



Nam A Commercial Joint Stock Bank
Consolidated Financial Statements
for the year ended 31 December 2021



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

Operation Licence No. 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.

Establishment Licence No. 463/GP-UB 1 September 1992
The Establishment Licence was issued by the People's Committee of Ho Chi Minh City.

Business/Enterprise Registration Certificate No. 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 24 February 2022. The initial Business Registration Certificate and its updates were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Management

Mr. Nguyen Quoc Toan	Chairman
Mr. Tran Ngo Phuc Vu	Vice Chairman
Mr. Phan Dinh Tan	Vice Chairman
Mr. Nguyen Quoc My	Vice Chairman
Ms. Vo Thi Tuyet Nga	Member
Ms. Do Anh Thu	Independent Member

Supervisory Board

Ms. Trieu Kim Can	Chief Supervisor
Ms. Nguyen Thi Thuy Van	Member
Ms. Nguyen Thuy Van	Member

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

Board of Directors	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 Mr. Nguyen Vinh Tuyen	General Director Standing Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director (from 11 November 2021)
Chief Accountant	Ms. Nguyen Thi My Lan	
Legal Representative	Mr. Nguyen Quoc Toan	Chairman
Registered Office	No. 201 – 203 Cach Mang Thang Tam Street Ward 4, District 3, Ho Chi Minh City Vietnam	
Auditor	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 financial statements of the Bank and its subsidiary (collectively referred to as "the Group") for the year ended 31 December 2021.

The Bank's Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting. In the opinion of the Bank's Board of Directors:

- (a) the consolidated financial statements set out on pages from 6 to 94 give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting; and
- (b) 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 financial statements for issue.

On behalf of the Board of Directors



Trần Ngọc Tâm
General Director

Ho Chi Minh City, 1 March 2022





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10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Nam A Commercial Joint Stock Bank

We have audited the accompanying consolidated 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 31 December 2021, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Directors on 1 March 2022, as set out on pages 6 to 94.

The Board of Directors' Responsibility

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

Auditor's Responsibility

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

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

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



Auditor's Opinion

In our opinion, the consolidated financial statements 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 31 December 2021 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City
Vietnam
Audit Report No.: 21-01-00294-22-2




Tran Thi Le Hang
Practicing Auditor Registration
Certificate No. 3782-2022-007-1
Deputy General Director

Ho Chi Minh City, 1 March 2022



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

	Note	31/12/2021 VND million	31/12/2020 VND million
A ASSETS			
I Cash on hand, gold	4	1,001,628	985,235
II Balances with the State Bank of Vietnam	5	5,131,299	4,428,378
III Deposits with and loans to other credit institutions	6	17,770,233	11,893,543
1 Deposits with other credit institutions		17,540,348	11,654,314
2 Loans to other credit institutions		229,885	239,229
IV Held-for-trading securities	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)
VI Loans and advances to customers		101,370,504	88,320,271
1 Loans and advances to customers	8	102,653,266	89,171,618
2 Allowance for loans and advances to customers	9	(1,282,762)	(851,347)
VIII Investment securities	10	22,858,438	20,286,783
1 Available-for-sale investment securities		9,990,857	7,141,959
2 Held-to-maturity investment securities		13,173,557	13,150,962
3 Allowance for investment securities		(305,976)	(6,138)
IX Capital contribution, long-term investments	11	125,800	114,348
4 Other long-term investments		125,800	115,280
5 Allowance for diminution in value of long-term investments		-	(932)
X Fixed assets		981,992	1,001,748
1 Tangible fixed assets	12	507,454	516,217
a Cost		1,024,684	947,469
b Accumulated depreciation		(517,230)	(431,252)
2 Finance lease fixed assets	13	58,928	53,656
a Cost		81,614	82,504
b Accumulated depreciation		(22,686)	(28,848)
3 Intangible fixed assets	14	415,610	431,875
a Cost		556,094	556,094
b Accumulated amortisation		(140,484)	(124,219)
XI Investment property	15	15,971	33,936
a Cost		15,971	33,936
XII Other assets	16	3,853,720	7,123,032
1 Receivables		687,321	4,196,219
2 Accrued interest and fees receivable		2,811,443	2,631,737
4 Other assets		371,500	342,197
5 Allowance for losses on other assets		(16,544)	(47,121)
TOTAL ASSETS		153,237,506	134,315,195

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

	Note	31/12/2021 VND million	31/12/2020 VND million
B LIABILITIES AND EQUITY			
LIABILITIES			
I Borrowings from the Government and the State Bank of Vietnam	17	996	1,254
II Deposits and borrowings from other credit institutions	18	15,622,295	19,087,757
1 Deposits from other credit institutions		13,071,047	13,256,856
2 Borrowings from other credit institutions		2,551,248	5,830,901
III Deposits from customers	19	115,319,388	98,254,031
IV Derivatives and other financial liabilities	20	3,112	5,571
V Grants and entrusted funds received	21	464,623	472,367
VI Valuable papers issued	22	10,360,103	6,957,313
VII Other liabilities	23	3,442,147	2,938,132
1 Accrued interest and fees payable		2,371,244	2,409,958
3 Other liabilities		1,070,903	528,174
TOTAL LIABILITIES		145,212,664	127,716,425
EQUITY			
VIII Equity	25	8,024,842	6,598,770
1 Capital		5,305,711	4,735,774
a Charter capital		5,134,405	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		777,795	561,281
5 Retained profits		1,941,336	1,301,715
TOTAL EQUITY		8,024,842	6,598,770
TOTAL LIABILITIES AND EQUITY		153,237,506	134,315,195

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



	Note	31/12/2021 VND million	31/12/2020 VND million
OFF-BALANCE SHEET ITEMS			
2	Foreign exchange commitments	40	13,340,102
	<i>In which:</i>		6,443,232
	▪ <i>Commitments on currency swap transactions</i>		13,340,102
4	Letters of credit	40	932,115
5	Other guarantees	40	1,047,175
			884,071

1 March 2022

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	2021 VND million	2020 VND million
1 Interest and similar income	26	11,054,339	9,077,130
2 Interest and similar expenses	26	(6,771,150)	(6,473,185)
I Net interest income and similar income	26	4,283,189	2,603,945
3 Fees and commission income	27	280,585	210,024
4 Fees and commission expenses	27	(72,935)	(92,616)
II Net fees and commission income	27	207,650	117,408
III Net gain from trading of foreign currencies	28	45,872	46,329
IV Net gain from trading of held-for-trading securities	29	-	12,120
V Net gain from sales of investment securities	30	272,986	195,997
5 Other income	31	24,187	226,220
6 Other expenses	31	(15,361)	(7,618)
VI Net other income	31	8,826	218,602
VII Gain from capital contribution, shares purchase	32	151	63
VIII Operating expenses	33	(2,239,731)	(1,630,769)
IX Net operating profit before allowance expenses for credit losses		2,578,943	1,563,695
X Allowance expenses for credit losses	34	(779,852)	(558,209)
XI Profit before tax		1,799,091	1,005,486
7 Corporate income tax expense – current	35	(364,728)	(205,822)
8 Corporate income tax expense – deferred	35	-	-
XII Total corporate income tax expense	35	(364,728)	(205,822)
XIII Profit after tax		1,434,363	799,664
XV Basic earnings per share (VND/share)	36	2,794	1,735

1 March 2022

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 financial statements

	2021 VND million	2020 VND million
CASH FLOWS FROM OPERATING ACTIVITIES		
01	10,887,119	7,762,912
02	(6,813,229)	(5,757,121)
03	206,006	115,940
04	342,059	251,671
05	(8,594)	6,363
06	15,726	201,646
07	(1,936,006)	(1,652,622)
08	(411,221)	(151,392)
	2,281,860	777,397
Cash flows from operating activities before changes in operating assets and liabilities		
Changes in operating assets		
09	9,344	(30,571)
10	(2,871,493)	(12,862,590)
12	(9,997,713)	(23,542,965)
13	(97,723)	(491,003)
14	36,466	(246,961)
Changes in operating liabilities		
15	(258)	(258)
16	(3,469,598)	7,351,593
17	17,065,357	27,509,819
18	3,402,790	2,545,190
19	(7,744)	(237,634)
20	(2,459)	853
21	344,547	148,753
I	6,693,376	921,623

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

	2021 VND million	2020 VND million
CASH FLOWS FROM INVESTING ACTIVITIES		
01		
Payments for purchases of fixed assets and related construction in progress	(96,896)	(340,691)
02		
Proceeds from disposals of fixed assets	1,156	31,303
04		
Payments for purchase of investment properties	-	(29)
05		
Proceeds from disposals of investment properties	18,621	25,047
07		
Payments for investments in other entities	(10,520)	-
09		
Receipts of dividends and distributions from capital contribution, long-term investments	151	63
II	(87,488)	(284,307)
CASH FLOWS FROM FINANCING ACTIVITIES		
01		
Proceeds from issuing shares	-	843,132
04		
Payments of dividends	(540)	(656)
III	(540)	842,476
IV	6,605,348	1,479,792
V	17,067,927	15,588,135
VII	23,673,275	17,067,927

1 March 2022

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 financial statements

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

1. Reporting entity

(a) Establishment and operations

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 41st update on 24 February 2022. 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 31 December 2021, the Bank's charter capital is VND5,134,405,040,000 (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 31 December 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 31 December 2021 and 2020, the Bank had one subsidiary as follows:

	Percentage of equity owned and voting rights	
	31/12/2021	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 (18th 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 31 December 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 financial statements for the year ended 31 December 2021 comprise the financial statements of the Bank and its subsidiary (collectively referred to as "the Group").

(e) Number of employees

As at 31 December 2021, the Group had 3,888 employees (31/12/2020: 3,570 employees).

2. Basis of preparation

(a) Statement of compliance

The consolidated 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 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 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.

(c) Annual accounting period

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

(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.

(f) Change in accounting policy

On 30 July 2021, the SBV issued Circular No. 11/2021/TT-NHNN 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 11"). Circular 11 replaces 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"). Circular 11 is effective from 1 October 2021.

From 1 October 2021, the Group has adopted Circular 11 prospectively. The significant changes to the Group's accounting policies and the effects on the consolidated financial statements, if any, are described in Note 3(h).

3. Summary of significant accounting policies

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

(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 43(c)(ii) for the major exchange rates used at the end of the annual 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 twelve months.

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

Demand deposits with other credit institutions are stated at cost.

Debt classification of term deposits with and loans to other credit institutions and allowance calculation thereof is made in accordance with Circular 11. Accordingly, the Group makes specific allowance for deposits with and loans to other credit institutions in accordance with the method as described in Note 3(h).

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

(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 11 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 annual 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 annual 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).

(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 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 11 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**

Before 1 October 2021

Debt classification for term deposits with and loans to other credit institutions, unlisted corporate bonds, loans and advances to customers, entrusted loans and debts sold but not yet collected (together referred to as "debts"), is made in accordance with the quantitative method as stipulated in Article 10 of Circular 02. The 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).

From 1 October 2021

Debt classification for term deposits with and loans to other credit institutions, unlisted corporate bonds, loans and advances to customers, entrusted loans (together referred to as "debts"), debts sold but not yet collected is made in accordance with the quantitative method as stipulated in Article 10 of Circular 11. The Group carries out monthly debt classification based on the outstanding principals of debts at the last working day of the previous month 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.

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



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 from 90 days and more 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 in the collection process under decision on early debt collection when customers violate the terms of agreements but have not been collected for more than 60 days from the date of the collection decision; or (h) Debts to credit institutions being announced under special supervision status by the SBV, or to foreign bank branches of which capital and assets are blockaded.

For deposits with and loans to other credit institutions who are under special supervision as prescribed in Clause 9 Article 148đ of the Law on Credit Institutions, the Group classifies these deposits and loans into Current debt and do not have to adjust the classification according to the list of customers provided by CIC as prescribed in Clause 3, Article 8 of Circular 11.

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 issued by the SBV dated 13 March 2020 ("Circular 01") on rescheduling of debt repayment terms, waiver/reduction of interest/fees and 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 until 3 months after the date the Prime Minister announces that Covid-19 pandemic is over, 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 to 7 September 2021

The Group applies Circular No. 03/2021/TT-NHNN issued by the SBV dated 2 April 2021 ("Circular 03") amending and supplementing certain articles of the Circular 01. Accordingly, for customers who have debts incurred before 10 June 2020 and have an obligation to repay principal and/or interest during the period from 23 January 2020 to 31 December 2021, and these customers 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, the Group are allowed to restructure repayment terms, waiver/reduction of interest/fees and classified debts as follows:

Incurred debt date	Repayment obligation	Overdue status	Overdue	Classification principles
Debt incurred before 23 January 2020		Undue or overdue up to 10 days	From 30 March 2020 to 31 December 2021	Maintain the same debt group as classified at the most recent time before 23 January 2020.
		Overdue	From 23 January 2020 to 29 March 2020	
Debt incurred from 23 January 2020 to prior 10 June 2020	From 23 January 2020 to 31 December 2021	Undue or overdue up to 10 days	From 17 May 2021 to prior 31 December 2021	Maintain the same debt group as classified at the most recent time before the date of the first time rescheduling of repayment terms.
		Overdue	From 23 January 2020 to prior 17 May 2021	Maintain the same debt group as classified at the most recent time before the date the debt is overdue.

From 7 September 2021

The Group applies Circular No. 14/2021/TT-NHNN issued by the SBV dated 7 September 2021 ("Circular 14") amending and supplementing certain articles of the Circular 01. Accordingly, for customers who have debts incurred prior 1 August 2021 and have an obligation to repay principal and/or interest during the period from 23 January 2020 to 30 June 2022, and these 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, the Group are allowed to restructure repayment terms, waiver/reduction of interest/fees and classified debts as follows:

Incurred debt date	Repayment obligation	Overdue status	Overdue	Classification principles
Before 23 January 2020	From 23 January 2020 to 30 June 2022	Undue or overdue up to 10 days	From 30 March 2020 to 30 June 2022	Maintain the same debt group as classified at the most recent time before 23 January 2020.
Between 23 January 2020 to prior 1 August 2021		Undue or overdue up to 10 days	From 17 May 2021 to prior 17 July 2021 or from 7 September 2021 to 30 June 2022	Maintain the same debt group as classified at the most recent time before the date of the first time rescheduling of repayment terms.
Prior 23 January 2020		Overdue	From 23 January 2020 to 29 March 2020	Maintain the same debt group as classified at the most recent time before 23 January 2020.
From 23 January 2020 to prior 10 June 2020		Overdue	From 23 January 2020 to prior 17 May 2021	Maintain the same debt group as classified at the most recent time before the date the debt is overdue.
From 10 June 2020 to prior 1 August 2021		Overdue	From 17 July 2021 to prior 7 September 2021	

In addition, the Group determines and recognises additional specific allowance for customers who have loan balances with restructured repayment terms, waiver/reduction of interest/fees and not keeping the same debt group as regulated by Circular 03, as follows:

Additional allowance for each period	Timeline
At least 30% of the additional specific allowance amount shall be made	To 31 December 2021
At least 60% of the additional specific allowance amount shall be made	To 31 December 2022
100% of the additional specific allowance amount shall be made	To 31 December 2023

(ii) **Allowance for credit losses**

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

Specific allowance for credit losses

Before 1 October 2021

According to Circular 02 and Circular 09, the Group determines specific allowance for credit risks based on the allowance rates corresponding to debt classification results and loan principals balance less the discounted value of collateral assets. Specific allowance as at 31 December is determined based on the debt classification results and loan principals balance at the last working day of November.



From 1 October 2021

According to Circular 11, the Group determines specific allowance for credit risks based on the allowance rates corresponding to debt classification results and loan principals balance less the discounted value of collateral assets. Specific allowance as at 31 December 2021 is determined based on the debt classification results and loan principals balance at the last working day of December 2021.

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 11:

- 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 11 are deemed to have zero allowed value.

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"> ▪ With a remaining term of below 1 year ▪ With a remaining term of between 1 year to 5 years ▪ With a remaining term of over 5 years 	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%

General allowance for credit losses

Before 1 October 2021

In accordance with Circular 02, a general allowance is made at 0.75% of the outstanding principals of debts excluding term deposits with and loans to other credit institutions and debts being classified as Loss debts. General allowance as at 31 December is determined based on the debt classification results and loan principals balance at the last working day of November.

From 1 October 2021

In accordance with Circular 11, a general allowance is made at 0.75% of the outstanding principals of debts excluding term deposits with and loans to other credit institutions, bonds issued by other credit institutions and debts being classified as Loss debts. Specific allowance as at 31 December 2021 is determined based on the debt classification results and loan principals balance at the last working day of December 2021.

(iii) Writing-off bad debts

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

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

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

(iv) Provision for off-balance sheet commitments

In accordance with Circular 11, the debt classification of off-balance sheet commitments is done solely for risk management, credit quality supervision of credit granting activities. The 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 annual 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 annual 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 are stated as cost less allowance for diminution in value of securities by referring to the latest transaction price on the Stock Exchange within 10 days until the end of the annual 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 11 as presented in Note 3(h).

Post-acquisition interest income of available-for-sale debt securities and held-to-maturity debt securities are 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 11 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")

Special bonds issued by VAMC are valuable papers issued by VAMC to purchase the Group's bad debts. 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 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 recognises interest receivables of such bad debts as 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 year. 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. Subsequent to the initial recognition, 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 year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

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

▪ 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(l)(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

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

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

(ii) Software

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

(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 loss 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.

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

For overdue debts, the 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. Debt classification and allowance for credit losses for these receivables are made in accordance with the requirements of Circular 11 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 consolidated 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 annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the 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 – 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, Circular 03 and Circular 14 (as described in Note 3(h)(i)) and debts classified in Group 1 (Current debt) 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 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 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 financial statements of the Group.

(ii) Taxation

Corporate income tax on the profit or loss for the year 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 year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

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

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

(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 Bank (after deducting the bonus and welfare fund made during the annual accounting period) by the weighted average number of ordinary shares outstanding during the year. 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.

(ll) 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 financial statements indicate nil balances.

(oo) **Comparative information**

Comparative information in these consolidated financial statements is presented as corresponding figures. Under this method, comparative information for the prior year are included as an integral part of the current year consolidated financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these consolidated 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.

4. Cash on hand, gold

	31/12/2021	31/12/2020
	VND million	VND million
Cash in VND	850,531	779,221
Cash in foreign currencies	149,103	204,613
Gold	1,994	1,401
	1,001,628	985,235

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

	31/12/2021	31/12/2020
	VND million	VND million
Current account and compulsory reserve		
- In VND	5,022,618	4,331,562
- In USD	108,681	96,816
	5,131,299	4,428,378

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6. Deposits with and loans to other credit institutions

	31/12/2021 VND million	31/12/2020 VND million
Deposits with other credit institutions		
Demand deposits		
▪ In VND	9,214,417	7,976,654
▪ In foreign currencies	744,971	264,200
Term deposits		
▪ In VND	2,699,000	2,442,000
▪ In foreign currencies	4,881,960	971,460
	<hr/>	<hr/>
	17,540,348	11,654,314
	<hr/>	<hr/>
Loans to other credit institutions		
▪ In VND (i)	229,885	239,229
	<hr/>	<hr/>
	229,885	239,229
	<hr/>	<hr/>
	17,770,233	11,893,543
	<hr/>	<hr/>

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

	31/12/2021 VND million	31/12/2020 VND million
Current debts (i)	7,810,845	3,652,689
	<hr/>	<hr/>

- (i) Included in Current debts balance as at 31 December 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).



7. Held-for-trading securities

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

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

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

There was no movement in allowance for diminution in value of held-for-trading securities during the year.

8. Loans and advances to customers

	31/12/2021 VND million	31/12/2020 VND million
Loans to domestic economic entities and individuals	102,635,521	89,162,855
Discounted transferrable instruments and valuable papers	16,271	4,570
Loans funded by grants and entrusted funds	1,474	4,193
	<hr/> 102,653,266	<hr/> 89,171,618

Loan portfolio by credit risk group is as follows:

	31/12/2021 VND million	31/12/2020 VND million
Current debts	99,023,365	86,089,251
Special mentioned debts	2,016,764	2,338,597
Sub-standard debts	321,506	138,750
Doubtful debts	192,739	137,123
Loss debts	1,098,892	467,897
	<hr/> 102,653,266	<hr/> 89,171,618

Loan portfolio by term is as follows:

	31/12/2021 VND million	31/12/2020 VND million
Short-term loans	49,743,605	54,740,963
Medium-term loans	24,798,591	16,010,236
Long-term loans	28,111,070	18,420,419
	<hr/> 102,653,266	<hr/> 89,171,618

Loan portfolio by business sector of customers is as follows:

	31/12/2021 VND million	31/12/2020 VND million
Wholesale and retail, repair of automobiles, motorcycles, and other vehicles with engines	22,993,805	22,201,440
Accommodation and catering services	22,398,666	16,059,283
Employment activities in households, production of material products and services for household self-consumption	13,123,162	12,778,543
Construction	12,142,802	12,813,543
Production and distribution of electricity, gas, hot water, steam and air conditioning	11,326,319	14,176,618
Real estates	6,569,527	2,786,735
Processing and manufacturing industries	2,774,895	2,923,639
Arts and entertainment	2,158,871	1,222,786
Others	9,165,219	4,209,031
	102,653,266	89,171,618

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

	31/12/2021 VND million	31/12/2020 VND million
Limited liability companies	39,464,451	33,094,024
Joint stock companies	38,039,741	32,158,903
Private companies	332	32
Individuals and household business	25,077,106	23,816,261
Others	71,636	102,398
	102,653,266	89,171,618

9. Allowance for loans and advances to customers

Allowance for loans and advances to customers comprises of:

	31/12/2021 VND million	31/12/2020 VND million
General allowance	761,658	642,348
Specific allowance	521,104	208,999
	<hr/>	<hr/>
	1,282,762	851,347

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

	General allowance VND million	Specific allowance VND million	Total VND million
For the year ended 31 December 2021			
Opening balance	642,348	208,999	851,347
Allowance made during the year (Note 34) (*)	119,310	409,828	529,138
Allowance utilised during the year	-	(96,883)	(96,883)
Allowance utilised for loans sold to VAMC (Note 10(iii))	-	(840)	(840)
	<hr/>	<hr/>	<hr/>
Closing balance	761,658	521,104	1,282,762
For the year ended 31 December 2020			
Opening balance	467,941	325,725	793,666
Allowance made during the year (Note 34)	174,407	374,277	548,684
Allowance utilised during the year	-	(207,445)	(207,445)
Allowance utilised for loans sold to VAMC (Note 10(iii))	-	(283,558)	(283,558)
	<hr/>	<hr/>	<hr/>
Closing balance	642,348	208,999	851,347

(*) Specific allowance for loans and advances to customers made during 2021 included VND225,777 million, equivalent to 30% of the additional specific allowance required by Circular 03 as described in Note 3(h).



10. Investment securities

	31/12/2021 VND million	31/12/2020 VND million
Available-for-sale investment securities		
<i>Debt securities</i>		
▪ Government bonds (v)	5,207,436	4,993,616
▪ Bonds issued by other local credit institutions (v)	2,400,045	1,499,943
▪ Bonds issued by other local economic entities	2,383,376	648,400
	9,990,857	7,141,959
Allowance for available-for-sale investment securities		
▪ Allowance for diminution in value of securities (i)	(11,162)	-
▪ General allowance for credit losses (ii)	(17,875)	(4,788)
	9,961,820	7,137,171
Held-to-maturity investment securities (excluding special bonds issued by VAMC)		
<i>Debt securities</i>		
▪ Government bonds (v)	10,522,954	9,749,713
▪ Bonds issued by other local credit institutions (v)	1,073,410	1,271,216
▪ Bonds issued by other local economic entities	200,000	180,000
	11,796,364	11,200,929
Allowance for held-to-maturity investment securities		
▪ General allowance for credit losses (ii)	(1,500)	(1,350)
	11,794,864	11,199,579
Special bonds issued by VAMC		
▪ Special bonds par value (iii)	1,377,193	1,950,033
▪ Allowance for special bonds (iv)	(275,439)	-
	1,101,754	1,950,033
	22,858,438	20,286,783

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

	31/12/2021 VND million	31/12/2020 VND million
Current debts	6,056,831	3,599,559

- (i) Movements in allowance for diminution in value of available-for-sale investment securities which are government bonds during the year were as follows:

	2021 VND million	2020 VND million
Opening balance	-	-
Allowance made during the year (Note 30)	11,162	-
Closing balance	11,162	-

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

	2021 VND million	2020 VND million
Opening balance	6,138	6,138
Allowance made during the year (Note 30)	13,237	-
Closing balance	19,375	6,138

- (iii) These are special bonds issued by VAMC in order to purchase the Bank's bad debts. During the year ended 31 December 2021, the Bank sold the total principal amount of VND74,674 million of debts to VAMC and the allowance for these debts amounting to VND840 million (Note 9), corresponding to the total par value of special bonds amounting to VND73,834 million. As of 31 December 2021, the Bank sold the total principal amount of VND1,590,598 million of debts to VAMC and the allowance for these debts amounting to VND213,405 million, corresponding to the total par value of special bonds amounting to VND1,377,193 million.

- (iv) Movements in allowance for special bonds during the year were as follows:

	2021 VND million	2020 VND million
Opening balance	-	-
Allowance made during the year (Note 34)	275,439	-
Closing balance	275,439	-

- (v) As at 31 December 2021, available-for-sale investment securities and held-to-maturity investment securities used as collateral for deposits and borrowing from other credit institutions were VND403,923 million and VND1,053,631 million (31 December 2020: VND1,901,482 million and VND5,522,505 million), respectively (Note 18).

11. Capital contribution, long-term investments

	31/12/2021 VND million	31/12/2020 VND million
Other long-term investments (i)	125,800	115,280
Allowance for diminution in value of long-term investments (ii)	-	(932)
	<u>125,800</u>	<u>114,348</u>

- (ii) 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	31/12/2021			31/12/2020		
	Number of shares	Carrying amount VND million	Equity owned %	Number of shares	Carrying amount VND million	Equity owned %
Investments in local economic entities						
Unlisted						
▪ 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%
▪ Vietnam Investors Service and Credit Rating Agency Joint Stock Company	1,052,028	10,520	10.2%	-	-	-
		<u>125,800</u>			<u>115,280</u>	
Allowance for diminution in value of other long-term investments		-			(932)	
		<u>125,800</u>			<u>114,348</u>	

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

	2021 VND million	2020 VND million
Opening balance	932	5,060
Allowance reversed during the year (Note 33(i))	(932)	(4,128)
	<u>-</u>	<u>932</u>

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

12. Tangible fixed assets

	Building and structures		Machinery equipment		Motor vehicles		Office equipment		Other fixed assets		Total assets
	VND million		VND million		VND million		VND million		VND million		
Cost											
Opening balance	422,957	300,690	174,760	34,656	14,406	947,469					
Additions	163	16,862	155	136	31	17,347					
Transfer from construction in progress	-	37,591	9,596	1,287	428	48,902					
Disposals	-	(864)	(10,548)	(773)	(766)	(12,951)					
Transfer from finance lease assets	-	-	23,917	-	-	23,917					
Closing balance	423,120	354,279	197,880	35,306	14,099	1,024,684					
Accumulated depreciation											
Opening balance	127,897	166,526	97,792	27,751	11,286	431,252					
Charge for the year	15,832	37,630	20,953	2,392	1,287	78,094					
Disposals	-	(855)	(10,443)	(769)	(766)	(12,833)					
Transfer from finance lease assets	-	-	20,717	-	-	20,717					
Closing balance	143,729	203,301	129,019	29,374	11,807	517,230					
Net book value											
Opening balance	295,060	134,164	76,968	6,905	3,120	516,217					
Closing balance	279,391	150,978	68,861	5,932	2,292	507,454					

Other disclosure information of tangible fixed assets:

	31/12/2021 VND million	31/12/2020 VND million
Cost of tangible fixed assets which were fully depreciated but still in active use	233,088	201,710

13. Finance lease fixed assets

	Motor vehicles VND million
Cost	
Opening balance	82,504
Additions	15,800
Transfer from construction in progress	7,227
Transfer to tangible fixed assets	(23,917)
Closing balance	81,614
Accumulated depreciation	
Opening balance	28,848
Charge for the year	14,555
Transfer to tangible fixed assets	(20,717)
Closing balance	22,686
Net book value	
Opening balance	53,656
Closing balance	58,928

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
Cost			
Opening balance and closing balance	401,166	154,928	556,094
Accumulated amortisation			
Opening balance	2,000	122,219	124,219
Charge for the year	1,304	14,961	16,265
Closing balance	3,304	137,180	140,484
Net book value			
Opening balance	399,166	32,709	431,875
Closing balance	397,862	17,748	415,610

Other disclosure information of intangible fixed assets:

	31/12/2021 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	(17,965)
Closing balance	15,971

As at 31 December 2021, the fair value of investment property held for capital appreciation was determined by the Group at VND18,077 million (31/12/2020: VND35,927 million).

16. Other assets

	31/12/2021 VND million	31/12/2020 VND million
Receivables		
▪ Deposits, mortgages, pledges (i)	119,354	113,799
▪ Receivables from fast money transfer services	434,298	340,841
▪ Receivables from sales of land use right used as transaction office	-	121,200
▪ Construction in progress (ii)	42,867	31,111
▪ Advances	38,141	36,491
▪ Other receivables	6,596	666
▪ Receivables from debts selling (iii)	46,065	3,552,111
	687,321	4,196,219
Accrued interest and fees receivable		
▪ Interest receivable from loans	2,239,283	2,241,446
▪ Interest receivable from investment securities	550,914	382,020
▪ Interest receivable from deposits	3,312	2,863
▪ Interest receivable from derivative financial instruments	17,934	5,408
	2,811,443	2,631,737
Other assets		
▪ Prepaid expenses (iv)	288,554	263,003
▪ Foreclosed assets (v)	70,357	70,356
▪ Tools and supplies	12,589	8,838
	371,500	342,197
Allowance for losses on other assets (vi)	(16,544)	(47,121)
	3,853,720	7,123,032

Other assets categorised as assets exposed to credit risk by debt group are as follows:

	31/12/2021 VND million	31/12/2020 VND million
Current debts	-	3,552,111
Loss debts	46,065	-
	46,065	3,552,111

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

(ii) Construction in progress

	2021 VND million	2020 VND million
Opening balance	31,111	30,891
Additions	67,885	313,396
Transfer to tangible fixed assets	(48,902)	(113,124)
Transfer to intangible fixed assets	-	(188,579)
Transfer to finance lease fixed assets	(7,227)	(11,473)
Closing balance	42,867	31,111

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

	31/12/2021 VND million	31/12/2020 VND million
Renovations and purchases of assets	16,478	28,172
Motor vehicles, machinery and equipment	26,389	2,939
	42,867	31,111

(iii) The balance represents receivables as at 31 December 2021 from the Group's sales of debts to an economic entity.

(iv) Details of prepaid expenses are as follows:

	31/12/2021 VND million	31/12/2020 VND million
Assets leasing and repairing expenses	212,382	197,122
Tools and supplies	27,028	24,118
Prepaid interest for deposits from customers	9,910	17,873
Others	39,234	23,890
	288,554	263,003

(v) Details of foreclosed assets are as follows:

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



(vi) Allowance for losses on other assets comprises:

	31/12/2021 VND million	31/12/2020 VND million
Allowance for credit losses	4,075	28,800
▪ <i>General allowance</i>	-	28,800
▪ <i>Specific allowance</i>	4,075	-
Allowance for diminution in value	12,469	18,321
	16,544	47,121

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

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

	2021 VND million	2020 VND million
Opening balance	47,121	47,457
Allowance reversed during the year (Note 33(i))	(5,852)	(9,861)
General allowance (reversed)/made for debts sold but not collected (Note 34)	(28,800)	9,525
Specific allowance made for debts sold but not collected (Note 34)	4,075	-
	16,544	47,121

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

	31/12/2021 VND million	31/12/2020 VND million
Borrowings from the State Bank of Vietnam		
▪ In VND	996	1,254
	996	1,254

18. Deposits and borrowings from other credit institutions

	31/12/2021 VND million	31/12/2020 VND million
Demand deposits from other credit institutions		
▪ In VND	9,048,287	7,840,876
Term deposits from other credit institutions		
▪ In VND (i)	2,235,000	4,352,000
▪ In foreign currencies	1,787,760	1,063,980
	<hr/>	<hr/>
	13,071,047	13,256,856
	<hr/>	<hr/>
Borrowings from other credit institutions		
▪ In VND	1,361,896	5,483,844
<i>In which:</i>		
- Finance leases	37,826	33,690
- Pledge or mortgage loan (ii)	1,324,069	5,250,048
▪ In foreign currencies	1,189,352	347,057
	<hr/>	<hr/>
	2,551,248	5,830,901
	<hr/>	<hr/>
	15,622,295	19,087,757

- (i) There were not any term deposits from other credit institutions as at 31 December 2021 (31/12/2020: VND960,000 million) were secured by the following assets:

	31/12/2021 VND million	31/12/2020 VND million
Available-for-sale investment securities	-	452,196
Held-to-maturity investment securities	-	948,402
	<hr/>	<hr/>
	-	1,400,598

- (ii) Borrowings from other credit institution as at 31 December 2021 amounting to VND1,324,069 million (31/12/2020: VND5,250,048 million) were secured by the following assets:

	31/12/2021 VND million	31/12/2020 VND million
Available-for-sale investment securities	403,923	1,449,286
Held-to-maturity investment securities	1,053,631	4,574,103
	<hr/>	<hr/>
	1,457,554	6,023,389

19. Deposits from customers

	31/12/2021 VND million	31/12/2020 VND million
Demand deposits		
▪ In VND	9,947,133	4,496,168
▪ In foreign currencies	536,731	238,728
Term deposits		
▪ In VND	103,428,078	91,047,391
▪ In foreign currencies	1,046,475	1,026,675
Margin deposits		
▪ In VND	302,477	1,418,700
Special-purpose deposits		
▪ In VND	54,960	21,718
▪ In foreign currencies	3,534	4,651
	115,319,388	98,254,031

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

	31/12/2021 VND million	31/12/2020 VND million
Individuals	88,128,497	79,838,724
Non-state-owned enterprises	17,933,944	12,332,141
State-owned enterprises	3,511,498	2,555,913
Foreign invested companies	343,536	157,742
Others	5,401,913	3,369,511
	115,319,388	98,254,031

20. Derivatives and other financial liabilities

As at 31 December 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
Currency derivatives			
▪ Currency forward contracts	913,231	1,489	-
▪ Currency swap contracts	6,693,302	-	(4,601)
	7,606,533	1,489	(4,601)
As at 31 December 2020			
	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
Currency derivatives			
▪ Currency forward contracts	79,475	833	-
▪ Currency swap contracts	2,764,474	-	(6,404)
	2,843,949	833	(6,404)

21. Grants and entrusted funds received

	31/12/2021 VND million	31/12/2020 VND million
Entrusted funds received in VND (i)	6,223	9,767
Entrusted funds received in USD (ii)	458,400	462,600
	464,623	472,367

- (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 3.864% (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

	31/12/2021 VND million	31/12/2020 VND million
Certificates of deposits (i)	9,660,103	5,957,313
Bonds with term of 3 years of the Bank (ii)	500,000	800,000
Bonds with term of 10 years of the Bank (iii)	200,000	200,000
	<hr/>	<hr/>
	10,360,103	6,957,313
	<hr/>	<hr/>

- (i) The balance represents long-term registered certificates of deposits issued for individuals and organisations, with par value of VND10 million, having term ranging from 1 to 7 years and interest is paid in arrears annually.
- (ii) The balance represents 500 bonds with par value of VND1,000,000,000 per bond issued by the Bank on 15 September 2020, with fixed interest rate of 5.8% per annum (31/12/2020: 500 bonds issued on 15 September 2020, with fixed interest rate of 5.8% per annum and 300 bonds on 21 September 2020 with fixed interest rate of 5.5% per annum, interest is 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 is paid annually.

23. Other liabilities

	31/12/2021 VND million	31/12/2020 VND million
Accrued interest and fees payable		
▪ Interest payable for deposits from customers and other credit institutions	1,994,696	2,124,903
▪ Interest payable for valuable papers issued	356,247	281,229
▪ Interest payable for borrowings from grants and entrusted funds	692	650
▪ Interest payable for borrowings from the SBV and other credit institutions	7,753	2,648
▪ Interest payable for derivatives	11,856	528
	2,371,244	2,409,958
Internal payables		
▪ Payables to employees	290,905	52,330
External payables		
▪ Payables relating to fast transfer payment services	571,106	228,690
▪ Taxes payable to the State Treasury (Note 24)	96,679	138,930
▪ Deferred income - from insurance brokerage activities	33,501	34,756
▪ Deferred income - from interest collected in advance	1,354	1,394
▪ Deferred income - from leasing activity	819	1,175
▪ Payables relating to card payment services	27,676	27,476
▪ Cash held awaiting for settlement	13,013	11,478
▪ Payables relating to settlement services	1,811	5,967
▪ Dividend payables	4,314	4,854
▪ Other payables	16,828	13,994
Bonus and welfare fund (i)	12,897	7,130
	1,070,903	528,174
	3,442,147	2,938,132

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

	2021 VND million	2020 VND million
Opening balance	7,130	3,866
Appropriation during the year (Note 25)	8,291	4,411
Utilisation during the year	(2,524)	(1,147)
	12,897	7,130

24. Obligations to the State Treasury

Year ended 31 December
 2021

	Opening balance VND million	Movements during the year Incurred VND million	Paid VND million	Closing balance VND million
Value added tax	1,492	17,782	(16,539)	2,735
Corporate income tax	11,990	68,352	(65,676)	14,666
Personal income tax	125,023	364,728	(411,221)	78,530
Other taxes	425	3,493	(3,170)	748
	138,930	454,355	(496,606)	96,679

Year ended 31 December
 2020

	Opening balance VND million	Movements during the year Incurred VND million	Paid VND million	Closing balance VND million
Value added tax	725	9,500	(8,733)	1,492
Corporate income tax	70,593	205,822	(151,392)	125,023
Personal income tax	10,015	79,797	(77,822)	11,990
Other taxes	564	3,715	(3,854)	425
	81,897	298,834	(241,801)	138,930

Notes to the consolidated financial statements for the year ended 31 December 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	Retained profits VND million	Total VND million
Balance at 1 January 2020	3,890,053	10	2,554	25	146,280	289,984	3,823	627,656	4,960,385
Shares issued by cash	674,415	-	176,058	-	-	-	-	-	850,473
Expenses directly attributable to the issuance of shares	-	-	(7,341)	-	-	-	-	-	(7,341)
Net profit for the year	-	-	-	-	-	-	-	799,664	799,664
Appropriation to reserves	-	-	-	-	39,983	79,967	1,244	(121,194)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	(4,411)	(4,411)
Reclassification of reserves	-	-	-	-	(370)	370	-	-	-
Balance at 31 December 2020	4,564,468	10	171,271	25	185,893	370,321	5,067	1,301,715	6,598,770
Balance at 1 January 2021	4,564,468	10	171,271	25	185,893	370,321	5,067	1,301,715	6,598,770
Shares issued to pay dividends	569,937	-	-	-	-	-	-	(569,937)	-
Net profit for the year	-	-	-	-	-	-	-	1,434,363	1,434,363
Appropriation to reserves	-	-	-	-	71,718	143,436	1,360	(216,514)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	(8,291)	(8,291)
Balance at 31 December 2021	5,134,405	10	171,271	25	257,611	513,757	6,427	1,941,336	8,024,842



(b) Shares

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

	As at 31 December 2021	
	Number of shares	Par value VND million
Issued shares		
Ordinary shares	513,440,504	5,134,405
	<hr/>	
Shares in circulation		
Ordinary shares	513,440,504	5,134,405
	<hr/>	
	As at 31 December 2020	
	Number of shares	Par value VND million
Issued shares		
Ordinary shares	456,446,843	4,564,468
	<hr/>	
Shares in circulation		
Ordinary shares	456,446,843	4,564,468
	<hr/>	

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:

- Increase charter capital by VND570,000,000,000 through the issuance of 57,000,000 ordinary shares to pay dividends for 2019.
- Increase charter capital by VND1,430,000,000,000 through the issuance of 143,000,000 ordinary shares in cash.

On 2 August 2021, the State Bank of Vietnam issued Official Letter No. 5557/NHNN-TTGSNH approving the plan to increase the Bank's charter capital in 2020.

On 17 December 2021, the State Securities Commission issued Official Letter No. 8641/UBCK-QLCB notifying the receipt of the documents of the results of share issuance to pay dividends according to the Bank's Issuance Result Report No. 693/2021/BCQT-NHNA dated 10 December 2021. On 24 February 2022, the Bank received the 41st updated Enterprise Registration Certificate No. 0300872315 with updated charter capital of VND5,134,405 million.

On 22 February 2022, the Bank has submitted Issuance Result Report No. 119/2022/BCQT-NHNA to the State Securities Commission. At the date of these consolidated financial statements, the Bank is waiting for approval from the State Securities Commission for private offering result to complete the charter capital increase procedures in accordance with the Resolution of the Annual General Meeting of Shareholders dated 27 June 2020 as mentioned above.

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 according to the plan to increase charter capital in 2020) to VND8,564,468,430, specifically as follows:

- Increase charter capital by VND670,063,960,000 through the issuance of 67,006,396 ordinary shares to pay dividends for 2020.
- Increase charter capital by VND329,936,040,000 through the issuance of 32,993,604 ordinary shares in cash in the form of shares 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 private offering.

The charter capital increase 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

	2021 VND million	2020 VND million
Interest and similar income		
▪ Interest income from loans	10,124,646	8,422,428
▪ Interest income from trading, investing in debt securities	716,980	471,063
▪ Interest income from deposits	71,654	118,092
▪ Income from guarantee services	11,255	10,349
▪ Other income from credit activities	129,804	55,198
	11,054,339	9,077,130
Interest and similar expenses		
▪ Interest expense on deposits	(6,110,714)	(5,970,930)
▪ Interest expense on valuable papers issued	(563,120)	(438,529)
▪ Interest expense on borrowings	(52,684)	(18,386)
▪ Interest expense on finance lease	(3,273)	(2,286)
▪ Other expenses on credit activities	(41,359)	(43,054)
	(6,771,150)	(6,473,185)
Net interest income and similar income	4,283,189	2,603,945

27. Net fees and commission income

	2021 VND million	2020 VND million
Fees and commission income from		
▪ Settlement services	97,631	85,441
▪ Insurance brokerage commission	51,438	71,792
▪ Asset leasing	39,364	42,443
▪ Other services	92,152	10,348
	<hr/> 280,585	<hr/> 210,024
Fees and commission expenses on		
▪ Settlement services	(67,148)	(51,261)
▪ Brokerage commission	(391)	(35,892)
▪ Consultancy services	(4,168)	(4,359)
▪ Postage and telecommunications fees	(889)	(841)
▪ Other services	(339)	(263)
	<hr/> (72,935)	<hr/> (92,616)
Net fees and commission income	<hr/> 207,650	<hr/> 117,408

28. Net gain from trading of foreign currencies

	2021 VND million	2020 VND million
Gains from trading of foreign currencies		
▪ Gain from spot contracts	86,247	67,753
▪ Gain from currency derivatives	20,623	8,864
▪ Gain from gold trading	215	480
	<hr/> 107,085	<hr/> 77,097
Losses from trading of foreign currencies		
▪ Loss from spot contracts	(40,520)	(24,483)
▪ Loss from currency derivatives	(20,688)	(5,885)
▪ Loss from gold trading	(5)	(400)
	<hr/> (61,213)	<hr/> (30,768)
Net gain from trading of foreign currencies	<hr/> 45,872	<hr/> 46,329

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

	2021 VND million	2020 VND million
Gain from sales of held-for-trading securities	-	12,120
Net gain from trading of held-for-trading securities	-	12,120

30. Net gain from sales of investment securities

	2021 VND million	2020 VND million
Gain from sales of investment securities	297,390	197,097
Loss from sales of investment securities	(5)	(1,100)
General allowance made for investment securities (Note 10(ii))	(13,237)	-
Allowance made for diminution in value of investment securities (Note 10(i))	(11,162)	-
Net gain from sales of investment securities	272,986	195,997

31. Net other income

	2021 VND million	2020 VND million
Other income		
▪ Collections of bad debts previously written-off	15,726	201,646
▪ Income from disposals of fixed assets	1,037	9,152
▪ Income from disposals of investment properties	657	1,440
▪ Other income	6,767	13,982
	24,187	226,220
Other expenses		
▪ Debt management expenses	(358)	-
▪ Other expenses	(15,003)	(7,618)
	(15,361)	(7,618)
Net other income	8,826	218,602

32. Gain from capital contribution, share purchase

	2021 VND million	2020 VND million
Dividends received/profits distributed from:		
▪ Held-for-trading securities	151	63

33. Operating expenses

	2021 VND million	2020 VND million
1. Personnel expenses	1,332,870	770,741
In which:		
▪ <i>Salary and allowances</i>	1,218,013	687,985
▪ <i>Salary related contribution</i>	67,765	60,074
▪ <i>Other allowances</i>	139	599
▪ <i>Others</i>	46,953	22,083
2. Asset expenditure	438,156	363,803
In which:		
▪ <i>Leasing assets</i>	176,079	137,743
▪ <i>Depreciation of fixed assets</i>	108,914	92,995
▪ <i>Maintenance and repair of assets</i>	123,617	103,558
▪ <i>Others</i>	29,546	29,507
3. Insurance for deposits from customers	128,455	99,837
4. Meeting and conference expenses	101,992	132,253
5. Publication of documents, advertising	66,396	80,649
6. Expenses for water and sanitation	35,517	33,429
7. Allowance for losses (i)	(6,784)	(13,989)
8. Expenses for printing materials and papers	35,522	38,613
9. Non-deductible value added tax	27,035	32,105
10. Expenses for the Bank's union activities	6,072	14,803
11. Travelling expenses	4,939	10,963
12. Others	69,561	67,562
	2,239,731	1,630,769

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

	2021 VND million	2020 VND million
Reversal of allowance for diminution in value of other long-term investments (Note 11(ii))	(932)	(4,128)
Reversal of allowance for losses on other assets (Note 16(vi))	(5,852)	(9,861)
	(6,784)	(13,989)

34. Allowance expenses for credit losses

	2021 VND million	2020 VND million
General allowance made for loans and advances to customers (Note 9)	119,310	174,407
Specific allowance made for loans and advances to customers (Note 9)	409,828	374,277
Allowance made for special bonds (Note 10(iv))	275,439	-
General allowance (reversed)/made for debts sold (Note 16 (vi))	(28,800)	9,525
Specific allowance made for debts sold (Note 16 (vi))	4,075	-
	779,852	558,209

35. Corporate income tax

(a) Recognised in the consolidated statement of income

	2021 VND million	2020 VND million
Corporate income tax expense – current	364,728	205,822

(b) Reconciliation of effective tax rate

	2021 VND million	2020 VND million
Profit before tax	1,799,091	1,005,486
Adjustments for:		
▪ Non-taxable income (dividends)	(151)	(63)
▪ Non-deductible expenses	24,699	25,590
Taxable income	1,823,639	1,031,013
Corporate income tax expense during the year	364,728	205,822

(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.

36. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2021 is based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to the bonus and welfare fund for the annual accounting period of VND1,434,363 million (2020: VND799,664 million) and the weighted average number of ordinary shares outstanding of 513,460,504 shares (2020: 461,002,587 shares), details are as follows:

(i) Net profit attributable to ordinary shareholders

	2021 VND million	2020 VND million
Net profit for the year	1,434,363	799,664
Appropriation to bonus and welfare fund (*)	-	-
Net profit distribution to ordinary shareholders for calculation of basis earnings per share	1,434,363	799,664

(*) At the date of these consolidated 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

	2021 Number of share	2020 Number of share Restated (*)
Issued ordinary shares at the beginning of the year	456,466,843	389,005,328
Effect of shares issued in cash during the year	-	20,822,107
Effect of shares issued to pay dividends during the year	56,993,661	51,175,152
Weighted average number of ordinary shares	513,460,504	461,002,587

(iii) Basic earnings per share

	2021 VND	2020 VND Restated (*)	2020 VND (As stated previously)
Basic earnings per share (*)	2,794	1,735	1,951

(*) The restatement reflected the effect of increased charter capital through share dividends during the year.

(b) **Diluted earnings per share**

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

37. Cash and cash equivalents

	31/12/2021 VND million	31/12/2020 VND million
Cash on hand, gold	1,001,628	985,235
Balances with the SBV	5,131,299	4,428,378
Deposits with and loans to other credit institutions with original term to maturity of not more than three months	17,540,348	11,654,314
	23,673,275	17,067,927

38. Employees' remuneration

	2021 VND million	2020 VND million
Total number of employees	3,740	3,329
Employees' remuneration		
1. Salary	1,218,013	687,985
2. Bonus	2,381	625
	1,220,394	688,610
3. Total income (1+2)		
	1,220,394	688,610
Average salary/employee/month	27	17
Average income/employee/month	27	17



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

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

	31/12/2021 VND million	31/12/2020 VND million
Real estates	116,480,416	99,161,773
Equity securities and valuable papers	46,583,231	37,677,154
Movable assets	3,029,625	2,874,806
Other assets	36,396,720	28,984,724
	<u>202,489,992</u>	<u>168,698,457</u>

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

	31/12/2021 VND million	31/12/2020 VND million
Available-for-sale securities		
▪ Government bonds	2,160,952	3,299,079
▪ Bonds issued by other local credit institutions	300,000	300,000
	<u>2,460,952</u>	<u>3,599,079</u>
Held-to-maturity securities		
▪ Government bonds	2,259,480	6,166,738
▪ Bonds issued by other local credit institutions	211,715	412,778
	<u>2,471,195</u>	<u>6,579,516</u>
	<u>4,932,147</u>	<u>10,178,595</u>

40. Contingent liabilities and commitments

	31/12/2021			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	13,340,102	-	13,340,102	6,443,232	-	6,443,232
<i>In which:</i>						
▪ <i>Commitments on currency swap transactions</i>	13,340,102	-	13,340,102	6,443,232	-	6,443,232
Letters of credit	932,115	-	932,115	1,224,892	(2,321)	1,222,571
Other guarantees	1,066,273	(19,098)	1,047,175	922,314	(38,243)	884,071

41. Significant transactions with related parties

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

Balance at the year-end	31/12/2021 VND million	31/12/2020 VND million
	Receivables/(Payables)	
Members of Board of Management, Board of Directors and Supervisory Board of the Bank		
Deposits	(48,619)	(32,457)
Loans	-	36,376
Accrued interest payable for deposits	(143)	(51)
Accrued interest receivable from loans	37	214
Other payables	(73)	(73)
Other related parties (*)		
Deposits	(639,534)	(680,907)
Loans	47,695	24,908
Deposits for office rental	270	6,128
Accrued interest payable for deposits	(22,328)	(27,571)
Accrued interest receivable from loans	294	101
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Transactions during the year	2021	2020
	VND million	VND million
Interest expense on deposits from the Board of Management, Board of Directors and Supervisory Board of the Bank	1,591	932
Salaries and allowances for General Directors	5,065	5,822
Salaries and allowances for other members of the Board of Directors	19,193	22,076
Remunerations for the member of the Board of Management		
<i>In which:</i>		
- Mr. Nguyen Quoc Toan	1,800	-
- Mr. Tran Ngo Phuc Vu	1,200	1,200
- Mr. Phan Dinh Tan	1,200	1,200
- Mr. Nguyen Quoc My	1,200	1,200
- Ms. Vo Thi Tuyet Nga	600	600
- Ms. Do Anh Thu	240	240
Remunerations for the member of Supervisory Board	1,720	1,720
Other related parties (*)		
Interest income from loans	1,664	1,092
Rental expense	13,724	12,824
Interest expense on deposits	48,898	49,461
Rental income	1,462	1,494
Other expenses	2	2
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- (*) 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.

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

As at 31 December 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	Deposits from customers VND million	Valuable papers issued VND million	Credit commitments VND million
Domestic	17,342,872	144,141	102,653,266	23,164,414	14,433,033	115,319,388	10,360,103	1,979,290
Overseas	427,361	-	-	-	1,189,262	-	-	-
	17,770,233	144,141	102,653,266	23,164,414	15,622,295	115,319,388	10,360,103	1,979,290

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	Deposits from customers 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	98,254,031	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	98,254,031	6,957,313	2,106,642

43. 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 Bank'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 Bank's Management assesses the appropriateness of the allowance for credit losses on a quarterly basis. The Bank's Management receives a comprehensive risk report quarterly which is designed to provide all the necessary information to assess and conclude on the risks of the 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.

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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.

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

	31/12/2021 VND million	31/12/2020 VND million
Credit risk related to on-balance sheet assets		
Deposits with and loans to other credit institutions – gross	17,770,233	11,893,543
Loans and advances to customers – gross	102,653,266	89,171,618
Available-for-sale debt securities – gross	9,990,857	7,141,959
Held-to-maturity securities – gross	13,173,557	13,150,962
Other financial assets – gross	3,455,897	6,796,845
	147,043,810	128,154,927
Credit risk related to off-balance sheet assets		
Payment guarantee	733,402	230,012
Contract performance guarantee	180,059	376,739
Bid guarantee	12,114	19,915
Other guarantees	140,698	295,648
	1,066,273	922,314
	148,110,083	129,077,241

The table above shows the worst case for the maximum loss for the Group as at 31 December 2021 and 31 December 2020, have not accounted any collateral held or credit risk mitigation. Details of collateral held as at 31 December 2021 and 31 December 2020 are presented in Note 39(a).

An aging analysis of loans and advances to customers that are past due but not impaired at the reporting date is as follows:

As at 31 December 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 (*)	34,405	28,754	22,424	493,598	579,181

An aging analysis of loans and advances to customers that are past due and impaired at the reporting date is as follows:

As at 31 December 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 (*)	163,785	108,841	103,983	583,217	959,826

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

The Group has not determined fair values of the collaterals for overdue and impaired financial assets for disclosure in these consolidated 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.

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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:

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

As at 31 December 2021	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
Assets									
Cash on hand, gold	-	1,001,628	-	-	-	-	-	-	1,001,628
Balances with the SBV	-	-	5,131,299	-	-	-	-	-	5,131,299
Deposits with and loans to other credit institutions	-	229,885	12,270,948	5,269,400	-	-	-	-	17,770,233
Held-for-trading securities – gross	-	144,141	-	-	-	-	-	-	144,141
Loans and advances to customers – gross (*)	3,629,901	27,386	29,425,082	48,521,154	6,405,421	13,136,720	1,507,622	-	102,653,266
Investment securities – gross	-	1,377,193	300,000	2,003,376	880,000	1,000,045	895,160	16,708,640	23,164,414
Capital contribution, long-term investments – gross	-	125,800	-	-	-	-	-	-	125,800
Fixed assets	-	981,992	-	-	-	-	-	-	981,992
Investment property	-	15,971	-	-	-	-	-	-	15,971
Other assets – gross	-	3,870,264	-	-	-	-	-	-	3,870,264
	3,629,901	7,774,260	47,127,309	55,793,930	7,285,421	14,136,765	2,402,782	16,708,640	154,859,008
Liabilities									
Borrowings from the Government and the SBV	-	-	-	638	358	-	-	-	996
Deposits and borrowings from other credit institutions	-	-	9,660,671	4,981,076	446,641	641	533,266	-	15,622,295
Deposits from customers	-	-	35,312,606	26,194,545	27,116,714	23,241,402	3,452,285	1,836	115,319,388
Derivatives and other financial liabilities	-	3,112	-	-	-	-	-	-	3,112
Grants and entrusted funds received	-	-	6,223	114,600	229,200	114,600	-	-	464,623
Valuable papers issued	-	-	35,520	374,860	1,954,610	1,595,880	4,706,693	1,692,540	10,360,103
Other liabilities	-	3,442,147	-	-	-	-	-	-	3,442,147
	-	3,445,259	45,015,020	31,665,719	29,747,523	24,952,523	8,692,244	1,694,376	145,212,664
Interest sensitivity gap of balance sheet items	3,629,901	4,329,001	2,112,289	24,128,211	(22,462,102)	(10,815,758)	(6,289,462)	15,014,264	9,646,344
Interest sensitivity gap of off- balance sheet items	-	-	-	-	-	-	-	-	-
Interest sensitivity gap on and off-balance sheet items	3,629,901	4,329,001	2,112,289	24,128,211	(22,462,102)	(10,815,758)	(6,289,462)	15,014,264	9,646,344

Notes to the consolidated financial statements for the year ended 31 December 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
Assets									
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	-	89,171,618
Investment securities – gross	-	1,950,033	-	410,535	1,799,281	499,990	932,497	14,700,585	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	-	7,170,153	-	-	-	-	-	-	7,170,153
	2,809,583	11,639,755	31,061,131	65,459,715	6,858,079	1,261,006	1,447,099	14,700,585	135,236,953
Liabilities									
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
	-	2,943,703	41,608,614	27,871,117	31,015,150	20,041,227	4,034,683	201,931	127,716,425
Interest sensitivity gap of balance sheet items	2,809,583	8,696,052	(10,547,483)	37,588,598	(24,157,071)	(18,780,221)	(2,587,584)	14,498,654	7,520,528
Interest sensitivity gap of off-balance sheet items	-	-	-	-	-	-	-	-	-
Interest sensitivity gap on and off-balance sheet items	2,809,583	8,696,052	(10,547,483)	37,588,598	(24,157,071)	(18,780,221)	(2,587,584)	14,498,654	7,520,528

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



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

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

As at 31 December 2021	Less than 1 month	From 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years
Assets						
Balances with the SBV						
▪ VND	0% - 0.5%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	0%	(*)	(*)	(*)	(*)	(*)
Deposits with and loans to other credit institutions						
▪ VND	0% - 3.5%	1.6% - 3%	(*)	(*)	(*)	(*)
▪ Foreign currencies	0.25% - 0.33%	0.3% - 0.6%	(*)	(*)	(*)	(*)
Loans and advances to customers						
▪ VND	0% - 30%	0% - 42%	4.8% - 19%	6.5% - 13%	6% - 12%	(*)
▪ Foreign currencies	3% - 5.1%	3% - 5.1%	3% - 3.9%	(*)	(*)	(*)
Investment securities						
▪ VND	6.0%	10%	6.38% - 9.15%	5.6% - 7.7%	5.7% - 6.3%	2.2% - 7.8%
Liabilities						
Borrowings from the Government and the SBV						
▪ VND	(*)	3.3%	3.3%	(*)	(*)	(*)
Deposits and borrowings from other credit institutions						
▪ VND	1.9% - 9.45%	1.4% - 9.45%	8.95% - 9.45%	9.15%	9.15%	(*)
▪ Foreign currencies	(*)	0.35% - 1.7%	1.6%	0.75%	3.45% - 3.55%	(*)
Deposits from customers						
▪ VND	0% - 9.1%	3.3% - 9.1%	0% - 9.1%	3.75% - 9.2%	3.75% - 9%	3.75% - 5.4%
▪ Foreign currencies	0%	0%	0%	0%	0%	0%
Grants and entrusted funds received						
▪ VND	3.86% - 3.91%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	(*)	3.2%	3.2%	3.2%	(*)	(*)
Valuable papers issued						
▪ VND	7.4% - 7.5%	3.8% - 7.8%	3.8% - 7.9%	3.7% - 8%	4.3% - 8.6%	7.1% - 7.8%

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

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
Assets						
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%	0.8% - 1.5%	(*)	(*)	(*)	(*)
▪ Foreign currencies	0% - 0.9%	0.6% - 1.0%	(*)	(*)	(*)	(*)
Loans and advances to customers						
▪ VND	4.5% - 30%	0% - 30%	5% - 20%	6% - 13.4%	6% - 11%	(*)
▪ Foreign currencies	3% - 5.2%	3% - 5.2%	3.2% - 4.2%	(*)	(*)	(*)
Investment securities						
▪ VND	(*)	6.2% - 9.975%	6.1% - 9.8%	4.5% - 6.9%	6.2% - 7.7%	2.5% - 8.8%
Liabilities						
Borrowings from the Government and the SBV						
▪ VND	3.5%	3.5%	3.5%	3.5%	(*)	(*)
Deposits and borrowings from other credit institutions						
▪ VND	0% - 10.3%	0.7% - 9.8%	8.6% - 9%	(*)	9.15%	(*)
▪ Foreign currencies	0% - 0.9%	0.6% - 1.7%	(*)	0.75%	(*)	(*)
Deposits from customers						
▪ VND	0% - 9.3%	3.2% - 9.3%	0% - 9.3%	3.75% - 9.1%	3.75% - 9.2%	3.75% - 7.6%
▪ Foreign currencies	0%	0%	0%	0%	0%	0%
Grants and entrusted funds received						
▪ VND	4.18%	(*)	(*)	(*)	(*)	(*)
▪ Foreign currencies	(*)	(*)	3.02% - 3.35%	(*)	(*)	(*)
Valuable papers issued						
▪ VND	8.8% - 8.99%	8.8% - 8.99%	6.5% - 8.9%	5.3% - 9.15%	5.8% - 5.8%	7.8%

(*) 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 31 December 2021 and 31 December 2020 because there are no specific guidelines and regulations of the State Bank of Vietnam and other relevant authorities.

(ii) **Currency risk**

Currency risk is the risk arising from changes in foreign exchange rates to VND, the 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	
	31/12/2021	31/12/2020
USD/VND	22,920	23,130
EUR/VND	25,832	28,385
GBP/VND	30,808.50	31,567
CHF/VND	24,988.50	26,212
JPY/VND	198.08	223.97
SGD/VND	16,901.50	17,473
CAD/VND	17,921	18,123
AUD/VND	16,572.50	17,797
HKD/VND	2,927	3,042
KRW/VND	19.40	21
XAU/VND (one tenth of a tael)	6,135,000	5,582,500

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

As at 31 December 2021

Assets

	VND million	USD million	Gold VND million	EUR million	Other currencies VND million	Total VND million
Cash on hand, gold	850,531	138,825	1,994	3,545	6,733	1,001,628
Balances with the SBV	5,022,618	108,681	-	-	-	5,131,299
Deposits with and loans to other credit institutions – gross	12,143,302	5,612,879	-	6,194	7,858	17,770,233
Held-for-trading securities – gross	144,141	-	-	-	-	144,141
Loans and advances to customers – gross	101,769,662	883,604	-	-	-	102,653,266
Investment securities – gross	23,164,414	-	-	-	-	23,164,414
Capital contribution, long-term investments – gross	125,800	-	-	-	-	125,800
Fixed assets	981,992	-	-	-	-	981,992
Investment property	15,971	-	-	-	-	15,971
Other assets – gross	3,852,961	17,303	-	-	-	3,870,264
Total assets (1)	148,071,392	6,761,292	1,994	9,739	14,591	154,859,008

Liabilities and equity

Borrowings from the Government and the SBV	996	-	-	-	-	996
Deposits and borrowings from other credit institutions	12,645,183	2,977,112	-	-	-	15,622,295
Deposits from customers	113,732,648	1,575,186	-	9,213	2,341	115,319,388
Derivatives and other financial liabilities	(1,307,912)	1,311,024	-	-	-	3,112
Grants and entrusted funds received	6,223	458,400	-	-	-	464,623
Valuable papers issued	10,360,103	-	-	-	-	10,360,103
Other liabilities	3,429,008	13,062	-	77	-	3,442,147
Capital and reserves	8,024,842	-	-	-	-	8,024,842
Total liabilities and equity (2)	146,891,091	6,334,784	-	9,290	2,341	153,237,506

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

	1,180,301	426,508	1,994	449	12,250	1,621,502
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FX position off-balance sheet (4)

	-	-	-	-	-	-
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FX position on and off-balance sheet [(5)=(3)+(4)]

	1,180,301	426,508	1,994	449	12,250	1,621,502
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As at 31 December 2020

	VND		USD		Gold		EUR		Other currencies		Total	
	VND million	VND million	USD million	VND million	VND million	VND million	EUR million	VND million	VND million	VND million	VND million	VND million
Assets												
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	
Total assets (1)	132,858,699	2,358,030		1,401			7,493		11,330		135,236,953	

Liabilities and equity

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	
Total liabilities and equity (2)	131,986,644	2,318,507		-			6,767		3,277		134,315,195	

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

FX position off-balance sheet (4)

FX position on and off-balance sheet [(5)=(3)+(4)]

	872,055	39,523		1,401			726		8,053		921,758	
	-	-		-			-		-		-	
	872,055	39,523		1,401			726		8,053		921,758	

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
As at 31 December 2021	
USD (weakening by 1%)	(3,412)
EUR (weakening by 9%)	(32)
XAU (strengthening by 10%)	160
<hr/>	
As at 31 December 2020	
USD (weakening by 1%)	(316)
EUR (strengthening by 9%)	52
XAU (strengthening by 31%)	347
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(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 31 December 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.

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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 annual accounting period until the maturity date. In reality, the maturity dates of assets and liabilities might be different from the contractual ones, depending on the appendices signed.

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

As at 31 December 2020	Overdue		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	Up to 1 month VND million					
Assets							
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	17,986,123	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
Total assets (1)	481,112	2,328,471	11,881,287	48,153,319	18,465,205	34,387,691	135,236,953
Liabilities							
Borrowings from the Government and the SBV	-	-	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	-	(36)	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
Total liabilities (2)	-	41,933,310	27,147,504	49,707,251	7,368,830	1,559,530	127,716,425
Net liquidity gap [(3)-(1)-(2)]	481,112	2,328,471	(15,266,217)	(1,553,932)	11,096,375	32,828,161	7,520,528

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

(d) **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:

	31/12/2021		31/12/2020	
	Carrying amount VND million	Fair value VND million	Carrying amount VND million	Fair value VND million
Financial assets				
<i>Categorised as financial assets at fair value through profit or loss:</i>				
- Held-for-trading securities	127,921	(*)	127,921	(*)
<i>Categorised as held-to-maturity investments:</i>				
- Government bonds	10,522,954	(*)	9,749,713	(*)
- Bonds issued by other local credit institutions	1,073,410	(*)	1,271,216	(*)
- Bonds issued by other local economic entities	198,500	(*)	178,650	(*)
- Special bonds issued by VAMC	1,101,754	(*)	1,950,033	(*)
<i>Categorised as loans and receivables:</i>				
- Cash in hand, gold	1,001,628	1,001,628	985,235	985,235
- Balances with the SBV	5,131,299	5,131,299	4,428,378	4,428,378
- Deposits with and loans to other credit institutions	17,770,233	(*)	11,893,543	(*)
- Loans and advances to customers	101,370,504	(*)	88,320,271	(*)
- Receivables	640,379	(*)	4,136,308	(*)
- Accrued interest and fees receivable	2,811,443	(*)	2,631,737	(*)
<i>Categorised as available-for-sale financial assets:</i>				
- Government bonds	5,196,274	(*)	4,993,616	(*)
- Bonds issued by other local credit institutions	2,400,045	(*)	1,499,943	(*)
- Bonds issued by other local economic entities	2,365,501	(*)	643,612	(*)
- Capital contribution, long-term investments	125,800	(*)	114,348	(*)
- Other financial assets	36,334	36,334	30,481	30,481

	31/12/2021		31/12/2020	
	Carrying amount VND million	Fair value VND million	Carrying amount VND million	Fair value VND million
Financial liabilities				
<i>Categorised as financial liabilities carried at amortised cost:</i>				
- Borrowings from the Government and SBV	996	(*)	1,254	(*)
- Deposits and borrowings from other credit institutions	15,622,295	(*)	19,087,757	(*)
- Deposits from customers	115,319,388	(*)	98,254,031	(*)
- Derivatives and other financial liabilities	3,112	(*)	5,571	(*)
- Grants and entrusted funds received	464,623	(*)	472,367	(*)
- Valuable papers issued	10,360,103	(*)	6,957,313	(*)
- Accrued interest and fees payable	2,371,244	(*)	2,409,958	(*)
- Other financial liabilities	634,748	(*)	292,459	(*)

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



44. 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
I. Income	2,119,525	1,773,120	2,495,097	2,283,232	23,545,447	20,911,907	(16,396,332)	(15,168,491)	11,763,737	9,799,768
1. Interest income	2,098,291	1,763,819	2,467,264	2,258,798	22,885,116	20,223,004	(16,396,332)	(15,168,491)	11,054,339	9,077,130
2. Fees and commission income	12,708	4,556	22,063	14,067	245,814	191,401	-	-	280,585	210,024
3. Income from other activities	8,526	4,745	5,770	10,367	414,517	497,502	-	-	428,813	512,614
II. Expenses	(1,843,174)	(1,663,744)	(2,116,533)	(2,064,667)	(21,621,419)	(19,676,153)	16,396,332	15,168,491	(9,184,794)	(8,236,073)
1. Interest expense	(1,675,080)	(1,539,570)	(1,865,908)	(1,846,455)	(19,626,494)	(18,255,651)	16,396,332	15,168,491	(6,771,150)	(6,473,165)
2. Depreciation expenses	(5,963)	(4,124)	(12,616)	(10,740)	(90,335)	(78,131)	-	-	(108,914)	(92,995)
3. Operating expenses	(162,131)	(120,050)	(238,009)	(207,472)	(1,904,590)	(1,342,371)	-	-	(2,304,730)	(1,669,893)
Operating profit before allowance expenses for credit losses	276,351	109,376	378,564	218,565	1,924,028	1,235,754	-	-	2,578,943	1,563,695
Allowance expenses for credit losses	3,083	(5,372)	(37,637)	(2,514)	(745,298)	(550,323)	-	-	(779,852)	(558,209)
Segment profit before tax	279,434	104,004	340,924	216,051	1,178,730	685,431	-	-	1,799,091	1,005,486

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

	The Northern Region VND million		The Central Region VND million		The Southern Region VND million		Elimination VND million		Total VND million	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
III. Assets										
1. Cash on hand, gold	2,119,915	1,959,158	10,509,700	9,426,472	140,607,891	122,929,565	-	-	153,237,506	134,315,195
2. Deposits with other credit institutions	79,223	67,089	190,407	185,910	731,998	732,236	-	-	1,001,628	985,235
3. Loans and advances to customers	75	194	68	1,413	17,770,090	11,891,936	-	-	17,770,233	11,893,543
4. Investment securities	1,946,329	1,821,394	10,082,166	8,960,142	89,342,009	77,538,735	-	-	101,370,504	88,320,271
5. Fixed assets	-	-	(14,767)	10,000	22,873,205	20,276,783	-	-	22,858,438	20,286,783
6. Other assets	29,438	22,771	142,417	138,184	810,137	840,793	-	-	981,992	1,001,748
	64,850	47,710	109,409	130,823	9,080,452	11,649,082	-	-	9,254,711	11,827,615
IV. Liabilities										
1. Deposits and borrowings from other credit institutions and the SBV	29,447,545	22,523,305	19,920,571	16,668,779	95,844,548	88,524,341	-	-	145,212,664	127,716,425
2. Deposits from customers	100	100	22,413	12,782	15,600,778	19,076,129	-	-	15,623,291	19,089,011
3. Grants and entrusted funds received	27,752,628	21,089,480	17,430,995	15,023,060	70,135,765	62,141,491	-	-	115,319,388	98,254,031
4. Valuable papers issued	-	-	-	-	464,623	472,367	-	-	464,623	472,367
5. Other liabilities	1,074,223	728,533	2,051,570	1,210,290	7,234,310	5,018,490	-	-	10,360,103	6,957,313
	620,594	705,192	415,593	422,647	2,409,072	1,815,864	-	-	3,445,259	2,943,703

(b) Secondary segment

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

45. 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:

	31/12/2021 VND million	31/12/2020 VND million
Approved and contracted	26,433	3,928

(b) Lease commitments

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

	31/12/2021 VND million	31/12/2020 VND million
Within one year	125,020	79,657
Over one year to five years	450,572	268,446
More than five years	180,203	113,651
	755,795	461,754

46. Unusual items

In 2021, Covid-19 pandemic caused business disruption and adverse effects on people's lives in many countries. Due to the impact of Covid-19, the SBV has issued Circular No. 01/2020/TT-NHNN, Circular No. 03/2021/TT-NHNN, Circular No. 14/2021/TT-NHNN on rescheduling of debt repayment terms, waiver, reduction of interest and fees, maintaining the debt classifications in order to support customers affected by Covid-19 pandemic. The extent of the impact of the COVID-19 pandemic on the 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 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 financial statements.

1 March 2022

Prepared by



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