance amounting to VND213,855 million, equivalent to the total par value of special bonds of VND1,405,242 million.

- (iii) Movements in allowance for special bonds during the period were as follows:

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Opening balance	-	-
Allowance made during the period (Note 33)	65,445	-
Closing balance	65,445	-

- (iv) As at 30 June 2021, available-for-sale securities and held-to-maturity securities used as collateral for deposits and borrowings from other credit institutions were VND623,012 million and VND3,391,502 million (31/12/2020: VND1,901,482 million and VND5,522,505 million), respectively (Note 18).

## 11. Capital contribution, long-term investments

	30/6/2021	31/12/2020
	VND million	VND million
Other long-term investments (i)	115,280	115,280
Allowance for diminution in value of long-term investments (ii)	-	(932)
	115,280	114,348



- (i) Other long-term investments of the Group are investments with a capital contribution ratio of not more than 11% of the charter capital or share capital with voting rights, details are as follows:

Name of investees	Number of shares	30/6/2021	Equity owned %	Number of shares	31/12/2020	Equity owned %
		Carrying amount VND million			Carrying amount VND million	
<b>Investments in local economic entities</b>						
<b>Unlisted</b>						
▪ Beta Securities Joint Stock Company	4,400,000	74,800	11%	4,400,000	74,800	11%
▪ Hoa Binh Real Estate Corporation	3,520,000	40,480	11%	3,520,000	40,480	11%
		115,280			115,280	
Allowance for diminution in value of other long-term investments		-			(932)	
		115,280			114,348	

- (ii) Movements in allowance for diminution in value of other long-term investments during the period were as follows:

	Six-month period ended	
	30/6/2021 VND million	30/6/2020 VND million
Opening balance	932	5,060
Allowance reversed during the period (Note 32(ii))	(932)	(2,361)
Closing balance	-	2,699

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

## 12. Tangible fixed assets

	Building and structures VND million	Machinery equipment VND million	Motor vehicles VND million	Office equipment VND million	Other fixed assets VND million	Total VND million
<b>Cost</b>						
Opening balance	422,957	300,690	174,760	34,656	14,406	947,469
Additions	163	1,836	75	136	-	2,210
Transfer from construction in progress	-	3,779	3,375	602	333	8,089
Disposals	-	(353)	(4,057)	(235)	(234)	(4,879)
Transfer from finance lease fixed assets	-	-	6,545	-	-	6,545
Closing balance	423,120	305,952	180,698	35,159	14,505	959,434
<b>Accumulated depreciation</b>						
Opening balance	127,897	166,526	97,792	27,751	11,286	431,252
Charge for the period	7,919	18,060	10,785	1,216	625	38,605
Disposals	-	(353)	(3,964)	(231)	(234)	(4,782)
Transfer from finance lease fixed assets	-	-	5,494	-	-	5,494
Closing balance	135,816	184,233	110,107	28,736	11,677	470,569
<b>Net book value</b>						
Opening balance	295,060	134,164	76,968	6,905	3,120	516,217
Closing balance	287,304	121,719	70,591	6,423	2,828	488,865



Other disclosure information of tangible fixed assets:

	30/6/2021 VND million	31/12/2020 VND million
Cost of tangible fixed assets which were fully depreciated but still in active use	218,502	201,710

### 13. Finance lease fixed assets

	Motor vehicles VND million
<b>Cost</b>	
Opening balance	82,504
Additions	10,238
Transfer from construction in progress	4,685
Transfer to tangible fixed assets	(6,545)
	<hr/>
Closing balance	90,882
	<hr/>
<b>Accumulated depreciation</b>	
Opening balance	28,848
Charge for the period	7,104
Transfer to tangible fixed assets	(5,494)
	<hr/>
Closing balance	30,458
	<hr/>
<b>Net book value</b>	
Opening balance	53,656
Closing balance	60,424
	<hr/>

The Group leases some motor vehicles under various finance lease agreements. At the end of the lease term, the Group has the option to purchase the motor vehicles.

#### 14. Intangible fixed assets

	Land use rights VND million	Software VND million	Total VND million
<b>Cost</b>			
Opening balance and closing balance	401,166	154,928	556,094
<b>Accumulated amortisation</b>			
Opening balance	2,000	122,219	124,219
Charge for the period	652	7,481	8,133
Closing balance	2,652	129,700	132,352
<b>Net book value</b>			
Opening balance	399,166	32,709	431,875
Closing balance	398,514	25,228	423,742

Other disclosure information of intangible fixed assets:

	30/6/2021 VND million	31/12/2020 VND million
Cost of intangible fixed assets which were fully amortised but still in active use	76,461	76,461

#### 15. Investment property

##### *Investment property held for capital appreciation*

	Land use rights and assets on the land use rights VND million
Opening balance	33,936
Disposals	(9,321)
Closing balance	24,615

As at 30 June 2021, the fair value of investment property held for capital appreciation was determined by the Group at VND25,875 million (31/12/2020: VND35,927 million).



## 16. Other assets

	30/6/2021 VND million	31/12/2020 VND million
Receivables		
▪ Deposits, mortgages, pledges (i)	121,192	113,799
▪ Receivables from fast money transfer services	409,657	340,841
▪ Receivables from sales of land use right used as transaction office (ii)	-	121,200
▪ Construction in progress (iii)	65,251	31,111
▪ Advances	38,477	36,491
▪ Other receivables	24,873	666
▪ Receivables from debts selling (iv)	2,072,245	3,552,111
	<b>2,731,695</b>	<b>4,196,219</b>
Accrued interest and fees receivable		
▪ Interest receivable from loans	2,811,097	2,241,446
▪ Interest receivable from investment securities	390,508	382,020
▪ Interest receivable from deposits	3,566	2,863
▪ Interest receivable from derivative financial instruments	6,741	5,408
	<b>3,211,912</b>	<b>2,631,737</b>
Other assets		
▪ Prepaid expenses (v)	267,288	263,003
▪ Foreclosed assets (vi)	70,357	70,356
▪ Tools and supplies	11,915	8,838
	<b>349,560</b>	<b>342,197</b>
Allowance for losses on other assets (vii)	(46,598)	(47,121)
	<b>6,246,569</b>	<b>7,123,032</b>
Other assets categorised as assets exposed to credit risk by debt group are as follows:		
	30/6/2021 VND million	31/12/2020 VND million
Current debts	2,026,180	3,552,111
Loss debts	46,065	-
	<b>2,072,245</b>	<b>3,552,111</b>

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

(ii) Construction in progress

	Six-month period ended 30/6/2021 VND million
Opening balance	31,111
Additions	46,914
Transfer to tangible fixed assets	(8,089)
Transfer to finance lease fixed assets	(4,685)
	<hr/>
Closing balance	65,251

Major constructions in progress at the end of the accounting period were as follows:

	30/6/2021 VND million	31/12/2020 VND million
Renovations and purchases of assets	34,880	28,172
Motor vehicles, machinery and equipment	30,371	2,939
	<hr/>	<hr/>
	65,251	31,111

(iii) The balance represents receivables as at 30 June 2021 from the Group's sales of debts to an economic entity. At the issuance date of these consolidated interim financial statements, balances of these receivables from sales of debts is VND503,435 million.

(iv) Details of prepaid expenses are as follows:

	30/6/2021 VND million	31/12/2020 VND million
Assets leasing and repairing expenses	215,475	197,122
Tools and supplies	19,412	24,118
Prepaid interest for deposits from customers	13,278	17,873
Others	19,123	23,890
	<hr/>	<hr/>
	267,288	263,003

(v) Details of foreclosed assets are as follows:

	30/6/2021 VND million	31/12/2020 VND million
Equity securities	48,803	48,802
Real estates	21,554	21,554
	<hr/>	<hr/>
	70,357	70,356



(vi) Allowance for losses on other assets comprises:

	30/6/2021 VND million	31/12/2020 VND million
Allowance for credit losses	25,676	28,800
▪ General allowances	21,600	28,800
▪ Specific allowances	4,076	-
Allowance for diminution in value	20,922	18,321
	<hr/>	<hr/>
	46,598	47,121

The balance represents the allowance for diminution in value for foreclosed assets which are equity securities of which ownership has been transferred to the Bank and awaiting for resolution as described in the Note 16(v) and general and specific allowance for debts sold basing on actual debt group as at 31 March 2021 as described in Note 16(iii).

Movements in allowance for losses on other assets during the period were as follows:

	Six-month period ended 30/6/2021 VND million	30/6/2020 VND million
Opening balance	47,121	47,457
Allowance made/(reversed) for diminution in value of other assets during the period (Note 32(i))	2,601	(4,511)
General allowance reversed for debt sold but not collected (Note 33)	(7,200)	(8,003)
Specific allowance made for debt sold but not collected (Note 33)	4,076	190,595
	<hr/>	<hr/>
Closing balance	46,598	225,538

## 17. Borrowings from the Government and the State Bank of Vietnam

	30/6/2021 VND million	31/12/2020 VND million
Borrowings from the State Bank of Vietnam		
▪ In VND	1,125	1,254
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## 18. Deposits and borrowings from other credit institutions

	30/6/2021 VND million	31/12/2020 VND million
<b>Demand deposits from other credit institutions</b>		
▪ In VND	8,840,414	7,840,876
<b>Term deposits from other credit institutions</b>		
▪ In VND (i)	3,278,000	4,352,000
▪ In foreign currencies	1,427,240	1,063,980
	<hr/>	<hr/>
	13,545,654	13,256,856
	<hr/>	<hr/>
<b>Borrowings from other credit institutions</b>		
▪ In VND	3,427,960	5,483,844
<i>In which:</i>		
- Finance leases	38,004	33,690
- Pledge or mortgage loan (ii)	3,389,956	5,250,048
▪ In foreign currencies	690,706	347,057
	<hr/>	<hr/>
	4,118,666	5,830,901
	<hr/>	<hr/>
	17,664,320	19,087,757

- (i) Term deposits from other credit institutions as at 30 June 2021 amounting to VND140,000 million (31/12/2020: VND960,000 million) were secured by the following assets:

	30/6/2021 VND million	31/12/2020 VND million
Available-for-sale investment securities (Note 10(iv))	124,868	452,196
Held-to-maturity investment securities (Note 10(iv))	208,129	948,402
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	332,997	1,400,598

- (ii) Borrowings from other credit institution as at 30 June 2021 amounting to VND3,389,956 million (31/12/2020: VND5,250,048 million) were secured by the following assets:

	30/6/2021 VND million	31/12/2020 VND million
Available-for-sale investment securities (Note 10(iv))	498,144	1,449,286
Held-to-maturity investment securities (Note 10(iv))	3,183,373	4,574,103
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	3,681,517	6,023,389

## 19. Deposits from customers

	30/6/2021 VND million	31/12/2020 VND million
<b>Demand deposits</b>		
▪ In VND	8,753,497	4,496,168
▪ In foreign currencies	334,535	238,728
<b>Term deposits</b>		
▪ In VND	97,518,900	91,047,391
▪ In foreign currencies	1,057,221	1,026,675
<b>Margin deposits</b>		
▪ In VND	244,759	1,418,700
<b>Special-purpose deposits</b>		
▪ In VND	46,657	21,718
▪ In foreign currencies	29	4,651
	<hr/>	<hr/>
	107,955,598	98,254,031
	<hr/>	<hr/>

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

	30/6/2021 VND million	31/12/2020 VND million
Individuals	84,102,916	79,838,724
Non state-owned enterprises	15,649,370	12,332,141
State-owned enterprises	3,389,933	2,555,913
Foreign invested companies	346,388	157,742
Others	4,466,991	3,369,511
	<hr/>	<hr/>
	107,955,598	98,254,031
	<hr/>	<hr/>

## 20. Derivatives and other financial assets/(financial liabilities)

As at 30 June 2021	Total contract value (at foreign exchange rate at the contract date) VND million	Total carrying value (at foreign exchange rate at reporting date)	
		Assets VND million	Liabilities VND million
<b>Currency derivatives</b>			
▪ Currency forward contracts	1,999,049	7,623	-
▪ Currency swap contracts	3,935,615	-	(4,785)
	<u>5,934,664</u>	<u>7,623</u>	<u>(4,785)</u>
<b>As at 31 December 2020</b>	<b>Total contract value (at foreign exchange rate at the contract date) VND million</b>	<b>Total carrying value (at foreign exchange rate at reporting date) Assets VND million</b>	<b>Liabilities VND million</b>
<b>Currency derivatives</b>			
▪ Currency forward contracts	79,475	833	-
▪ Currency swap contracts	2,764,474	-	(6,404)
	<u>2,843,949</u>	<u>833</u>	<u>(6,404)</u>

## 21. Grants and entrusted funds received

	30/6/2021 VND million	31/12/2020 VND million
Entrusted funds received in VND (i)	7,931	9,767
Entrusted funds received in USD (ii)	460,400	462,600
	<u>468,331</u>	<u>472,367</u>

- (i) These are entrusted funds received from the State Bank of Vietnam with the source from Japan International Cooperation Agency (JICA) in VND, with original terms ranging from 3 to 7 years and bearing annual interest rate at 3.912% (31/12/2020: 4.176%) for the purpose of supporting small and medium enterprises.
- (ii) This is a part of entrusted funds in USD to finance projects with purposes in compliance with the agreement.



## 22. Valuable papers issued

	30/6/2021 VND million	31/12/2020 VND million
Certificates of deposits (i)	8,142,413	5,957,313
Bonds with term of 3 years of the Bank (ii)	800,000	800,000
Bonds with term of 10 years of the Bank (iii)	200,000	200,000
	<u>9,142,413</u>	<u>6,957,313</u>

- (i) The balance represents long-term registered certificates of deposits issued for individuals and organisations, with par value of VND10 million, having term of 1-7 years and interest are paid in arrears annually.
- (ii) The balance represents 800 bonds with par value of VND1,000,000,000 per bond issued by the Bank, including 500 bonds issued on 15 September 2020 having fixed interest rate of 5.8% per annum and 300 bonds issued on 21 September 2020 having fixed interest rate of 5.5% per annum, interest are paid annually.
- (iii) The balance represents 200 bonds with par value of VND1,000,000,000 per bond issued by the Bank on 24 September 2019 having fixed interest rate of 7.8% per annum, interest are paid annually.



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## 23. Other liabilities

	30/6/2021 VND million	31/12/2020 VND million
<b>Accrued interest and fees payable</b>		
▪ Interest payable for deposits from customers and other credit institutions	1,886,321	2,124,903
▪ Interest payable for valuable papers issued	252,863	281,229
▪ Interest payable for borrowings from grants and entrusted funds	672	650
▪ Interest payable for borrowings from the SBV and other credit institutions	5,242	2,648
▪ Interest payable for derivatives	4,622	528
	2,149,720	2,409,958
<b>Internal payables</b>		
▪ Payables to employees	70,407	52,330
<b>External payables</b>		
▪ Payables relating to fast transfer payment services	351,897	228,690
▪ Taxes payable to the State Treasury (Note 24)	224,018	138,930
▪ Deferred income - from insurance brokerage activities	34,120	34,756
▪ Deferred income - from interest collected in advance	1,357	1,394
▪ Deferred income - from leasing activity	979	1,175
▪ Payables relating to card payment services	23,016	27,476
▪ Cash held awaiting for settlement	12,520	11,478
▪ Payables relating to settlement services	47,872	5,967
▪ Payables relating to foreign currency trading activities	22,378	-
▪ Dividend payables	4,529	4,854
▪ Other payables	13,924	13,994
Bonus and welfare fund (i)	14,216	7,130
	821,233	528,174
	2,970,953	2,938,132

(i) Movements in bonus and welfare fund during the period were as follows:

	Six-month period ended	
	30/6/2021 VND million	30/6/2020 VND million
Opening balance	7,130	3,866
Appropriation during the period (Note 25)	8,291	4,412
Utilisation during the period	(1,205)	(295)
	14,216	7,983
	14,216	7,983

## 24. Obligations to the State Treasury

Six-month period ended 30 June 2021	Opening balance VND million	Movements during the period Incurred VND million	Paid VND million	Closing balance VND million
Value added tax	1,492	6,891	(4,043)	4,340
Corporate income tax	125,023	216,016	(125,062)	215,977
Personal income tax	11,990	34,208	(43,048)	3,150
Other taxes	425	1,572	(1,446)	551
	138,930	258,687	(173,599)	224,018

Six-month period ended 30 June 2020	Opening balance VND million	Movements during the period Incurred VND million	Paid VND million	Closing balance VND million
Value added tax	725	4,430	(3,645)	1,510
Corporate income tax	70,593	41,307	(100,372)	11,528
Personal income tax	10,015	52,226	(59,287)	2,954
Other taxes	564	1,673	(1,866)	371
	81,897	99,636	(165,170)	16,363



Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

## 25. Equity

### (a) Statement of changes in equity

	Charter capital VND million	Capital for construction, purchases of fixed assets VND million	Share premium VND million	Other capital VND million	Reserve to supplement charter capital VND million	Financial reserve VND million	Other reserves VND million	Foreign exchange differences VND million	Retained profits VND million	Total VND million
<b>Balance at 1 January 2021</b>	<b>4,564,468</b>	<b>10</b>	<b>171,271</b>	<b>25</b>	<b>185,893</b>	<b>370,321</b>	<b>5,067</b>	<b>-</b>	<b>1,301,715</b>	<b>6,598,770</b>
Net profit for the period	-	-	-	-	-	-	-	-	857,599	857,599
Appropriation to reserves	-	-	-	-	-	-	1,360	-	(1,360)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	-	(8,291)	(8,291)
Foreign exchange differences	-	-	-	-	-	-	-	3,171	-	3,171
<b>Balance at 30 June 2021</b>	<b>4,564,468</b>	<b>10</b>	<b>171,271</b>	<b>25</b>	<b>185,893</b>	<b>370,321</b>	<b>6,427</b>	<b>3,171</b>	<b>2,149,663</b>	<b>7,451,249</b>
<b>Balance at 1 January 2020</b>	<b>3,890,053</b>	<b>10</b>	<b>2,554</b>	<b>25</b>	<b>146,280</b>	<b>289,984</b>	<b>3,823</b>	<b>-</b>	<b>627,656</b>	<b>4,960,385</b>
Net profit for the period	-	-	-	-	-	-	-	-	159,597	159,597
Appropriation to reserves	-	-	-	-	-	-	1,244	-	(1,244)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	-	(4,412)	(4,412)
Foreign exchange differences	-	-	-	-	-	-	-	(807)	-	(807)
Reclassification of reserves	-	-	-	-	(370)	370	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>3,890,053</b>	<b>10</b>	<b>2,554</b>	<b>25</b>	<b>145,910</b>	<b>290,354</b>	<b>5,067</b>	<b>(807)</b>	<b>781,597</b>	<b>5,114,763</b>



**(b) Shares**

The number of issued shares and shares in circulation of the Bank is:

	As at 30 June 2021 and 31 December 2020	
	Number of shares	Par value VND million
<b>Issued shares</b>		
Ordinary shares	456,446,843	4,564,468
<b>Shares in circulation</b>		
Ordinary shares	456,446,843	4,564,468

Each ordinary share has a par value of VND10,000. Each share is entitled to one vote at meetings of shareholders of the Bank. Shareholders are entitled to receive dividends as declared by the Bank from time to time. All ordinary shares are ranked equally with regard to the Bank's residual assets.

In accordance with the Resolution of the Annual General Meeting of Shareholders dated 27 June 2020, the shareholders approved the plan to increase charter capital from VND5,000,000,000,000 (approved by the Resolution of the Annual General Meeting of Shareholders in 2019) to VND7,000,000,000,000. The result after the completion of the offering and issuance of shares in the second capital increase in 2019 was the new charter capital of VND4,564,468,430,000. Therefore, the plan to increase charter capital in 2020 is to increase capital by VND2,000,000,000,000 from VND4,564,468,430,000 to VND6,564,468,430,000, specifically as follows:

- Issue shares to pay dividends:
  - Increase charter capital by VND570,000,000,000 through the issuance of 57,000,000 ordinary shares to pay dividends for 2019.
- Issue new shares:
  - Increase charter capital by VND1,430,000,000,000 through the issuance of 143,000,000 ordinary shares in cash in the form of a private placement of shares.

In accordance with the Resolution of the Annual General Meeting of Shareholders dated 29 April 2021, the shareholders approved the plan to increase charter capital from VND6,564,468,430,000 (expected charter capital after successfully increasing capital under the charter capital increase plan in 2020) to VND8,564,468,430,000, specifically as follows:

- Issue shares to pay dividends:
  - Increase charter capital by VND670,063,960,000 through the issuance of 67,006,396 ordinary shares to pay dividends for 2020.
- Issue new shares:
  - Increase charter capital by VND329,936,040,000 through the issuance of 32,993,604 ordinary shares in cash in the form of share offering to existing shareholders.
  - Increase charter capital by VND1,000,000,000,000 through the issuance of 100,000,000 ordinary shares in cash in the form of a private placement of shares.

On 2 August 2021, the State Bank of Vietnam has approved the increase in charter capital in 2020 according to the plan mentioned above in Official letter No. 5557/NHNN-TTGSNH. At the issuance date of these consolidated interim financial statements, the Bank is in the process of obtaining approval from the State Securities Commission to increase its charter capital in accordance with the Resolution of the Annual General Meeting of Shareholders dated 27 June 2020 as mentioned above. The increase in charter capital according to the Resolution of the Annual General Meeting of Shareholders on 29 April 2021 will be implemented after completing the charter capital increase according to the plan to increase charter capital in 2020.





## 26. Net interest income and similar income

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
<b>Interest and similar income</b>		
▪ Interest income from loans	5,001,434	3,809,257
▪ Interest income from trading, investing in debt securities	343,055	199,125
▪ Interest income from deposits	26,793	87,490
▪ Other income from credit activities	73,987	20,800
▪ Income from guarantee services	5,915	3,942
	<b>5,451,184</b>	<b>4,120,614</b>
<b>Interest and similar expenses</b>		
▪ Interest expense on deposits	(3,035,496)	(2,859,494)
▪ Interest expense on valuable papers issued	(257,126)	(191,451)
▪ Interest expense on borrowings	(30,224)	(11,259)
▪ Other expenses on credit activities	(28,035)	(4,374)
▪ Interest expense on finance leases	(1,587)	(984)
	<b>(3,352,468)</b>	<b>(3,067,562)</b>
<b>Net interest income and similar income</b>	<b>2,098,716</b>	<b>1,053,052</b>

## 27. Net fees and commission income

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
<b>Fees and commission income from</b>		
▪ Settlement services	49,441	46,517
▪ Insurance brokerage commission	26,903	27,020
▪ Asset leasing	20,938	21,053
▪ Other services	24,646	4,575
	<b>121,928</b>	<b>99,165</b>
<b>Fees and commission expenses on</b>		
▪ Settlement services	(30,580)	(37,734)
▪ Brokerage commission	(238)	(12,128)
▪ Consultancy services	(4,118)	(248)
▪ Postage and telecommunications fees	(501)	(462)
▪ Other services	(150)	(97)
	<b>(35,587)</b>	<b>(50,669)</b>
<b>Net fees and commission income</b>	<b>86,341</b>	<b>48,496</b>



## 28. Net gain from trading of foreign currencies

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
<b>Gains from trading of foreign currencies</b>		
▪ Gain from spot contracts	43,198	32,298
▪ Gain from currency derivatives	8,212	6,799
▪ Gain from gold trading	14	185
	<hr/>	<hr/>
	51,424	39,282
<b>Losses from trading of foreign currencies</b>		
▪ Loss from spot contracts	(17,049)	-
▪ Loss from currency derivatives	(10,336)	(2,373)
▪ Loss from gold trading	(5)	(365)
	<hr/>	<hr/>
	(27,390)	(2,738)
<b>Net gain from trading of foreign currencies</b>	<hr/>	<hr/>
	24,034	36,544

## 29. Net gain from sales of investment securities

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Gain from sales of investment securities	102,723	45,242
Loss from sales of investment securities	(5)	(329)
General allowance reversed for available-for-sale investment securities (Note 10(i))	1,350	1,200
	<hr/>	<hr/>
<b>Net gain from sales of investment securities</b>	104,068	46,113

### 30. Net other income

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
<b>Other income</b>		
▪ Collections of bad debts previously written-off	6,879	3,296
▪ Gain from disposals of investment properties	195	913
▪ Gain from disposals of fixed assets	401	220
▪ Contract penalty fee	-	7,777
▪ Other income	2,609	2,696
	<hr/>	<hr/>
	10,084	14,902
	<hr/>	<hr/>
<b>Other expenses</b>		
▪ Payments for social activities	(6,143)	(4,340)
▪ Debt management expenses	(358)	-
▪ Other expenses	(649)	(275)
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	(7,150)	(4,615)
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<b>Net other income</b>	2,934	10,287
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### 31. Gain from capital contribution, share purchase

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Dividends received/profits distributed from:		
▪ Held-for-trading securities	76	63
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## 32. Operating expenses

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
1. Personnel expenses	584,323	330,318
In which:		
▪ Salary and allowances	532,485	294,570
▪ Salary related contribution	34,291	29,340
▪ Other allowances	59	482
▪ Others	17,488	5,926
2. Asset expenditure	208,740	169,638
In which:		
▪ Leasing assets	80,483	67,082
▪ Depreciation of fixed assets	53,842	42,736
▪ Maintenance and repair of assets	59,673	46,811
▪ Others	14,742	13,009
3. Insurance for deposits from customers	62,202	46,134
4. Meeting and conference expenses	71,193	59,482
5. Publication of documents advertising	47,630	36,614
6. Expenses for water and sanitation	17,831	16,153
7. Allowance for losses (i)	1,669	(6,872)
8. Expenses for printing materials and papers	19,487	17,809
9. Non-deductible value added tax	16,160	13,658
10. Expenses for the Group's union activities	4,906	2,190
11. Travelling expenses	4,553	3,685
12. Others	27,589	28,201
	<b>1,066,283</b>	<b>717,010</b>

(i) Details of allowance for losses during the period were as follows:

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Allowance reversed for diminution in value of other long-term investments (Note 11(ii))	(932)	(2,361)
Allowance made/(reversed) for losses on other assets (Note 16(vi))	2,601	(4,511)
	<b>1,669</b>	<b>(6,872)</b>



### 33. Allowance expenses for credit losses

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
General allowance made for credit losses of loans and advances to customers (Note 9)	68,044	59,250
Specific allowance made for credit losses of loans and advances to customers (Note 9)	45,906	34,799
General allowance reversed for debt sold (Note 16 (vi))	(7,200)	(8,003)
Specific allowance made for debt sold (Note 16 (vi))	4,076	190,595
Allowance made for special bonds (Note 10(iii))	65,445	-
	<u>176,271</u>	<u>276,641</u>

### 34. Corporate income tax

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

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Corporate income tax expense – current	216,016	41,307

#### (b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Profit before tax	1,073,615	200,904
Adjustments for:		
▪ Non-taxable income (dividends)	(76)	(63)
▪ Non-deductible expenses	6,542	5,693
Taxable income	<u>1,080,081</u>	<u>206,534</u>
Corporate income tax expense	<u>216,016</u>	<u>41,307</u>

#### (c) Applicable tax rates

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

## 35. Earnings per share

### (a) Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2021 is based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to the bonus and welfare fund for the accounting period, of VND857,599 million (the six-month period ended 30 June 2020: VND159,597 million) and the weighted average number of ordinary shares outstanding of 456,446,843 shares (the six-month period ended 30 June 2020: 389,005,328 shares), details are as follows:

#### (i) Net profit attributable to ordinary shareholders

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Net profit for the period	857,599	159,597
Appropriation to bonus and welfare fund (*)	-	-
Net profit attributable to ordinary shareholders for calculation of basic earnings per share	857,599	159,597

(\*) At the date of these consolidated interim financial statements, the Group has not received any official resolution of the General Meeting of Shareholders of Bank on the appropriation of bonus and welfare fund from the profit of 2021. Had the Group made appropriation to the bonus and welfare fund, net profit attributable to ordinary shareholders and basic earnings per share would have decreased.

#### (ii) Weighted average number of ordinary shares

	Six-month period ended	
	30/6/2021	30/6/2020
	Shares	Shares
Issued ordinary shares at the beginning of the period	456,446,843	389,005,328
Effect of shares issued during the period	-	-
Weighted average number of ordinary shares	456,446,843	389,005,328

#### (iii) Basic earnings per share

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Basic earnings per share	1,879	410

### (b) Diluted earnings per share

The Group has no potential ordinary shares during the accounting period, therefore the presentation of diluted earnings per share does not apply.

### 36. Cash and cash equivalents

	30/6/2021 VND million	31/12/2020 VND million
Cash on hand, gold	974,560	985,235
Balances with the SBV	6,769,790	4,428,378
Deposits with and loans to other credit institutions with original term to maturity of not more than three months	15,074,763	11,654,314
	22,819,113	17,067,927

### 37. Employees' remuneration

	Six-month period ended	
	30/6/2021 VND million	30/6/2020 VND million
<b>Total number of employees</b>	3,699	3,166
<b>Employees' remuneration</b>		
1. Salary	532,485	294,570
2. Bonus	1,200	295
	533,685	294,865
3. Total income (1+2)		
Average salary/employee/month	24	16
Average income/employee/month	24	16



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

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

	30/6/2021 VND million	31/12/2020 VND million
Real estates	111,725,472	99,161,773
Equity securities and valuable papers	41,562,915	37,677,154
Movable assets	3,240,831	2,874,806
Other assets	33,441,118	28,984,724
	<hr/>	<hr/>
	189,970,336	168,698,457

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

	30/6/2021 VND million	31/12/2020 VND million
Available-for-sale securities		
▪ Government bonds	2,477,657	3,299,079
▪ Bonds issued by other local credit institutions	300,000	300,000
	<hr/>	<hr/>
	2,777,657	3,599,079
Held-to-maturity securities		
▪ Government bonds	4,555,865	6,166,738
▪ Bonds issued by other local credit institutions	412,250	412,778
	<hr/>	<hr/>
	4,968,115	6,579,516
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	7,745,772	10,178,595

### 39. Contingent liabilities and commitments

	30/6/2021		31/12/2020			
	Contractual amount - gross VND million	Margin deposits VND million	Contractual amount - net VND million	Contractual amount - gross VND million	Margin deposits VND million	Contractual amount - net VND million
Foreign exchange commitments	8,056,195	-	8,056,195	6,443,232	-	6,443,232
<i>In which:</i>						
▪ Purchase commitments of foreign currency	207,180	-	207,180	-	-	-
▪ Commitments on currency swap transactions	7,849,015	-	7,849,015	6,443,232	-	6,443,232
Letters of credit	1,115,151	-	1,115,151	1,224,892	(2,321)	1,222,571
Other guarantees	678,185	(12,626)	665,559	922,314	(38,243)	884,071

#### 40. Significant transactions with related parties

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

Balance at the period-end	30/6/2021 VND million	31/12/2020 VND million
		Receivables/(Payables)
<b>Members of Board of Management, Board of Directors and Supervisory Board of the Bank</b>		
Deposits	(84,791)	(32,457)
Loans	35,723	36,376
Accrued interest payable for deposits	(67)	(51)
Accrued interest receivable from borrowings	204	214
Other payables	(73)	(73)
<b>Other related parties (*)</b>		
Deposits	(695,955)	(680,907)
Loans	23,032	24,908
Deposits for office rental	270	6,128
Accrued interest payable for deposits	(22,556)	(27,571)
Accrued interest receivable from loans	91	101
<b>Transactions during the period</b>		
	30/6/2021	30/6/2020
	VND million	VND million
<b>Members of Board of Management, Board of Directors and Supervisory Board of the Bank</b>		
Salaries and allowances for the Board of Directors	12,419	12,768
Remunerations for the Board of Management and Supervisory Board	3,080	3,080
Interest expense on deposits	767	274
Interest receivable from loans	1,382	-
<b>Other related parties (*)</b>		
Interest income from loans	648	23,575
Rental expense	6,802	6,412
Interest expense on deposits	26,981	2,077
Rental income	745	746
Other income	13	8
Other expenses	1	19

- (\*) Other related parties comprise close family members of key management personnel including members of Board of Management, members of Board of Directors, members of Supervisory Board and companies which these individuals directly or indirectly hold significant voting right or have significant influence over the Group.

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

**41. Concentration of assets, liabilities and off-balance sheet commitments by geographical area**

As at 30 June 2021

	Deposits with and loans to other credit institutions – gross VND million	Held-for- trading securities – gross VND million	Loans and advances to customers – gross VND million	Investment securities – gross VND million	Deposits and borrowings from other credit institutions VND million	Valuable papers issued VND million	Credit commitments VND million
Domestic	14,994,388	144,141	95,890,673	20,258,754	16,973,720	9,142,413	1,780,710
Overseas	310,260	-	-	-	690,600	-	-
	15,304,648	144,141	95,890,673	20,258,754	17,664,320	9,142,413	1,780,710

As at 31 December 2020

	Deposits with and loans to other credit institutions – gross VND million	Held-for- trading securities – gross VND million	Loans and advances to customers – gross VND million	Investment securities – gross VND million	Deposits and borrowings from other credit institutions VND million	Valuable papers issued VND million	Credit commitments VND million
Domestic	11,697,439	144,141	89,171,618	20,292,921	18,740,807	6,957,313	2,106,642
Overseas	196,104	-	-	-	346,950	-	-
	11,893,543	144,141	89,171,618	20,292,921	19,087,757	6,957,313	2,106,642

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## 42. Financial risk management

### (a) Financial risk management

#### (i) Overview

Risks are inherent in the Group'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 Group's profitability and each individual within the Group is responsible for preventing all the related risk. The Group 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 Group 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 Group.

#### (ii) Risk management framework

##### *Risk management structure*

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

##### *Board of Management*

The Board of Management determines the risk management policy and monitors the implementation of risk prevention measures by the Group.

##### *Risk Management Committee*

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

The Risk Management Committee analyses and provides recommendations on the safety level of the Group against potential risks that may affect the Group 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 Group in order to make recommendations on required changes in current processes, policies and operational strategies to the Board of Management.

##### *Crisis Steering Committee*

The Crisis Steering Committee assists the Board of Directors in formulating regulations, solution and action plans to prevent, handle and solve problems when a crisis occurs to maintain the Group's continuing operations.

The Crisis Steering Committee organize inspection and assessment of the Group's operational situation in case of signs of crisis in order to prevent, minimize and eliminate incidents that cause adverse impacts on stability, ensure the safety of customer's life and property, the Group's staffs.



#### *Supervisory Board*

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

#### *Internal Audit*

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

#### *Risk measurement and reporting systems*

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

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

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

#### *Risk mitigation*

The Group has actively used collaterals to minimize the credit risk.

#### *Risk concentration*

Risk concentration arises when a number of customers of the Group 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 Group's performance to the developments of a particular industry or geographic area.

In order to mitigate risk concentration, the Group'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 Group in respect of the industries and other related factors.

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

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

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

### ***Collaterals***

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

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

### ***Commitments and guarantees***

To meet the financial needs of customers, the Group 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 Group is managed by customer, by geographical and by business sector.

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The maximum level of credit risk of the Group at the end of the accounting period is as follows:

	30/6/2021 VND million	31/12/2020 VND million
<b>Credit risk related to on-balance sheet assets</b>		
Deposits with and loans to other credit institutions – gross	15,304,648	11,893,543
Loans and advances to customers – gross	95,890,673	89,171,618
Available-for-sale debt securities – gross	6,959,194	7,141,959
Held-to-maturity securities – gross	13,299,560	13,150,962
Other financial assets – gross	5,878,356	6,796,845
	<b>137,332,431</b>	<b>128,154,927</b>
<b>Credit risk related to off-balance sheet assets</b>		
Payment guarantee	332,887	230,012
Contract performance guarantee	144,368	376,739
Bid guarantee	19,864	19,915
Other guarantees	181,066	295,648
	<b>678,185</b>	<b>922,314</b>
	<b>138,010,616</b>	<b>129,077,241</b>

The table above shows the worst case for the maximum loss for the Group as at 30 June 2021 and 31 December 2020, have not accounted any collateral held or credit risk mitigation. Details of collateral held as at 30 June 2021 and 31 December 2020 are presented in Note 38(a).

An aging analysis of financial assets that are past due but not impaired at the reporting date is as follows:

As at 30 June 2021	Overdue				Total VND million
	From 10 to 90 days VND million	From 91 to 180 days VND million	From 181 to 360 days VND million	Over 360 days VND million	
Loans and advances to customers (*)	408,232	22,811	13,994	62,772	507,809

An aging analysis of financial assets that are past due and impaired at the reporting date is as follows:

As at 30 June 2021	Overdue				Total VND million
	From 10 to 90 days VND million	From 91 to 180 days VND million	From 181 to 360 days VND million	Over 360 days VND million	
Loans and advances to customers (*)	19,339	70,098	189,786	986,847	1,266,070

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

See Note 38(a) for types and values of collaterals received from customers. The Group has not determined fair values of the collaterals for overdue and impaired financial assets for disclosure in these consolidated interim financial statements because there is currently no guidance on determination of fair value under Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the SBV in case quoted price in the market is not available. The fair values of these collaterals may differ from their carrying amounts.

**(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 Group 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 Group 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 Group:

- Cash on hand, gold; held-for-trading securities; derivatives and other financial assets; special bonds issued by VAMC; capital contribution, long-term investments; 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 1 month.
- The actual interest rate repricing term of debt securities is determined based on the actual maturity term of each type of securities at the reporting date.
- The actual interest rate repricing term of deposits with and loans to other credit institutions; loans and advances to customers; borrowings from the Government and the State Bank of Vietnam; deposits and borrowings from other credit institutions and deposits from customers is determined as follows:
  - Items which bear fixed interest rate for the entire contractual term: the actual interest rate repricing term is determined based on the remaining contractual term calculated from the reporting date.
  - Items which bear floating interest rate: the actual interest rate repricing term is determined based on the next interest rate repricing date subsequent to the reporting date.
- The actual interest rate repricing term of valuable papers issued is determined based on the remaining contractual term calculated from the reporting date.



- The actual interest rate repricing term of grants and entrusted funds is determined based on the next interest rate repricing date subsequent to the reporting date.
- The actual interest rate repricing term of other liabilities are classified as non-interest bearing items.

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



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**Nam A Commercial Joint Stock Bank**  
**No. 201 - 203 Cach Mang Thang Tam, Ward 4, District 3**  
**Ho Chi Minh City, Vietnam**

**Form B05a/TCTD-HN**  
*(Issued under Circular*  
**No. 49/2014/TT-NHNN**  
*dated 31 December 2014*  
**of the State Bank of Vietnam)**

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)**

As at 31 December 2020	Overdue VND million	Free of interest VND million	Less than 1 month VND million	From 1 to 3 months VND million	From over 3 to 6 months VND million	From over 6 to 12 months VND million	From over 1 to 5 years VND million	Over 5 years VND million	Total VND million
<b>Assets</b>									
Cash on hand, gold	-	985,235	-	-	-	-	-	-	985,235
Balances with the SBV	-	-	4,428,378	-	-	-	-	-	4,428,378
Deposits with and loans to other credit institutions	-	239,229	9,696,154	1,958,160	-	-	-	-	11,893,543
Held-for-trading securities – gross	-	144,141	-	-	-	-	-	-	144,141
Loans and advances to customers – gross (*)	2,809,583	-	16,936,599	63,091,020	5,058,798	761,016	514,602	14,700,585	89,171,618
Investment securities – gross	-	1,950,033	-	410,535	1,799,281	499,990	932,497	-	20,292,921
Capital contribution, long-term investments – gross	-	115,280	-	-	-	-	-	-	115,280
Fixed assets	-	1,001,748	-	-	-	-	-	-	1,001,748
Investment property	-	33,936	-	-	-	-	-	-	33,936
Other assets – gross	-	7,170,153	-	-	-	-	-	-	7,170,153
	<b>2,809,583</b>	<b>11,639,755</b>	<b>31,061,131</b>	<b>65,459,715</b>	<b>6,858,079</b>	<b>1,261,006</b>	<b>1,447,099</b>	<b>14,700,585</b>	<b>135,236,953</b>
<b>Liabilities</b>									
Borrowings from the Government and the SBV	-	-	35	764	358	97	-	-	1,254
Deposits and borrowings from other credit institutions	-	-	16,426,057	2,638,838	18,464	107	4,291	-	19,087,757
Deposits from customers	-	-	24,817,238	23,607,319	29,044,508	17,552,643	3,230,392	1,931	98,254,031
Derivatives and other financial liabilities	-	5,571	-	-	-	-	-	-	5,571
Grants and entrusted funds received	-	-	9,767	-	462,600	-	-	-	472,367
Valuable papers issued	-	-	355,517	1,624,196	1,489,220	2,488,380	800,000	200,000	6,957,313
Other liabilities	-	2,938,132	-	-	-	-	-	-	2,938,132
	-	<b>2,943,703</b>	<b>41,608,614</b>	<b>27,871,117</b>	<b>31,015,150</b>	<b>20,041,227</b>	<b>4,034,683</b>	<b>201,931</b>	<b>127,716,425</b>
<b>Interest sensitivity gap of balance sheet items</b>	<b>2,809,583</b>	<b>8,696,052</b>	<b>(10,547,483)</b>	<b>37,588,598</b>	<b>(24,157,071)</b>	<b>(18,780,221)</b>	<b>(2,587,584)</b>	<b>14,498,654</b>	<b>7,520,528</b>
<b>Interest sensitivity gap of off-balance sheet items</b>	-	-	-	-	-	-	-	-	-
<b>Interest sensitivity gap on and off-balance sheet items</b>	<b>2,809,583</b>	<b>8,696,052</b>	<b>(10,547,483)</b>	<b>37,588,598</b>	<b>(24,157,071)</b>	<b>(18,780,221)</b>	<b>(2,587,584)</b>	<b>14,498,654</b>	<b>7,520,528</b>

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

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

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

As at 30 June 2021	Less than 1 month	From 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years
<b>Assets</b>						
Balances with the SBV						
▪ VND	0% - 0.5%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	0% - 0.05%	(*)	(*)	(*)	(*)	(*)
Deposits with and loans to other credit institutions						
▪ VND	0% - 1.5%	1.45% - 1.9%	(*)	(*)	(*)	(*)
▪ Foreign currencies	0% - 0.8%	0.4% - 0.6%	(*)	(*)	(*)	(*)
Loans and advances to customers						
▪ VND	3.9% - 30%	0% - 36%	4.8% - 19%	4.8% - 14.4%	6% - 12%	(*)
▪ Foreign currencies	3% - 4.8%	3% - 5.1%	3% - 3.8%	(*)	(*)	(*)
Investment securities						
▪ VND	6.1%	(*)	4.5% - 9.5%	6% - 7.47%	6.2% - 7.7%	2.2% - 7.8%
<b>Liabilities</b>						
Borrowings from the Government and the SBV						
▪ VND	(*)	(*)	(*)	3.50%	(*)	(*)
Deposits and borrowings from other credit institutions						
▪ VND	0% - 9%	1.4% - 9%	8.3% - 9.45%	(*)	8.3% - 9.45%	(*)
▪ Foreign currencies	0% - 1.6%	0.5% - 0.75%	1.6% - 1.7%	(*)	(*)	(*)
Deposits from customers						
▪ VND	0% - 9.1%	3.25% - 9.1%	0% - 9.1%	3.75% - 9.1%	3.75% - 9.2%	3.75% - 5.4%
▪ Foreign currencies	0%	0%	0%	0%	0%	(*)
Grants and entrusted funds received						
▪ VND	3.90%	(*)	(*)	(*)	(*)	(*)
▪ USD	(*)	(*)	3.1% - 3.3%	(*)	(*)	(*)
Valuable papers issued						
▪ VND	8.1% - 8.9%	5.3% - 8.4%	7.5% - 8%	3.8% - 8.6%	4.3% - 5.8%	7.8%

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



Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

As at 31 December 2020	Less than 1 month	From 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years
<b>Assets</b>						
Balances with the SBV	0% - 0.5%	(*)	(*)	(*)	(*)	(*)
▪ VND	0% - 0.05%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies						
Deposits with and loans to other credit institutions	0% - 1.5%	0.8% - 1.5%	(*)	(*)	(*)	(*)
▪ VND	0% - 0.9%	0.6% - 1.0%	(*)	(*)	(*)	(*)
▪ Foreign currencies						
Loans and advances to customers	4.5% - 30%	0% - 30%	5% - 20%	6% - 13.4%	6% - 11%	(*)
▪ VND	3% - 5.2%	3% - 5.2%	3.2% - 4.2%	(*)	(*)	(*)
▪ Foreign currencies						
Investment securities	(*)	6.2% - 9.975%	6.1% - 9.8%	4.5% - 6.9%	6.2% - 7.7%	2.5% - 8.8%
▪ VND						
<b>Liabilities</b>						
Borrowings from the Government and the SBV	3.5%	3.5%	3.5%	3.5%	(*)	(*)
▪ VND						
Deposits and borrowings from other credit institutions	0% - 10.3%	0.7% - 9.8%	8.6% - 9%	(*)	9.15%	(*)
▪ VND	0% - 0.9%	0.6% - 1.7%	(*)	0.75%	(*)	(*)
▪ Foreign currencies						
Deposits from customers	0% - 9.3%	3.2% - 9.3%	0% - 9.3%	3.75% - 9.1%	3.75% - 9.2%	3.75% - 7.6%
▪ VND	0%	0%	0%	0%	0%	0%
▪ Foreign currencies						
Grants and entrusted funds received	4.18%	(*)	(*)	(*)	(*)	(*)
▪ VND	(*)	(*)	3.02% - 3.35%	(*)	(*)	(*)
▪ USD						
Valuable papers issued	8.8% - 8.99%	8.8% - 8.99%	6.5% - 8.9%	5.3% - 9.15%	5.8% - 5.8%	7.80%
▪ VND						

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



### Interest rate sensitivity analysis

The Group has not performed the sensitivity analysis for interest rates at 30 June 2021 and 31 December 2020 because there are no specific guidelines and regulations of the State Bank of Vietnam and other appropriate authorities.

### (ii) Currency risk

Currency risk is the risk arising from changes in foreign exchange rates to VND, the Group's accounting currency, which may affect the value of the financial instruments or may cause volatility in the Group's earnings. The Group 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 Group is VND. Financial assets and financial liabilities of the Group are denominated mainly in VND, partially in USD, EUR and gold. The Group 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 Group at the reporting date:

	Exchange rate as at	
	30/6/2021	31/12/2020
USD/VND	23,020	23,130
EUR/VND	27,400	28,385
GBP/VND	31,891	31,567
CHF/VND	24,994	26,212
JPY/VND	208.28	223.97
SGD/VND	17,119	17,473
CAD/VND	18,570	18,123
AUD/VND	17,301	17,797
HKD/VND	2,968	3,042
KRW/VND	20	21
XAU/VND (one tenth of a tael)	5,655,000	5,582,500

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

As at 30 June 2021	VND million	USD VND million	Gold VND million	EUR million	Other currencies VND million	Total VND million
<b>Assets</b>						
Cash on hand, gold	878,964	83,786	1,216	1,563	9,031	974,560
Balances with the SBV	6,662,392	107,398	-	-	-	6,769,790
Deposits with and loans to other credit institutions – gross	11,556,456	3,712,562	-	18,005	17,625	15,304,648
Held-for-trading securities – gross	144,141	-	-	-	-	144,141
Derivatives and other financial assets	1,070,966	(1,068,128)	-	-	-	2,838
Loans and advances to customers – gross	94,996,115	894,558	-	-	-	95,890,673
Investment securities – gross	20,258,754	-	-	-	-	20,258,754
Capital contribution, long-term investments – gross	115,280	-	-	-	-	115,280
Fixed assets	973,031	-	-	-	-	973,031
Investment property	24,615	-	-	-	-	24,615
Other assets – gross	6,252,470	40,697	-	-	-	6,293,167
<b>Total assets (1)</b>	<b>142,933,184</b>	<b>3,770,873</b>	<b>1,216</b>	<b>19,568</b>	<b>26,656</b>	<b>146,751,497</b>
<b>Liabilities and equity</b>						
Borrowings from the Government and the SBV	1,125	-	-	-	-	1,125
Deposits and borrowings from other credit institutions	15,546,374	2,117,946	-	-	-	17,664,320
Deposits from customers	106,563,813	1,380,358	-	6,048	5,379	107,955,598
Grants and entrusted funds received	7,931	460,400	-	-	-	468,331
Valuable papers issued	9,142,413	-	-	-	-	9,142,413
Other liabilities	2,938,493	10,070	-	13,728	8,662	2,970,953
Capital and reserves	7,451,249	-	-	-	-	7,451,249
<b>Total liabilities and equity (2)</b>	<b>141,651,398</b>	<b>3,968,774</b>	<b>-</b>	<b>19,776</b>	<b>14,041</b>	<b>145,653,989</b>
<b>FX position on-balance sheet [(3)=(1)-(2)]</b>	<b>1,281,786</b>	<b>(197,901)</b>	<b>1,216</b>	<b>(208)</b>	<b>12,615</b>	<b>1,097,508</b>
<b>FX position off-balance sheet (4)</b>	<b>(207,138)</b>	<b>207,180</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42</b>
<b>FX position on and off-balance sheet [(5)=(3)+(4)]</b>	<b>1,074,648</b>	<b>9,279</b>	<b>1,216</b>	<b>(208)</b>	<b>12,615</b>	<b>1,097,550</b>



Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

As at 31 December 2020

	VND million	USD million	Gold VND million	EUR million	Other currencies VND million	Total VND million
<b>Assets</b>						
Cash on hand, gold	779,222	196,515	1,401	1,711	6,386	985,235
Balances with the SBV	4,331,562	96,816	-	-	-	4,428,378
Deposits with and loans to other credit institutions – gross	10,657,883	1,224,934	-	5,782	4,944	11,893,543
Held-for-trading securities – gross	144,141	-	-	-	-	144,141
Loans and advances to customers – gross	88,349,272	822,346	-	-	-	89,171,618
Investment securities – gross	20,292,921	-	-	-	-	20,292,921
Capital contribution, long-term investments – gross	115,280	-	-	-	-	115,280
Fixed assets	1,001,748	-	-	-	-	1,001,748
Investment property	33,936	-	-	-	-	33,936
Other assets – gross	7,152,734	17,419	-	-	-	7,170,153
<b>Total assets (1)</b>	<b>132,858,699</b>	<b>2,358,030</b>	<b>1,401</b>	<b>7,493</b>	<b>11,330</b>	<b>135,236,953</b>
<b>Liabilities and equity</b>						
Borrowings from the Government and the SBV	1,254	-	-	-	-	1,254
Deposits and borrowings from other credit institutions	17,676,720	1,411,037	-	-	-	19,087,757
Deposits from customers	96,983,977	1,260,036	-	6,741	3,277	98,254,031
Derivatives and other financial liabilities	828,999	(823,428)	-	-	-	5,571
Grants and entrusted funds received	9,767	462,600	-	-	-	472,367
Valuable papers issued	6,957,313	-	-	-	-	6,957,313
Other liabilities	2,929,844	8,262	-	26	-	2,938,132
Capital and reserves	6,598,770	-	-	-	-	6,598,770
<b>Total liabilities and equity (2)</b>	<b>131,986,644</b>	<b>2,318,507</b>	<b>-</b>	<b>6,767</b>	<b>3,277</b>	<b>134,315,195</b>
<b>FX position on-balance sheet [(3)=(1)-(2)]</b>	<b>872,055</b>	<b>39,523</b>	<b>1,401</b>	<b>726</b>	<b>8,053</b>	<b>921,758</b>
<b>FX position off-balance sheet (4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FX position on and off-balance sheet [(5)=(3)+(4)]</b>	<b>872,055</b>	<b>39,523</b>	<b>1,401</b>	<b>726</b>	<b>8,053</b>	<b>921,758</b>



Below is the analysis of impact to net profit of the Group after consideration the current foreign exchange rate and the fluctuations in the past as well as market expectation at the reporting date.

	Effect to net profit Increase/(decrease) VND million
<b>As at 30 June 2021</b>	
USD (weakening by 1%)	(74)
EUR (weakening by 4%)	7
XAU (strengthening by 1%)	10
<hr/>	
<b>As at 31 December 2020</b>	
USD (weakening by 1%)	(316)
EUR (strengthening by 9%)	52
XAU (strengthening by 31%)	347
<hr/>	

**(iii) Equity price risk**

Equity price risk is the risk that the market value of securities decreases due to changes in price of individual securities. Equity price risk derives from held-for-trading listed equity securities of the Group.

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

As at 30 June 2021 and 31 December 2020, the Group is not exposed to the equity price risk because the Group does not hold any held-for-trading listed equity securities.

**(d) Liquidity risk**

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

*Management of liquidity risk*

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

To mitigate the liquidity risk, the Group maintains an appropriate structure of liabilities and assets, enhance the ability of raising fund from various sources. The Group 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 Group 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 Group:

- 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 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 Group has intention to hold them for long-term.
- The maturity of fixed assets is categorised over 5 years because the Group 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 Group classified into maturity groups based on the remaining terms from the end of the 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.

082  
AN  
IGM  
JA  
3-7  
-0  
IA  
YT  
AC  
HO



Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

As at 30 June 2021	Overdue		Up to 1 month VND million	From over 1 to 3 months VND million	Current From over 3 to 12 months VND million	From over 1 to 5 years VND million	Over 5 years VND million	Total VND million
	Overdue over 3 months VND million	Overdue up to 3 months VND million						
<b>Assets</b>								
Cash on hand, gold	-	-	974,560	-	-	-	-	974,560
Balances with the SBV	-	-	6,769,790	-	-	-	-	6,769,790
Deposits with and loans to other credit institutions – gross	-	-	12,679,923	2,394,840	18,565	211,320	-	15,304,648
Held-for-trading securities – gross	-	-	144,141	-	-	-	-	144,141
Derivatives and other financial assets	-	-	4,822	(792)	(1,192)	-	-	2,838
Loans and advances to customers – gross (*)	1,076,807	1,294,874	3,013,866	11,906,874	30,904,092	22,730,967	24,963,193	95,890,673
Investment securities – gross	-	-	199,999	-	858,400	2,217,295	16,983,060	20,258,754
Capital contribution, long-term investments – gross	-	-	-	-	-	-	115,280	115,280
Fixed assets	-	-	-	-	-	-	973,031	973,031
Investment property	-	-	-	-	-	-	24,615	24,615
Other assets – gross	-	-	5,898,795	3,465	18,219	29,042	343,646	6,293,167
<b>Total assets (1)</b>	<b>1,076,807</b>	<b>1,294,874</b>	<b>29,685,896</b>	<b>14,304,387</b>	<b>31,798,084</b>	<b>25,188,624</b>	<b>43,402,825</b>	<b>146,751,497</b>
<b>Liabilities</b>								
Borrowings from the Government and the SBV	-	-	-	-	1,125	-	-	1,125
Deposits and borrowings from other credit institutions	-	-	14,771,000	2,394,946	460,921	37,453	-	17,664,320
Deposits from customers	-	-	31,439,708	21,175,596	51,682,344	3,656,168	1,782	107,955,598
Grants and entrusted funds received	-	-	-	-	231	468,100	-	468,331
Valuable papers issued	-	-	5,620	700,000	2,132,820	4,465,103	1,838,870	9,142,413
Other liabilities	-	-	1,180,573	608,646	932,820	198,780	50,134	2,970,953
<b>Total liabilities (2)</b>	<b>-</b>	<b>-</b>	<b>47,396,901</b>	<b>24,879,188</b>	<b>55,210,261</b>	<b>8,825,604</b>	<b>1,890,786</b>	<b>138,202,740</b>
<b>Net liquidity gap [(3)=(1)-(2)]</b>	<b>1,076,807</b>	<b>1,294,874</b>	<b>(17,711,005)</b>	<b>(10,574,801)</b>	<b>(23,412,177)</b>	<b>16,363,020</b>	<b>41,512,039</b>	<b>8,548,757</b>

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



Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

As at 31 December 2020	Overdue		Current		From over 1 to 5 years VND million	Over 5 years VND million	Total VND million
	Overdue over 3 months VND million	Up to 1 month VND million	From over 1 to 3 months VND million	From over 3 to 12 months VND million			
<b>Assets</b>							
Cash on hand, gold	-	985,235	-	-	-	-	985,235
Balances with the SBV	-	4,428,378	-	-	-	-	4,428,378
Deposits with and loans to other credit institutions – gross	-	9,717,674	1,958,160	137,721	79,988	-	11,893,543
Held-for-trading securities – gross	-	144,141	-	-	-	-	144,141
Loans and advances to customers – gross (*)	481,112	2,968,184	6,807,009	43,569,337	15,029,382	17,988,123	89,171,618
Investment securities – gross	-	-	400,535	1,619,272	3,072,529	15,200,585	20,292,921
Capital contribution, long-term investments – gross	-	-	-	-	-	115,280	115,280
Fixed assets	-	-	-	-	-	1,001,748	1,001,748
Investment property	-	-	-	-	-	33,936	33,936
Other assets – gross	-	1,296,256	2,715,583	2,826,989	283,306	48,019	7,170,153
<b>Total assets (1)</b>	<b>481,112</b>	<b>19,539,868</b>	<b>11,881,287</b>	<b>48,153,319</b>	<b>18,465,205</b>	<b>34,387,691</b>	<b>135,236,953</b>
<b>Liabilities</b>							
Borrowings from the Government and the SBV	-	35	764	455	-	-	1,254
Deposits and borrowings from other credit institutions	-	16,426,818	2,629,967	7,398	23,574	-	19,087,757
Deposits from customers	-	24,817,238	23,607,319	46,597,151	3,230,392	1,931	98,254,031
Derivatives and other financial liabilities	-	(96)	2,077	3,530	-	-	5,571
Grants and entrusted funds received	-	246	672	118,276	352,923	250	472,367
Valuable papers issued	-	5,760	-	1,713,710	3,715,513	1,522,330	6,957,313
Other liabilities	-	683,249	906,705	1,266,731	46,428	35,019	2,938,132
<b>Total liabilities (2)</b>	<b>-</b>	<b>41,933,310</b>	<b>27,147,504</b>	<b>49,707,251</b>	<b>7,368,830</b>	<b>1,559,530</b>	<b>127,716,425</b>
<b>Net liquidity gap [(3)=(1)-(2)]</b>	<b>481,112</b>	<b>2,328,471</b>	<b>(15,266,217)</b>	<b>(1,553,932)</b>	<b>11,096,375</b>	<b>32,828,161</b>	<b>7,520,528</b>

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



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

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

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

	30/6/2021		31/12/2020	
	Carrying amount VND million	Fair value VND million	Carrying amount VND million	Fair value VND million
<b>Financial assets</b>				
<i>Categorised as financial assets at fair value through profit or loss:</i>				
▪ Derivatives and other financial assets	2,838	(*)	-	-
▪ Held-for-trading securities	127,921	(*)	127,921	(*)
<i>Categorised as held-to-maturity investments:</i>				
▪ Government bonds	10,634,411	(*)	9,929,713	(*)
▪ Bonds issued by other local credit institutions	1,259,907	(*)	1,271,216	(*)
▪ Bonds issued by other local economic entities	-	-	178,650	(*)
▪ Special bonds issued by VAMC	1,339,797	(*)	1,950,033	(*)
<i>Categorised as loans and receivables:</i>				
▪ Cash in hand, gold	974,560	974,560	985,235	985,235
▪ Balances with the SBV	6,769,790	6,769,790	4,428,378	4,428,378
▪ Deposits with and loans to other credit institutions	15,304,648	(*)	11,893,543	(*)
▪ Loans and advances to customers	94,926,216	(*)	88,320,271	(*)
▪ Receivables	2,640,768	(*)	4,136,308	(*)
▪ Accrued interest and fees receivable	3,211,912	(*)	2,631,737	(*)
<i>Categorised as available-for-sale securities:</i>				
▪ Government bonds	5,120,794	(*)	4,993,616	(*)
▪ Bonds issued by other local credit institutions	1,200,000	(*)	1,499,943	(*)
▪ Bonds issued by other local economic entities	633,612	(*)	643,612	(*)
▪ Capital contribution, long-term investments	115,280	(*)	114,348	(*)
▪ Other financial assets	27,881	27,881	30,481	30,481



	30/6/2021		31/12/2020	
	Carrying amount VND million	Fair value VND million	Carrying amount VND million	Fair value VND million
<b>Financial liabilities</b>				
<i>Categorised as financial liabilities carried at amortised cost:</i>				
▪ Borrowings from the Government and SBV	1,125	(*)	1,254	(*)
▪ Deposits and borrowings from other credit institutions	17,664,320	(*)	19,087,757	(*)
▪ Deposits from customers	107,955,598	(*)	98,254,031	(*)
▪ Derivatives and other financial liabilities	-	-	5,571	(*)
▪ Grants and entrusted funds received	468,331	(*)	472,367	(*)
▪ Valuable papers issued	9,142,413	(*)	6,957,313	(*)
▪ Accrued interest and fees payable	2,149,720	(*)	2,409,958	(*)
▪ Other financial liabilities	476,136	(*)	292,459	(*)

(\*) The Group has not 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.

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

#### 43. Segment reporting

##### (a) Primary segment

Information on primary segment by geographical areas of the Group is presented as follows:

	The Northern Region VND million		The Central Region VND million		The Southern Region VND million		Elimination VND million		Total VND million	
	30/6/2021	30/6/2020	30/6/2021	30/6/2020	30/6/2021	30/6/2020	30/6/2021	30/6/2020	30/6/2021	30/6/2020
<b>I. Income</b>	<b>994,430</b>	<b>809,080</b>	<b>1,208,118</b>	<b>1,114,791</b>	<b>11,639,628</b>	<b>9,514,445</b>	<b>(8,104,757)</b>	<b>(7,117,848)</b>	<b>5,737,419</b>	<b>4,320,468</b>
1. Interest income	987,151	804,481	1,197,772	1,098,924	11,371,018	9,335,057	(8,104,757)	(7,117,848)	5,451,184	4,120,614
2. Fees and commission income	4,997	1,649	9,322	6,573	107,609	90,943	-	-	121,928	99,165
3. Income from other activities	2,282	2,950	1,024	9,294	161,001	88,445	-	-	164,307	100,689
<b>II. Expenses</b>	<b>(916,364)</b>	<b>(745,439)</b>	<b>(1,032,924)</b>	<b>(1,002,008)</b>	<b>(10,643,002)</b>	<b>(9,213,324)</b>	<b>8,104,757</b>	<b>7,117,848</b>	<b>(4,487,533)</b>	<b>(3,842,923)</b>
1. Interest expense	(833,701)	(691,797)	(911,614)	(898,845)	(9,711,910)	(8,594,768)	8,104,757	7,117,848	(3,352,468)	(3,067,562)
2. Depreciation expenses	(2,943)	(1,747)	(6,031)	(5,300)	(44,868)	(35,689)	-	-	(53,842)	(42,736)
3. Operating expenses	(79,720)	(51,895)	(115,279)	(97,863)	(886,224)	(582,867)	-	-	(1,081,223)	(732,625)
<b>Operating profit before allowance expenses for credit losses</b>	<b>78,066</b>	<b>63,641</b>	<b>175,194</b>	<b>112,783</b>	<b>996,626</b>	<b>301,121</b>	<b>-</b>	<b>-</b>	<b>1 249,886</b>	<b>477,545</b>
<b>Allowance expenses for credit losses</b>	<b>1,619</b>	<b>3,097</b>	<b>(3,213)</b>	<b>22,486</b>	<b>(174,677)</b>	<b>(302,224)</b>	<b>-</b>	<b>-</b>	<b>(176,271)</b>	<b>(276,641)</b>
<b>Segment profit before tax</b>	<b>79,685</b>	<b>66,738</b>	<b>171,981</b>	<b>135,269</b>	<b>821,949</b>	<b>(1,103)</b>	<b>-</b>	<b>-</b>	<b>1,073,615</b>	<b>200,904</b>

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

	The Northern Region		The Central Region		The Southern Region		Elimination		Total	
	VND million	31/12/2020	VND million	31/12/2020	VND million	31/12/2020	VND million	31/12/2020	VND million	31/12/2020
<b>III. Assets</b>	<b>2,121,975</b>	<b>1,959,158</b>	<b>10,307,553</b>	<b>9,426,472</b>	<b>133,224,461</b>	<b>122,929,565</b>	-	-	<b>145,653,989</b>	<b>134,315,195</b>
1. Cash on hand, gold	91,023	67,089	197,918	185,910	685,619	732,236	-	-	974,560	985,235
2. Deposits with other credit institutions	191	194	32	1,413	15,304,425	11,891,936	-	-	15,304,648	11,893,543
3. Loans and advances to customers	1,942,733	1,821,394	9,828,666	8,960,142	83,154,817	77,538,735	-	-	94,926,216	88,320,271
4. Investment securities	-	-	-	10,000	20,188,521	20,276,783	-	-	20,188,521	20,286,783
5. Fixed assets	22,179	22,771	137,245	138,184	813,607	840,793	-	-	973,031	1,001,748
6. Other assets	65,849	47,710	143,692	130,823	13,077,472	11,649,082	-	-	13,287,013	11,827,615
<b>IV. Liabilities</b>	<b>27,242,853</b>	<b>22,523,305</b>	<b>18,645,857</b>	<b>16,668,779</b>	<b>92,314,030</b>	<b>88,524,341</b>	-	-	<b>138,202,740</b>	<b>127,716,425</b>
1. Deposits and borrowings from other credit institutions and the SBV	100	100	16,339	12,782	17,649,006	19,076,129	-	-	17,665,445	19,089,011
2. Deposits from customers	25,757,470	21,089,480	16,752,574	15,023,060	65,445,554	62,141,491	-	-	107,955,598	98,254,031
3. Grants and entrusted funds received	-	-	-	-	468,331	472,367	-	-	468,331	472,367
4. Valuable papers issued	934,773	728,533	1,528,490	1,210,290	6,679,150	5,018,490	-	-	9,142,413	6,957,313
5. Other liabilities	550,510	705,192	348,454	422,647	2,071,989	1,815,864	-	-	2,970,953	2,943,703

**(b) Secondary segment**

The Group mainly operates in one business segment which is commercial banking.





#### 44. Commitments

##### (a) Capital expenditure commitments

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

	30/6/2021 VND million	31/12/2020 VND million
Approved and contracted	13,279	3,928

##### (b) Lease commitments

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

	30/6/2021 VND million	31/12/2020 VND million
Within one year	114,213	79,657
Over one year to five years	3,515,410	268,446
More than five years	208,340	113,651
	3,837,963	461,754

#### 45. Seasonality or cyclical items

The Group's consolidated interim financial statements are not affected by seasonality or cyclical factors, except for the following items:

##### (a) Exchange rate differences

As described in Note 3(b) and Note 3(f), unrealised foreign exchange differences are recorded in "Foreign exchange differences" account in equity in the consolidated balance sheet (Note 25). The balance of the "Foreign exchange differences" shall be transferred to the consolidated statement of income at the end of the annual accounting period.

##### (b) Bonuses for employees

The Group has temporarily not accrued employees' bonus for the six-month period ended 30 June 2021 because such bonuses cannot be reliably determined as at 30 June 2021. The bonus will be finalised at the end of the annual accounting period based on the Group's actual financial results for the whole year ending 2021.

(c) **Required reserves**

The Group is required to reserve fund to supplement charter capital and financial reserve fund annually, so the Group will appropriate these compulsory reserve funds at the end of the annual accounting period.

**46. Changes in accounting estimates**

In preparing these consolidated interim financial statements and consolidated annual financial statements, the Board of Directors has made several accounting estimates. Actual results may differ from these estimates. Except for the adoption of Circular 03 since 17 May 2021 as described in Note 3(h), there was no significant change in accounting estimates adopted in the preparation of these consolidated interim financial statements in comparison with those adopted in the preparation of the most recent consolidated annual financial statements.

**47. Unusual items**

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

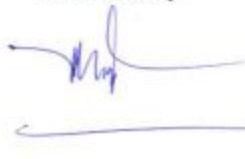
11 August 2021

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