



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



**Nam A Commercial Joint Stock Bank**  
**Separate financial statements for the year ended 31 December 2021**

<b>CONTENTS</b>	<b>PAGE</b>
Bank Information	1 - 2
Statement of the Board of Directors	3
Independent Auditor's Report	4 - 5
Separate balance sheet (Form B02/TCTD)	6 - 8
Separate statement of income (Form B03/TCTD)	9
Separate statement of cash flows (Form B04/TCTD)	10 - 11
Notes to the separate financial statements (Form B05/TCTD)	12 - 91

Đ  
H  
V  
A  
N

942  
NH  
TY  
M  
0 W

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

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

Handwritten red text on the right margin, including the number '16' and other illegible characters.

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

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

03  
IG  
NG  
A  
TP  
H  
HH  
I M

**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 separate financial statements of the Bank for the year ended 31 December 2021.

The Bank's Board of Directors is responsible for the preparation and fair presentation of the separate 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 separate financial statements set out on pages from 6 to 91 give a true and fair view of the unconsolidated financial position of the Bank as at 31 December 2021, and of its unconsolidated results of operations and its unconsolidated 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 will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors



*Trần Ngọc Lam*  
General Director

Ho Chi Minh City, 1 March 2022



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

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying separate financial statements of Nam A Commercial Joint Stock Bank ("the Bank"), which comprise the separate balance sheet as at 31 December 2021, the separate 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 91.

### **The Board of Directors' Responsibility**

The Bank's Board of Directors is responsible for the preparation and fair presentation of these separate 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 separate 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 separate 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 separate 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.

NOT V K A C  
BT  
CH  
ON  
K  
PH



### Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Nam A Commercial Joint Stock Bank as at 31 December 2021 and of its unconsolidated results of operations and its unconsolidated 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.: 21-01-00294-22-1



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



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

Ho Chi Minh City, 1 March 2022

	Note	31/12/2021 VND million	31/12/2020 VND million
<b>A ASSETS</b>			
<b>I Cash on hand, gold</b>	<b>4</b>	<b>1,001,628</b>	<b>985,235</b>
<b>II Balances with the State Bank of Vietnam</b>	<b>5</b>	<b>5,131,299</b>	<b>4,428,378</b>
<b>III Deposits with and loans to other credit institutions</b>	<b>6</b>	<b>17,770,233</b>	<b>11,893,543</b>
1 Deposits with other credit institutions		17,540,348	11,654,314
2 Loans to other credit institutions		229,885	239,229
<b>IV Held-for-trading securities</b>	<b>7</b>	<b>127,921</b>	<b>127,921</b>
1 Held-for-trading securities		144,141	144,141
2 Allowance for held-for-trading securities		(16,220)	(16,220)
<b>VI Loans and advances to customers</b>		<b>101,370,504</b>	<b>88,320,271</b>
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)
<b>VIII Investment securities</b>	<b>10</b>	<b>22,858,438</b>	<b>20,276,783</b>
1 Available-for-sale investment securities		9,990,857	7,131,959
2 Held-to-maturity investment securities		13,173,557	13,150,962
3 Allowance for investment securities		(305,976)	(6,138)
<b>IX Capital contribution, long-term investments</b>	<b>11</b>	<b>215,280</b>	<b>214,348</b>
1 Investment in a subsidiary		100,000	100,000
4 Other long-term investments		115,280	115,280
5 Allowance for diminution in value of long-term investments		-	(932)
<b>X Fixed assets</b>		<b>981,701</b>	<b>1,001,170</b>
1 Tangible fixed assets	12	507,288	515,899
a Cost		1,023,765	946,465
b Accumulated depreciation		(516,477)	(430,566)
2 Finance lease fixed assets	13	58,803	53,396
a Cost		80,800	81,690
b Accumulated depreciation		(21,997)	(28,294)
3 Intangible fixed assets	14	415,610	431,875
a Cost		556,094	556,094
b Accumulated amortisation		(140,484)	(124,219)
<b>XII Other assets</b>	<b>15</b>	<b>3,831,705</b>	<b>7,101,293</b>
1 Receivables		686,860	4,196,033
2 Accrued interest and fees receivable		2,811,443	2,631,737
4 Other assets		349,946	320,644
5 Allowance for losses on other assets		(16,544)	(47,121)
<b>TOTAL ASSETS</b>		<b>153,288,709</b>	<b>134,348,942</b>

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



	Note	31/12/2021 VND million	31/12/2020 VND million
<b>B</b>			
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>I</b>			
<b>Borrowings from the Government and the State Bank of Vietnam</b>	16	996	1,254
<b>II</b>			
<b>Deposits and borrowings from other credit institutions</b>	17	15,622,295	19,087,651
1 Deposits from other credit institutions		13,071,047	13,256,856
2 Borrowings from other credit institutions		2,551,248	5,830,795
<b>III</b>			
<b>Deposits from customers</b>	18	115,402,066	98,318,833
<b>IV</b>			
<b>Derivatives and other financial liabilities</b>	19	3,112	5,571
<b>V</b>			
<b>Grants and entrusted funds received</b>	20	464,623	472,367
<b>VI</b>			
<b>Valuable papers issued</b>	21	10,360,103	6,957,313
<b>VII</b>			
<b>Other liabilities</b>	22	3,439,182	2,935,693
1 Accrued interest and fees payable		2,371,439	2,410,083
3 Other liabilities		1,067,743	525,610
<b>TOTAL LIABILITIES</b>		<b>145,292,377</b>	<b>127,778,682</b>
<b>EQUITY</b>			
<b>VIII</b>			
<b>Equity</b>	24	7,996,332	6,570,260
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		749,285	532,771
5 Retained profits		1,941,336	1,301,715
<b>TOTAL EQUITY</b>		<b>7,996,332</b>	<b>6,570,260</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>153,288,709</b>	<b>134,348,942</b>

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



	Note	31/12/2021 VND million	31/12/2020 VND million
<b>OFF-BALANCE SHEET ITEMS</b>			
2 Foreign exchange commitments	38	13,340,102	6,443,232
<i>In which:</i>			
▪ Commitments on currency swap transactions		13,340,102	6,443,232
4 Letters of credit	38	932,115	1,222,571
5 Other guarantees	38	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

0112  
 CHI  
 NG  
 KI  
 PH

	Note	2021 VND million	2020 VND million
1 Interest and similar income	25	11,052,115	9,076,444
2 Interest and similar expenses	25	(6,791,357)	(6,484,205)
<b>I Net interest income and similar income</b>	<b>25</b>	<b>4,260,758</b>	<b>2,592,239</b>
3 Fees and commission income	26	280,534	209,948
4 Fees and commission expenses	26	(72,926)	(92,600)
<b>II Net fees and commission income</b>	<b>26</b>	<b>207,608</b>	<b>117,348</b>
<b>III Net gain from trading of foreign currencies</b>	<b>27</b>	<b>45,872</b>	<b>46,329</b>
<b>IV Net gain from trading of held-for-trading securities</b>	<b>28</b>	<b>-</b>	<b>12,120</b>
<b>V Net gain from sales of investment securities</b>	<b>29</b>	<b>272,811</b>	<b>195,997</b>
5 Other income	30	23,529	217,002
6 Other expenses	30	(15,341)	(7,598)
<b>VI Net other income</b>	<b>30</b>	<b>8,188</b>	<b>209,404</b>
<b>VII Gain from capital contribution, shares purchase</b>	<b>31</b>	<b>5,671</b>	<b>4,835</b>
<b>VIII Operating expenses</b>	<b>32</b>	<b>(2,223,410)</b>	<b>(1,615,464)</b>
<b>IX Net operating profit before allowance expenses for credit losses</b>		<b>2,577,498</b>	<b>1,562,808</b>
<b>X Allowance expenses for credit losses</b>	<b>33</b>	<b>(779,852)</b>	<b>(558,209)</b>
<b>XI Profit before tax</b>		<b>1,797,646</b>	<b>1,004,599</b>
7 Corporate income tax expense – current	34	(363,283)	(204,935)
8 Corporate income tax expense – deferred	34	-	-
<b>XII Total corporate income tax expense</b>	<b>34</b>	<b>(363,283)</b>	<b>(204,935)</b>
<b>XIII Profit after tax</b>		<b>1,434,363</b>	<b>799,664</b>

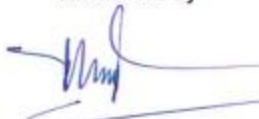
1 March 2022

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 separate financial statements

	2021 VND million	2020 VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
01	10,884,895	7,762,226
02	(6,833,366)	(5,768,016)
03	205,964	115,880
04		
05	341,884	251,671
06	(8,575)	(1,394)
07	15,726	201,646
08	(1,919,547)	(1,638,311)
	(410,491)	(150,228)
	<b>2,276,490</b>	<b>773,474</b>
<b>Changes in operating assets</b>		
09	9,344	(30,571)
10	(2,881,493)	(12,852,590)
12	(9,997,713)	(23,542,965)
13	(97,723)	(491,003)
14	36,667	(246,963)
<b>Changes in operating liabilities</b>		
15	(258)	(258)
16	(3,469,492)	7,351,708
17	17,083,233	27,574,099
18	3,402,790	2,545,190
19	(7,744)	(237,634)
20	(2,459)	853
21	344,315	148,530
<b>I</b>	<b>6,695,957</b>	<b>991,870</b>

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

	2021 VND million	2020 VND million
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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	31,302
07		
Payments for investments in other entities	-	(50,000)
09		
Receipts of dividends and distributions from capital contribution, long-term investments	5,671	4,835
<b>II</b>	<b>(90,069)</b>	<b>(354,554)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
01		
Proceeds from issuing shares	-	843,132
04		
Payments of dividends	(540)	(656)
<b>III</b>	<b>(540)</b>	<b>842,476</b>
<b>IV</b>	<b>6,605,348</b>	<b>1,479,792</b>
<b>V</b>	<b>17,067,927</b>	<b>15,588,135</b>
<b>VII</b>	<b>23,673,275</b>	<b>17,067,927</b>

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

These notes form an integral part of and should be read in conjunction with the accompanying separate 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 41<sup>st</sup> 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) Subsidiaries

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 (18<sup>th</sup> amendment on 9 September 2020) with a charter capital of VND100 billion and an operation period which is the remaining operation period of the Bank in the territory of Vietnam. The charter capital contributed up to 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.

**(e) Number of employees**

As at 31 December 2021, the Bank had 3,852 employees (31/12/2020: 3,530 employees).

**2. Basis of preparation**

**(a) Statement of compliance**

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

The Bank has also prepared the consolidated financial statements of the Bank and its subsidiary (collectively referred to as "the Group") 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 separate financial statements of the Bank should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2021 in order to obtain a comprehensive understanding on the consolidated financial position of the Group as at 31 December 2021, the consolidated results of operations and the consolidated cash flows of the Group for the year then ended.

**(b) Basis of measurement**

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

**(c) Annual accounting period**

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

**(d) Accounting and presentation currency**

The Bank's accounting currency is 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 Bank 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 Bank has adopted Circular 11 prospectively. The significant changes to the Bank's accounting policies and the effects on the consolidated financial statements, if any, are described in Note 3(g).

**3. Summary of significant accounting policies**

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

**(a) 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 Bank 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 separate balance sheet and then transferred to the separate statement of income at the end of the annual accounting period.

Refer to Note 41(c)(ii) for the major exchange rates used at the end of the annual accounting period.

**(b) 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.

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

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

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

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

Demand deposits with other credit institutions are stated at cost.

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

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

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



**(iii) Measurement**

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

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

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

For 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(i).

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 separate 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 Bank has transferred substantially all risks and rewards of ownership of these securities.

**(e) Derivative financial instruments**

**Forward and swap currency contracts**

Forward currency contracts and swap currency contracts are recorded at the net contract values in the separate 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 separate 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 separate balance sheet and then transferred to the separate statement of income at the end of the annual accounting period.

**(f) 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(g).

Loans and advances to customers are derecognised when the contractual rights to receive cash flows from the loan contracts expire, or the Bank 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 Bank derecognises them from the separate 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").

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

**(i) Debt classification**

*Before 1 October 2021*

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

*From 1 October 2021*

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 Bank 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"> <li>▪ Debts having violated regulations specified in Points 1, 3, 4, 5, 6 of Article 126 of Laws on Credit Institutions; or</li> <li>▪ Debts having violated regulations specified in Points 1, 2, 3, 4 of Article 127 of Laws on Credit Institutions; or</li> <li>▪ Debts having violated regulations specified in Points 1, 2, 5 of Article 128 of Laws on Credit Institutions.</li> </ul> (e) Debts in the collection process under inspection conclusions; 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.
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 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.

23  
 NG  
 PH  
 NH  
 INH  
 CHI W

For deposits with and loans to other credit institutions who are under special supervision as prescribed in Clause 9 Article 148d of the Law on Credit Institutions, the Bank 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 Bank classified debts based on the overdue days from the date when the Bank 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 Bank and has any of its debts transferred to a higher risk group, the Bank is obliged to classify the remaining debts of such customer into the group of debts with higher risk corresponding with their level of risk.

When the Bank participates in a syndicated loan not as the lead bank, the Bank 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 Bank.

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

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

The Bank has applied Circular No. 01/2020/TT-NHNN 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 Bank 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 Bank 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 Bank 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 Bank 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 Bank 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 Bank 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 Bank 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 Bank 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 Bank'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"> <li>▪ With a remaining term of below 1 year</li> <li>▪ With a remaining term of between 1 year to 5 years</li> <li>▪ With a remaining term of over 5 years</li> </ul>	95% 85% 80%
(d) Securities issued by other credit institutions and listed on a stock exchange	70%
(e) Securities issued by other enterprises and listed on a stock exchange	65%
(f) Unlisted securities and valuable papers, except for the types of securities specified in item (c) above, issued by other credit institutions registered for listing on a stock exchange;  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	50%  30%
(g) Unlisted securities and valuable papers issued by enterprises registered for listing on a stock exchange;  Unlisted securities and valuable papers issued by enterprises not registered for listing on a stock exchange	30%  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 separate statement of income upon receipt.

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

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

**(h) Investment securities**

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

**(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 Bank 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 separate 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 separate 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 separate 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(g).

Post-acquisition interest income of available-for-sale debt securities and held-to-maturity debt securities are recognised in the separate 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 Bank 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 Bank has the positive intention and ability to hold until maturity.

### ***Recognition***

The Bank 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(g).

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 Bank might not be able to fully recover the amount and the Bank 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 separate 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 separate 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 Bank 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 Bank's bad debts. The Bank 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 Bank 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 Bank 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 Bank 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 Bank 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 separate statement of income.

**(i) Capital contribution, long-term investments**

**(i) Investments in subsidiaries**

Subsidiaries are entities controlled by the Bank. Control exists when the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are initially stated at cost less allowance for diminution in value in the Bank's separate financial statements. Subsequent to the initial recognition, they are measured at cost less allowance for diminution in value.

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

Other long-term investments are investments in equity instruments of entities where the Bank 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.

**(ii) Allowance for diminution in the value of other long-term investments**

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 Bank 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.

**(j) 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 separate 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	<u>4 - 10 years</u>

**(k) Finance lease fixed assets**

Finance lease is a lease transaction whereby the Bank 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 Bank recognises leased assets as finance lease fixed assets and finance lease liabilities on the separate 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(j)(ii). If it is not certain that the Bank 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.

**(l) Intangible fixed assets**

**(i) Land use rights**

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

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

**(ii) Software**

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

**(m) Other assets**

**(i) Construction in progress**

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

**(ii) Foreclosed assets**

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

Foreclosed assets of which the ownership has been transferred to the Bank are recorded at cost less allowance for losses. The Bank 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 Bank makes allowance for losses using the allowance rates that are applied for overdue status as follows:

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

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

**(o) 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(g).

**(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 separate balance sheet, the proceeds from the sales of debts shall be recorded as income.

**(p) 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 separate 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

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

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

**(r) Deposits from customers**

Deposits from customers are stated at their cost.

**(s) Valuable papers issued**

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

**(t) Other payables**

Other payables are stated at their cost.

**(u) Provisions**

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

***Severance allowance and unemployment insurance***

Under the Vietnamese Labour Code, when an employee who has worked for the Bank for 12 months or more ("the eligible employee") voluntarily terminates his/her labour contract in accordance with the laws, the employer is required to pay him/her severance allowance calculated based on years of service and employee's compensation at termination. Before 2012, severance allowance has been provided based on employees' years of service and their average salary for the six-month period prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Bank are excluded.



On 24 October 2012, the Ministry of Finance issued Circular No. 180/2012/TT-BTC ("Circular 180") providing guidance on financial treatment for redundancy allowance to employees of enterprises. 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 Bank reversed the outstanding balance of provision for severance allowance. This change in accounting policy has been applied prospectively from 2012.

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

**(v) 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 Bank's employees. Bonus and welfare fund is appropriated from the Bank'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.

**(w) 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.

**(x) Reserves**

**(i) Statutory reserves**

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.

**(ii) Other reserves**

Other reserves including investment and development fund and other funds are appropriated from the Bank'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.

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

**(i) Commitments and contingent liabilities**

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

**(ii) Fiduciary assets**

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

**(z) Interest income**

Interest income is recognised in the separate 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(g)(i)) and debts classified in Group 1 (Current debt) by implementing the policy of the State, of which interest income is recognised in the separate 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 separate statement of income upon receipt (cash basis).

**(aa) Interest expense**

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

**(bb) 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 separate 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 separate statement of income when earned.

**(cc) Fees and commission expenses**

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

**(dd) Dividend income**

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

Dividend received in the form of shares and bonus shares is not recognised as income and the Bank 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.

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

Revenue from sales of assets is recognised in the separate 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.

**(ff) Operating lease payments**

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

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

The Bank carries out fiduciary activities to invest, lend and manage assets; therefore the Bank 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 Bank comprise:

*Fiduciary activities in which the Bank bears no risk*

The Bank 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 separate financial statements as they are not assets of the Bank. Entrusted funds received from entrustors but not yet disbursed are recognised as other liabilities on the separate balance sheet. After the disbursement, the Bank 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 Bank 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 Bank is obliged to make repayment of principal upon its maturity. The Bank 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 separate financial statements of the Bank.

11/11/2022

042  
NH  
37  
PN  
08

**(hh) Taxation**

Corporate income tax on the profit or loss for the year comprises current and deferred tax. Corporate income tax is recognised in the separate 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.

**(ii) Related parties**

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

**(jj) Segment reporting**

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

**(kk) Financial instruments**

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

**(i) Financial assets**

*Financial assets at fair value through profit or loss*

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

- It is considered by the Bank as held-for-trading. A financial asset is classified as held-for-trading if:

01  
02  
03  
04  
05  
06  
07  
08  
09  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100

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

#### *Held-to-maturity investments*

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

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

#### *Loans and receivables*

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

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

#### *Available-for-sale financial assets*

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

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

## **(ii) Financial liabilities**

#### *Financial liabilities at fair value through profit or loss*

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

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



- Upon initial recognition, it is designated by the Bank as at fair value through profit or loss.

*Financial liabilities carried at amortised cost*

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

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

**(II) 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 separate financial statements indicate nil balances.

**(mm) Comparative information**

Comparative information in these separate 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 separate 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 separate financial statements is not intended to present the Bank's unconsolidated financial position, unconsolidated results of operation or unconsolidated cash flows for the prior year.

**4. Cash on hand, gold**

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

## 5. Balances with the State Bank of Vietnam

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

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

Deposits in scope	CRR rates	
	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%
	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>VND million</b>	<b>VND million</b>
<b>Current account and compulsory reserve</b>		
▪ In VND	5,022,618	4,331,562
▪ In USD	108,681	96,816
	<b>5,131,299</b>	<b>4,428,378</b>

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

	31/12/2021 VND million	31/12/2020 VND million
<b>Deposits with other credit institutions</b>		
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
<b>Loans to other credit institutions</b>		
▪ In VND (i)	229,885	239,229
	<hr/>	<hr/>
	229,885	239,229
	<hr/>	<hr/>
	17,770,233	11,893,543

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

- (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
<b>Equity securities</b>		
▪ Equity securities issued by other local credit institutions	103,369	103,369
▪ Equity securities issued by local economic entities	40,772	40,772
	<hr/> 144,141	<hr/> 144,141
<b>Allowance for held-for-trading securities</b>		
▪ 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
<b>Equity securities</b>				
▪ Unlisted	144,141	(16,220)	144,141	(16,220)

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/>	<hr/>
	102,653,266	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/>	<hr/>
	102,653,266	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/>	<hr/>
	102,653,266	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
	<hr/>	<hr/>
	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
	<hr/>	<hr/>
	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
	<u>1,282,762</u>	<u>851,347</u>

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
<b>For the year ended 31 December 2021</b>			
Opening balance	642,348	208,999	851,347
Allowance made during the year (Note 33) (*)	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)
Closing balance	<u>761,658</u>	<u>521,104</u>	<u>1,282,762</u>
<b>For the year ended 31 December 2020</b>			
Opening balance	467,941	325,725	793,666
Allowance made during the year (Note 33)	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)
Closing balance	<u>642,348</u>	<u>208,999</u>	<u>851,347</u>

(\*) 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(g).

## 10. Investment securities

	31/12/2021 VND million	31/12/2020 VND million
<b>Available-for-sale investment securities</b>		
<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	638,400
	9,990,857	7,131,959
<b>Allowance for available-for-sale investment securities</b>		
▪ Allowance for diminution in value of securities (i)	(11,162)	-
▪ General allowance for credit losses (ii)	(17,875)	(4,788)
	9,961,820	7,127,171
<b>Held-to-maturity investment securities (excluding special bonds issued by VAMC)</b>		
<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
<b>Allowance for held-to-maturity investment securities</b>		
▪ General allowance for credit losses (ii)	(1,500)	(1,350)
	11,794,864	11,199,579
<b>Special bonds issued by VAMC</b>		
▪ 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	20,276,783

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	3,589,559

- (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 29)	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 29)	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 33)	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 17).

## 11. Capital contribution, long-term investments

	31/12/2021 VND million	31/12/2020 VND million
Investments in a subsidiary (i)	100,000	100,000
Other long-term investments (ii)	115,280	115,280
Allowance for diminution in value of long-term investments (iii)	-	(932)
	<u>215,280</u>	<u>214,348</u>

(i) Details of investment in the subsidiary are as follows:

	31/12/2021 VND million	31/12/2020 VND million
Nam A Bank Asset Management Company Limited	100,000	100,000

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

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

(iii) 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 32(i))	(932)	(4,128)
Closing balance	<u>-</u>	<u>932</u>

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

## 12. Tangible fixed assets

	Building and structures VND million	Machinery equipment VND million	Motor vehicles VND million	Office equipment VND million	Other fixed assets VND million	Total VND million
<b>Cost</b>						
Opening balance	422,957	300,604	173,843	34,655	14,406	946,465
Additions	163	16,862	155	136	31	17,347
Transfer from construction in progress	-	37,591	9,596	1,287	428	48,902
Disposals	-	(779)	(10,548)	(773)	(766)	(12,866)
Transfer from finance lease fixed assets	-	-	23,917	-	-	23,917
Closing balance	423,120	354,278	196,963	35,305	14,099	1,023,765
<b>Accumulated depreciation</b>						
Opening balance	127,897	166,440	97,192	27,751	11,286	430,566
Charge for the year	15,832	37,630	20,800	2,392	1,287	77,941
Disposals	-	(769)	(10,443)	(769)	(766)	(12,747)
Transfer from finance lease fixed assets	-	-	20,717	-	-	20,717
Closing balance	143,729	203,301	128,266	29,374	11,807	516,477
<b>Net book value</b>						
Opening balance	295,060	134,164	76,651	6,904	3,120	515,899
Closing balance	279,391	150,977	68,697	5,931	2,292	507,288



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	201,624

### 13. Finance lease fixed assets

	Motor vehicles VND million
<b>Cost</b>	
Opening balance	81,690
Additions	15,800
Transfer from construction in progress	7,227
Transfer to tangible fixed assets	(23,917)
	<hr/>
Closing balance	80,800
	<hr/>
<b>Accumulated depreciation</b>	
Opening balance	28,294
Charge for the year	14,420
Transfer to tangible fixed assets	(20,717)
	<hr/>
Closing balance	21,997
	<hr/>
<b>Net book value</b>	
Opening balance	53,396
Closing balance	58,803
	<hr/>

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



#### 14. Intangible fixed assets

	Land use rights VND million	Software VND million	Total VND million
<b>Cost</b>			
Opening balance and closing balance	401,166	154,928	556,094
<b>Accumulated amortisation</b>			
Opening balance	2,000	122,219	124,219
Charge for the year	1,304	14,961	16,265
Closing balance	3,304	137,180	140,484
<b>Net book value</b>			
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. 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	37,880	36,305
▪ Other receivables	6,396	666
▪ Receivables from debts selling (iii)	46,065	3,552,111
	686,860	4,196,033
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)	48,803	48,803
▪ Tools and supplies	12,589	8,838
	349,946	320,644
Allowance for losses on other assets (vi)	(16,544)	(47,121)
	3,831,705	7,101,293
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 Bank'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)
	<hr/>	<hr/>
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
	<hr/>	<hr/>
	42,867	31,111

(iii) The balance represents receivables as at 31 December 2021 from the Bank'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
	<hr/>	<hr/>
	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	48,803
	<hr/>	<hr/>

(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
▪ General allowance	-	28,800
▪ Specific allowance	4,075	-
Allowance for diminution in value	12,469	18,321
	<hr/>	<hr/>
	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 15(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 15(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 32(i))	(5,852)	(9,861)
General allowance (reversed)/made for debts sold but not collected (Note 33)	(28,800)	9,525
Specific allowance made for debts sold but not collected (Note 33)	4,075	-
	<hr/>	<hr/>
Closing balance	16,544	47,121

## 16. 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
	<hr/>	<hr/>

## 17. Deposits and borrowings from other credit institutions

	31/12/2021 VND million	31/12/2020 VND million
<b>Demand deposits from other credit institutions</b>		
▪ In VND	9,048,287	7,840,876
<b>Term deposits from other credit institutions</b>		
▪ 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
<b>Borrowings from other credit institutions</b>		
▪ In VND	1,361,896	5,483,738
<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	5,830,795
	<hr/>	<hr/>
	15,622,295	19,087,651

(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

(iii) 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

01/12/20  
 CHINH  
 ONG  
 KP  
 PHO

**18. Deposits from customers**

	31/12/2021 VND million	31/12/2020 VND million
<b>Demand deposits</b>		
▪ In VND	9,953,811	4,501,970
▪ In foreign currencies	536,731	238,728
<b>Term deposits</b>		
▪ In VND	103,504,078	91,106,391
▪ In foreign currencies	1,046,475	1,026,675
<b>Margin deposits</b>		
▪ In VND	302,477	1,418,700
<b>Special-purpose deposits</b>		
▪ In VND	54,960	21,718
▪ In foreign currencies	3,534	4,651
	115,402,066	98,318,833

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	18,016,622	12,396,943
State-owned enterprises	3,511,498	2,555,913
Foreign invested companies	343,536	157,742
Others	5,401,913	3,369,511
	115,402,066	98,318,833

## 19. 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
<b>Currency derivatives</b>			
▪ Currency forward contracts	913,231	1,489	-
▪ Currency swap contracts	6,693,302	-	(4,601)
	7,606,533	1,489	(4,601)
<b>As at 31 December 2020</b>			
	<b>Total contract value (at foreign exchange rate at the contract date) VND Million</b>	<b>Total carrying value (at foreign exchange rate at reporting date) Assets VND Million</b>	<b>Liabilities VND Million</b>
<b>Currency derivatives</b>			
▪ Currency forward contracts	79,475	833	-
▪ Currency swap contracts	2,764,474	-	(6,404)
	2,843,949	833	(6,404)

## 20. 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.



## 21. 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
	10,360,103	6,957,313

- (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.

## 22. Other liabilities

	31/12/2021 VND million	31/12/2020 VND million
<b>Accrued interest and fees payable</b>		
▪ Interest payable for deposits from customers and other credit institutions	1,994,891	2,125,028
▪ 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
	<b>2,371,439</b>	<b>2,410,083</b>
<b>Internal payables</b>		
▪ Payables to employees	289,839	50,913
<b>External payables</b>		
▪ Payables relating to fast transfer payment services	571,106	228,690
▪ Taxes payable to the State Treasury (Note 23)	94,589	138,038
▪ 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	13,009	11,473
▪ Payables relating to settlement services	1,811	5,967
▪ Dividend payables	4,314	4,854
▪ Other payables	16,828	13,744
Bonus and welfare fund (i)	12,897	7,130
	<b>1,067,743</b>	<b>525,610</b>
	<b>3,439,182</b>	<b>2,935,693</b>

(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 24)	8,291	4,411
Utilisation during the year	(2,524)	(1,147)
Closing balance	<b>12,897</b>	<b>7,130</b>

## 23. Obligations to the State Treasury

Year ended 31 December 2021	Opening balance	Movements during the year		Closing balance
	VND million	Incurred VND million	Paid VND million	VND million
Value added tax	1,275	16,006	(15,153)	2,128
Corporate income tax	124,424	363,283	(410,491)	77,216
Personal income tax	11,914	67,684	(65,101)	14,497
Other taxes	425	3,490	(3,167)	748
	138,038	450,463	(493,912)	94,589

Year ended 31 December 2020	Opening balance	Movements during the year		Closing balance
	VND million	Incurred VND million	Paid VND million	VND million
Value added tax	598	8,574	(7,897)	1,275
Corporate income tax	69,717	204,935	(150,228)	124,424
Personal income tax	9,819	79,395	(77,300)	11,914
Other taxes	564	3,712	(3,851)	425
	80,698	296,616	(239,276)	138,038

## 24. 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
<b>Balance at 1 January 2020</b>	3,890,053	10	2,554	25	136,407	271,347	3,823	627,656	4,931,875
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)
<b>Balance at 31 December 2020</b>	<b>4,564,468</b>	<b>10</b>	<b>171,271</b>	<b>25</b>	<b>176,390</b>	<b>351,314</b>	<b>5,067</b>	<b>1,301,715</b>	<b>6,570,260</b>
<b>Balance at 1 January 2021</b>	<b>4,564,468</b>	<b>10</b>	<b>171,271</b>	<b>25</b>	<b>176,390</b>	<b>351,314</b>	<b>5,067</b>	<b>1,301,715</b>	<b>6,570,260</b>
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)
<b>Balance at 31 December 2021</b>	<b>5,134,405</b>	<b>10</b>	<b>171,271</b>	<b>25</b>	<b>248,108</b>	<b>494,750</b>	<b>6,427</b>	<b>1,941,336</b>	<b>7,996,332</b>

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

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

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

- 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 41<sup>st</sup> 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 separate 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.

## 25. Net interest income and similar income

	2021 VND million	2020 VND million
<b>Interest and similar income</b>		
▪ Interest income from loans	10,124,646	8,422,428
▪ Interest income from trading, investing in debt securities	716,980	470,869
▪ Interest income from deposits	69,430	117,600
▪ Income from guarantee services	11,255	10,349
▪ Other income from credit activities	129,804	55,198
	11,052,115	9,076,444
<b>Interest and similar expenses</b>		
▪ Interest expense on deposits	(6,112,739)	(5,971,383)
▪ Interest expense on valuable papers issued	(563,120)	(438,529)
▪ Interest expense on borrowings	(52,684)	(18,386)
▪ Interest expense on finance lease	(3,268)	(2,270)
▪ Other expenses on credit activities	(59,546)	(53,637)
	(6,791,357)	(6,484,205)
<b>Net interest income and similar income</b>	4,260,758	2,592,239

## 26. Net fees and commission income

	2021 VND million	2020 VND million
<b>Fees and commission income from</b>		
▪ Settlement services	97,635	85,444
▪ Insurance brokerage commission	51,438	71,792
▪ Asset leasing	39,364	42,443
▪ Other services	92,097	10,269
	<hr/> 280,534	<hr/> 209,948
<b>Fees and commission expenses on</b>		
▪ Settlement services	(67,148)	(51,258)
▪ Brokerage commission	(389)	(35,883)
▪ Consultancy services	(4,168)	(4,359)
▪ Postage and telecommunications fees	(882)	(837)
▪ Other services	(339)	(263)
	<hr/> (72,926)	<hr/> (92,600)
<b>Net fees and commission income</b>	<hr/> 207,608	<hr/> 117,348

## 27. Net gain from trading of foreign currencies

	2021 VND million	2020 VND million
<b>Gains from trading of foreign currencies</b>		
▪ 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
<b>Losses from trading of foreign currencies</b>		
▪ 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)
<b>Net gain from trading of foreign currencies</b>	<hr/> 45,872	<hr/> 46,329

## 28. 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
<b>Net gain from trading of held-for-trading securities</b>	<b>-</b>	<b>12,120</b>

## 29. Net gain from sales of investment securities

	2021 VND million	2020 VND million
Gain from sales of investment securities	297,215	197,097
Loss from sales of investment securities	(5)	(1,100)
General allowance made for investment securities (Note 10(i))	(13,237)	-
Allowance made for diminution in value of investment securities (Note 10(i))	(11,162)	-
<b>Net gain from sales of investment securities</b>	<b>272,811</b>	<b>195,997</b>

## 30. Net other income

	2021 VND million	2020 VND million
<b>Other income</b>		
▪ Collections of bad debts previously written-off	15,726	201,646
▪ Income from disposals of fixed assets	1,037	9,152
▪ Other income	6,766	6,204
	23,529	217,002
<b>Other expenses</b>		
▪ Debt management expenses	(358)	-
▪ Other expenses	(14,983)	(7,598)
	(15,341)	(7,598)
<b>Net other income</b>	<b>8,188</b>	<b>209,404</b>



### 31. Gain from capital contribution, share purchase

	2021 VND million	2020 VND million
Dividends received/profits distributed from:		
▪ Held-for-trading securities	151	63
▪ Capital contribution, long-term investments	5,520	4,772
	5,671	4,835

### 32. Operating expenses

	2021 VND million	2020 VND million
1. Personnel expenses	1,319,469	759,647
In which:		
▪ Salary and allowances	1,206,513	678,300
▪ Salary related contribution	66,185	58,817
▪ Other allowances	139	599
▪ Others	46,632	21,931
2. Asset expenditure	437,734	362,771
In which:		
▪ Leasing assets	176,061	137,540
▪ Depreciation of fixed assets	108,626	92,707
▪ Maintenance and repair of assets	123,578	103,295
▪ Others	29,469	29,229
3. Insurance for deposits from customers	128,455	99,837
4. Meeting and conference expenses	100,369	129,989
5. Publication of documents, advertising	66,370	80,631
6. Expenses for water and sanitation	35,510	33,429
7. Allowance for losses (i)	(6,784)	(13,989)
8. Expenses for printing materials and papers	35,259	38,341
9. Non-deductible value added tax	27,035	32,105
10. Expenses for the Bank's union activities	6,072	14,737
11. Travelling expenses	4,654	10,658
12. Others	69,267	67,308
	2,223,410	1,615,464

(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(iii))	(932)	(4,128)
Reversal of allowance for losses on other assets (Note 15(vi))	(5,852)	(9,861)
	(6,784)	(13,989)



### 33. 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 15(vi))	(28,800)	9,525
Specific allowance made for debts sold (Note 15(vi))	4,075	-
	779,852	558,209

### 34. Corporate income tax

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

	2021 VND million	2020 VND million
Corporate income tax expense – current	363,283	204,935

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

	2021 VND million	2020 VND million
Profit before tax	1,797,646	1,004,599
Adjustments for:		
▪ Non-taxable income (dividends)	(5,671)	(4,835)
▪ Non-deductible expenses	24,439	24,910
Taxable income	1,816,414	1,024,674
Corporate income tax expense during the year	363,283	204,935

#### (c) Applicable tax rates

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

### 35. 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
	<u>23,673,275</u>	<u>17,067,927</u>

### 36. Employees' remuneration

	2021 VND million	2020 VND million
Total number of employees	3,702	3,297
Employees' remuneration		
1. Salary	1,206,513	678,300
2. Bonus	2,381	625
	<u>1,208,894</u>	<u>678,925</u>
3. Total income (1+2)		
	<u>27</u>	<u>17</u>
Average salary/employee/month	27	17
Average income/employee/month	27	17

### 37. 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
	<hr/> 2,460,952	<hr/> 3,599,079
Held-to-maturity securities		
▪ Government bonds	2,259,480	6,166,738
▪ Bonds issued by other local credit institutions	211,715	412,778
	<hr/> 2,471,195	<hr/> 6,579,516
	<hr/> 4,932,147	<hr/> 10,178,595

**38. 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
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>	<i>13,340,102</i>	<i>-</i>	<i>13,340,102</i>	<i>6,443,232</i>	<i>-</i>	<i>6,443,232</i>
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

### 39. 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	31/12/2020
	VND million	VND million
	<b>Receivables/(Payables)</b>	
<b>Subsidiary</b>		
Deposits	(82,678)	(64,802)
Accrued interest payable for deposits	(196)	(125)
<b>Members of Board of Management, Board of Directors and Supervisory Board of the Bank</b>		
Deposits	(48,619)	(32,457)
Loans	13,002	36,376
Accrued interest payable for deposits	(143)	(51)
Accrued interest receivable from loans	37	214
Other payables	(73)	(73)
<b>Other related parties (*)</b>		
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
	<hr/>	
<b>Transactions during the year</b>	<b>2021</b>	<b>2020</b>
	<b>VND million</b>	<b>VND million</b>
<b>Subsidiary</b>		
Interest expense on deposits	4,178	723
Other services fee income	4	4
Expense on other service	22,039	-
<b>Interest expense on deposits from the Board of Management, Board of Directors and Supervisory Board</b>	1,591	932
<b>Salaries and allowances for General Directors</b>	5,065	5,822
<b>Salaries and allowances for other members of the Board of Directors</b>	19,193	22,076
<b>Remunerations for the member of the Board of Management</b>		
<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
<b>Remunerations for the member of Supervisory Board</b>	1,720	1,720
		67

Transaction during the year	2021 VND million	2020 VND million
<b>Other related parties (*)</b>		
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

- (\*) 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 Bank.

#### 40. 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	115,402,066	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	115,402,066	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	20,282,921	18,740,701	98,318,833	6,957,313	2,106,642
Overseas	196,104	-	-	-	346,950	-	-	-
	11,893,543	144,141	89,171,618	20,282,921	19,087,651	98,318,833	6,957,313	2,106,642

## 41. Financial risk management

### (a) Financial risk management

#### (i) Overview

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

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

#### (ii) Risk management framework

##### *Risk management structure*

The Bank's risk management structure includes the Board of 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 Bank.

##### *Risk Management Committee*

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

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

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

##### *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 Bank'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 Bank's staffs.



#### *Supervisory Board*

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

#### *Internal Audit*

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

#### *Risk measurement and reporting systems*

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

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

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

#### *Risk mitigation*

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

#### *Risk concentration*

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

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

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

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

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

### ***Credit risk management***

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

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

### ***Collaterals***

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

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

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

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

### ***Credit risk concentration***

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

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

	31/12/2021 VND million	31/12/2020 VND million
<b>Credit risk related to on-balance sheet assets</b>		
Deposits with and loans to other credit institutions – gross	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	7,131,959
Held-to-maturity securities – gross	13,173,557	13,150,962
Other financial assets – gross	3,455,436	6,796,659
	<b>147,043,349</b>	<b>128,144,741</b>
<b>Credit risk related to off-balance sheet assets</b>		
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
	<b>1,066,273</b>	<b>922,314</b>
	<b>148,109,622</b>	<b>129,067,055</b>

The table above shows the worst case for the maximum loss for the Bank 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 37(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.

1120  
 HIN  
 NG  
 KP  
 H01

The Bank has not determined fair values of the collaterals for overdue and impaired financial assets for disclosure in these separate 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 Bank will be exposed to the interest rate risk when there is a gap between maturity date or interest repricing date of assets, liabilities and off-balance sheet commitments in a specific period of time. The Bank manages this risk by matching the dates of interest rate repricing of assets and liabilities.

*Analysis of assets and liabilities by interest repricing period*

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

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

- Cash on hand, gold; held-for-trading securities; derivatives and other financial assets; 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 Bank's assets and liabilities categorised by the earlier of interest rate repricing date and contractual maturity date at the end of the accounting period:



Notes to the separate 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
<b>Assets</b>									
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	29,425,062	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	-	215,280	-	-	-	-	-	-	215,280
Fixed assets	-	981,701	-	-	-	-	-	-	981,701
Other assets – gross	-	3,848,249	-	-	-	-	-	-	3,848,249
	<b>3,629,901</b>	<b>7,825,463</b>	<b>47,127,309</b>	<b>55,793,930</b>	<b>7,285,421</b>	<b>14,136,765</b>	<b>2,402,782</b>	<b>16,708,640</b>	<b>154,910,211</b>
<b>Liabilities</b>									
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	-	-	35,324,284	26,247,545	27,134,714	23,241,402	3,452,285	1,836	115,402,066
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	-	3,439,182	-	-	-	-	-	-	3,439,182
	<b>-</b>	<b>3,442,294</b>	<b>45,026,698</b>	<b>31,718,719</b>	<b>29,765,523</b>	<b>24,952,523</b>	<b>8,692,244</b>	<b>1,694,376</b>	<b>145,292,377</b>
<b>Interest sensitivity gap of balance sheet items</b>	<b>3,629,901</b>	<b>4,383,169</b>	<b>2,100,611</b>	<b>24,075,211</b>	<b>22,480,102</b>	<b>(10,815,758)</b>	<b>(6,289,462)</b>	<b>15,014,264</b>	<b>9,617,834</b>
<b>Interest sensitivity gap of off-balance sheet items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interest sensitivity gap on and off-balance sheet items</b>	<b>3,629,901</b>	<b>4,383,169</b>	<b>2,100,611</b>	<b>24,075,211</b>	<b>22,480,102</b>	<b>(10,815,758)</b>	<b>(6,289,462)</b>	<b>15,014,264</b>	<b>9,617,834</b>

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

Notes to the separate 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
<b>Assets</b>									
Cash on hand, gold	-	985,235	-	-	-	-	-	-	985,235
Balances with the SBV	-	-	4,428,378	-	-	-	-	-	4,428,378
Deposits with and loans to other credit institutions	-	239,229	9,696,154	1,958,160	-	-	-	-	11,893,543
Held-for-trading securities – gross	-	144,141	-	-	-	-	-	-	144,141
Loans and advances to customers – gross (*)	2,809,583	-	16,936,599	63,091,020	5,058,798	761,016	514,602	-	89,171,618
Investment securities – gross	-	1,950,033	-	400,535	1,799,281	499,990	932,497	14,700,585	20,282,921
Capital contribution, long-term investments – gross	-	215,280	-	-	-	-	-	-	215,280
Fixed assets	-	1,001,170	-	-	-	-	-	-	1,001,170
Other assets – gross	-	7,148,414	-	-	-	-	-	-	7,148,414
	<b>2,809,583</b>	<b>11,683,502</b>	<b>31,061,131</b>	<b>65,449,715</b>	<b>6,858,079</b>	<b>1,261,006</b>	<b>1,447,099</b>	<b>14,700,585</b>	<b>135,270,700</b>
<b>Liabilities</b>									
Borrowings from the Government and the SBV	-	-	35	764	358	97	-	-	1,254
Deposits and borrowings from other credit institutions	-	-	16,426,057	2,638,838	18,358	107	4,291	-	19,087,651
Deposits from customers	-	-	24,882,040	23,607,319	29,044,508	17,552,643	3,230,392	1,931	98,318,833
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	-	2,935,693	-	-	-	-	-	-	2,935,693
	-	<b>2,941,264</b>	<b>41,673,416</b>	<b>27,871,117</b>	<b>31,015,044</b>	<b>20,041,227</b>	<b>4,034,683</b>	<b>201,931</b>	<b>127,778,682</b>
<b>Interest sensitivity gap of balance sheet items</b>	<b>2,809,583</b>	<b>8,742,238</b>	<b>(10,612,285)</b>	<b>37,578,598</b>	<b>(24,156,965)</b>	<b>(18,780,221)</b>	<b>(2,587,584)</b>	<b>14,498,654</b>	<b>7,492,018</b>
<b>Interest sensitivity gap of off- balance sheet items</b>	-	-	-	-	-	-	-	-	-
<b>Interest sensitivity gap on and off- balance sheet items</b>	<b>2,809,583</b>	<b>8,742,238</b>	<b>(10,612,285)</b>	<b>37,578,598</b>	<b>(24,156,965)</b>	<b>(18,780,221)</b>	<b>(2,587,584)</b>	<b>14,498,654</b>	<b>7,492,018</b>

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

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

As at 31 December 2021	Less than 1 month	From 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years
<b>Assets</b>						
Balances with the SBV						
▪ VND	0% - 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%
<b>Liabilities</b>						
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.



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

As at 31 December 2020	Less than 1 month	From 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years
<b>Assets</b>						
Balances with the SBV						
▪ 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% - 6.3%	6.1% - 9.8%	4.5% - 6.9%	6.2% - 7.7%	2.5% - 8.8%
<b>Liabilities</b>						
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 Bank has not performed the sensitivity analysis for interest rates at 31 December 2021 and 31 December 2020 because there are no specific guidelines and regulations of the State Bank of Vietnam and other relevant authorities.

### (ii) Currency risk

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

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

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

	Exchange rate as at	
	31/12/2021	31/12/2020
USD/VND	22,920	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 separate financial statements for the year ended 31 December 2021 (continued)

As at 31 December 2021

Assets

	VND VND million	USD VND million	Gold VND million	EUR VND 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	215,280	-	-	-	-	215,280
Fixed assets	981,701	-	-	-	-	981,701
Other assets – gross	3,830,946	17,303	-	-	-	3,848,249
<b>Total assets (1)</b>	<b>148,122,595</b>	<b>6,761,292</b>	<b>1,994</b>	<b>9,739</b>	<b>14,591</b>	<b>154,910,211</b>

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	113,815,326	1,575,186	-	9,213	2,341	115,402,066
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	3,426,043	13,062	-	77	-	3,439,182
Capital and reserves	7,996,332	-	-	-	-	7,996,332
<b>Total liabilities and equity (2)</b>	<b>146,942,294</b>	<b>6,334,784</b>	<b>-</b>	<b>9,290</b>	<b>2,341</b>	<b>153,288,709</b>

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

	1,180,301	426,508	1,994	449	12,250	1,621,502
--	-----------	---------	-------	-----	--------	-----------

FX position off-balance sheet (4)

	-	-	-	-	-	-
--	---	---	---	---	---	---

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

	1,180,301	426,508	1,994	449	12,250	1,621,502
--	-----------	---------	-------	-----	--------	-----------

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

As at 31 December 2020

Assets	VND VND million	USD VND million	Gold VND million	EUR VND million	Other currencies VND million	Total VND million
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	20,282,921	-	-	-	-	20,282,921
Capital contribution, long-term investments – gross	215,280	-	-	-	-	215,280
Fixed assets	1,001,170	-	-	-	-	1,001,170
Other assets – gross	7,130,995	17,419	-	-	-	7,148,414
<b>Total assets (1)</b>	<b>132,892,446</b>	<b>2,358,030</b>	<b>1,401</b>	<b>7,493</b>	<b>11,330</b>	<b>135,270,700</b>
<b>Liabilities and equity</b>						
Borrowings from the Government and the SBV	1,254	-	-	-	-	1,254
Deposits and borrowings from other credit institutions	17,676,614	1,411,037	-	-	-	19,087,651
Deposits from customers	97,048,779	1,260,036	-	6,741	3,277	98,318,833
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	2,927,405	8,262	-	26	-	2,935,693
Capital and reserves	6,570,260	-	-	-	-	6,570,260
<b>Total liabilities and equity (2)</b>	<b>132,020,391</b>	<b>2,318,507</b>	<b>-</b>	<b>6,767</b>	<b>3,277</b>	<b>134,348,942</b>
<b>FX position on-balance sheet [(3)=(1)-(2)]</b>	<b>872,055</b>	<b>39,523</b>	<b>1,401</b>	<b>726</b>	<b>8,053</b>	<b>921,758</b>
<b>FX position off-balance sheet (4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FX position on and off-balance sheet [(5)=(3)+(4)]</b>	<b>872,055</b>	<b>39,523</b>	<b>1,401</b>	<b>726</b>	<b>8,053</b>	<b>921,758</b>

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

	Effect to net profit Increase/(decrease) VND million
<b>As at 31 December 2021</b>	
USD (weakening by 1%)	(3,412)
EUR (weakening by 9%)	(32)
XAU (strengthening by 10%)	160
	<hr/>
<b>As at 31 December 2020</b>	
USD (weakening by 1%)	(316)
EUR (strengthening by 9%)	52
XAU (strengthening by 31%)	347
	<hr/>

**(iii) Equity price risk**

Equity price risk is the risk that the market value of securities decreases due to changes in price of individual securities.

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

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

**(d) Liquidity risk**

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

*Management of liquidity risk*

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

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



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

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

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

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

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

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

As at 31 December 2021	Overdue		Up to 1 month VND million	From over 1 to 3 months VND million	Current From over 3 to 12 months VND million	From over 1 to 5 years VND million	Over 5 years VND million	Total VND million
	Overdue over 3 months VND million	Overdue up to 3 months VND million						
<b>Assets</b>								
Cash on hand, gold	-	-	1,001,628	-	-	-	-	1,001,628
Balances with the SBV	-	-	5,131,299	-	-	-	-	5,131,299
Deposits with and loans to other credit institutions – gross	-	-	12,270,948	5,269,400	-	229,885	-	17,770,233
Held-for-trading securities – gross	-	-	144,141	-	-	-	-	144,141
Loans and advances to customers – gross (*)	1,613,137	2,016,764	3,403,034	8,037,194	37,370,788	24,448,589	25,763,760	102,653,266
Investment securities – gross	-	-	300,000	-	1,580,045	3,548,138	17,736,231	23,164,414
Capital contribution, long-term investments – gross	-	-	-	-	-	-	215,280	215,280
Fixed assets	-	-	-	-	-	-	981,701	981,701
Other assets – gross	-	-	928,972	120,710	646,144	1,072,173	1,080,250	3,848,249
<b>Total assets (1)</b>	<b>1,613,137</b>	<b>2,016,764</b>	<b>23,180,022</b>	<b>13,427,304</b>	<b>39,596,977</b>	<b>29,298,785</b>	<b>45,777,222</b>	<b>154,910,211</b>
<b>Liabilities</b>								
Borrowings from the Government and the SBV	-	-	-	638	358	-	-	996
Deposits and borrowings from other credit institutions	-	-	9,652,803	4,971,514	429,245	568,733	-	15,622,295
Deposits from customers	-	-	35,324,284	26,247,545	50,376,116	3,452,285	1,836	115,402,066
Derivatives and other financial liabilities	-	-	(1,904)	(3,853)	8,869	-	-	3,112
Grants and entrusted funds received	-	-	-	-	429	464,194	-	464,623
Valuable papers issued	-	-	-	178,160	3,441,970	5,047,433	1,692,540	10,360,103
Other liabilities	-	-	1,450,608	690,260	990,234	242,152	65,928	3,439,182
<b>Total liabilities (2)</b>	<b>-</b>	<b>-</b>	<b>46,425,791</b>	<b>32,084,264</b>	<b>55,247,221</b>	<b>9,774,797</b>	<b>1,760,304</b>	<b>145,292,377</b>
<b>Net liquidity gap [(3)-(1)-(2)]</b>	<b>1,613,137</b>	<b>2,016,764</b>	<b>(23,245,769)</b>	<b>(18,656,960)</b>	<b>(15,650,244)</b>	<b>19,523,988</b>	<b>44,016,918</b>	<b>9,617,834</b>

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

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

As at 31 December 2020

	Overdue		Current				Total VND million
	Overdue over 3 months VND million	Overdue up to 3 months VND million	Up to 1 month VND million	From over 1 to 3 months VND million	From over 3 to 12 months VND million	From over 1 to 5 years VND million	
<b>Assets</b>							
Cash on hand, gold	-	-	985,235	-	-	-	985,235
Balances with the SBV	-	-	4,428,378	-	-	-	4,428,378
Deposits with and loans to other credit institutions – gross	-	-	9,717,674	1,958,160	137,721	79,988	11,893,543
Held-for-trading securities – gross	-	-	144,141	-	-	-	144,141
Loans and advances to customers – gross (*)	481,112	2,328,471	2,968,184	6,807,009	43,569,337	15,029,382	89,171,618
Investment securities – gross	-	-	-	400,535	1,619,272	3,062,529	20,282,921
Capital contribution, long-term investments – gross	-	-	-	-	-	-	215,280
Fixed assets	-	-	-	-	-	-	1,001,170
Other assets – gross	-	-	1,274,517	2,715,583	2,826,989	283,306	48,019
<b>Total assets (1)</b>	<b>481,112</b>	<b>2,328,471</b>	<b>19,518,129</b>	<b>11,881,287</b>	<b>48,153,319</b>	<b>18,455,205</b>	<b>34,453,177</b>
							<b>135,270,700</b>
<b>Liabilities</b>							
Borrowings from the Government and the SBV	-	-	35	764	455	-	1,254
Deposits and borrowings from other credit institutions	-	-	16,426,808	2,629,947	7,322	23,574	19,087,651
Deposits from customers	-	-	24,882,040	23,607,319	46,597,151	3,230,392	98,318,833
Derivatives and other financial liabilities	-	-	(36)	2,077	3,530	-	5,571
Grants and entrusted funds received	-	-	246	672	118,276	352,923	472,367
Valuable papers issued	-	-	5,760	-	1,713,710	3,715,513	6,957,313
Other liabilities	-	-	680,810	906,705	1,266,731	46,428	2,935,693
<b>Total liabilities (2)</b>	<b>-</b>	<b>-</b>	<b>41,995,663</b>	<b>27,147,484</b>	<b>49,707,175</b>	<b>7,368,830</b>	<b>127,778,682</b>
<b>Net liquidity gap [(3)=(1)-(2)]</b>	<b>481,112</b>	<b>2,328,471</b>	<b>(22,477,534)</b>	<b>(15,266,197)</b>	<b>(1,553,856)</b>	<b>11,086,375</b>	<b>32,893,647</b>

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



(e) Fair value versus carrying amount

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

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the separate 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
<b>Financial assets</b>				
<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	639,918	(*)	4,136,122	(*)
- 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	(*)	633,612	(*)
- Capital contribution, long-term investments	215,280	(*)	214,348	(*)
- Other financial assets	36,334	36,334	30,482	30,482

	31/12/2021		31/12/2020	
	Carrying amount VND million	Fair value VND million	Carrying amount VND million	Fair value VND million
<b>Financial liabilities</b>				
<i>Categorised as financial liabilities carried at amortised cost:</i>				
- Borrowings from the Government and SBV	996	(*)	1,254	(*)
- Deposits and borrowings from other credit institutions	15,622,295	(*)	19,087,651	(*)
- Deposits from customers	115,402,066	(*)	98,318,833	(*)
- 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	2,371,439	(*)	2,410,083	(*)
- Other financial liabilities	634,744	(*)	292,204	(*)

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

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

## 42. Segment reporting

### (a) Primary segment

Information on primary segment by geographical areas of the Bank 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
<b>I. Income</b>	<b>2,119,525</b>	<b>1,773,120</b>	<b>2,491,989</b>	<b>2,273,252</b>	<b>23,550,967</b>	<b>20,916,679</b>	<b>(16,396,332)</b>	<b>(15,168,491)</b>	<b>11,766,149</b>	<b>9,794,560</b>
1. Interest income	2,098,291	1,763,819	2,465,040	2,258,112	22,885,116	20,223,004	(16,396,332)	(15,168,491)	11,052,115	9,076,444
2. Fees and commission income	12,708	4,556	22,012	13,991	245,814	191,401	-	-	280,534	209,948
3. Income from other activities	8,526	4,745	4,937	1,149	420,037	502,274	-	-	433,500	508,168
<b>II. Expenses</b>	<b>(1,843,174)</b>	<b>(1,663,744)</b>	<b>(2,120,390)</b>	<b>(2,060,346)</b>	<b>(21,621,419)</b>	<b>(19,676,153)</b>	<b>16,396,332</b>	<b>15,168,491</b>	<b>(9,188,651)</b>	<b>(8,231,752)</b>
1. Interest expense	(1,675,080)	(1,539,570)	(1,886,115)	(1,857,475)	(19,626,494)	(18,255,651)	16,396,332	15,168,491	(6,791,357)	(6,484,205)
2. Depreciation expenses	(5,963)	(4,124)	(12,328)	(10,452)	(90,335)	(78,131)	-	-	(108,626)	(92,707)
3. Operating expenses	(162,131)	(120,050)	(221,947)	(192,419)	(1,904,590)	(1,342,371)	-	-	(2,288,668)	(1,654,840)
<b>Operating profit before allowance expenses for credit losses</b>	<b>276,351</b>	<b>109,376</b>	<b>371,599</b>	<b>212,906</b>	<b>1,929,548</b>	<b>1,240,526</b>	<b>-</b>	<b>-</b>	<b>2,577,498</b>	<b>1,562,808</b>
<b>Allowance expenses for credit losses</b>	<b>3,083</b>	<b>(5,372)</b>	<b>(37,637)</b>	<b>(2,514)</b>	<b>(745,298)</b>	<b>(550,323)</b>	<b>-</b>	<b>-</b>	<b>(779,852)</b>	<b>(558,209)</b>
<b>Segment profit before tax</b>	<b>279,434</b>	<b>104,004</b>	<b>333,962</b>	<b>210,392</b>	<b>1,184,250</b>	<b>690,203</b>	<b>-</b>	<b>-</b>	<b>1,797,646</b>	<b>1,004,599</b>

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

	The Northern Region		The Central Region		The Southern Region		Elimination		Total	
	VND million	31/12/2021	VND million	31/12/2021	VND million	31/12/2021	VND million	31/12/2021	VND million	31/12/2021
<b>III. Assets</b>	2,119,915	1,959,158	10,560,903	9,460,219	140,607,891	122,929,565	-	-	153,288,709	134,348,942
1. Cash on hand, gold	79,223	67,089	190,407	185,910	731,998	732,236	-	-	1,001,628	985,235
2. Deposits with other credit institutions	75	194	68	1,413	17,770,090	11,891,936	-	-	17,770,233	11,893,543
3. Loans and advances to customers	1,946,329	1,821,394	10,082,166	8,960,142	89,342,009	77,538,735	-	-	101,370,504	88,320,271
4. Investment securities	-	-	(14,767)	-	22,873,205	20,276,783	-	-	22,858,438	20,276,783
5. Fixed assets	29,438	22,771	142,126	137,606	810,137	840,793	-	-	981,701	1,001,170
6. Other assets	64,850	47,710	160,903	175,148	9,080,452	11,649,082	-	-	9,306,205	11,871,940
<b>IV. Liabilities</b>	<b>29,447,545</b>	<b>22,523,305</b>	<b>20,000,284</b>	<b>16,731,036</b>	<b>95,844,548</b>	<b>88,524,341</b>	<b>-</b>	<b>-</b>	<b>145,292,377</b>	<b>127,778,682</b>
1. Deposits and borrowings from other credit institutions and the SBV	100	100	22,413	12,676	15,600,778	19,076,129	-	-	15,623,291	19,088,905
2. Deposits from customers	27,752,628	21,089,480	17,513,673	15,087,862	70,135,765	62,141,491	-	-	115,402,066	98,318,833
3. Grants and entrusted funds received	-	-	-	-	464,623	472,367	-	-	464,623	472,367
4. Valuable papers issued	1,074,223	728,533	2,051,570	1,210,290	7,234,310	5,018,490	-	-	10,360,103	6,957,313
5. Other liabilities	620,594	705,192	412,628	420,208	2,409,072	1,815,864	-	-	3,442,294	2,941,264

(b) **Secondary segment**

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

100  
 Y TH  
 MC  
 (2021)

#### 43. Commitments

##### (a) Capital expenditure commitments

At the reporting date, the Bank had the following outstanding capital commitments approved but not recorded in the separate 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
	<u>755,795</u>	<u>461,754</u>

#### 44. Unusual items

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

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