

**Vietnam Technological and Commercial  
Joint Stock Bank**

Separate Financial Statements  
for the year ended 31 December 2020

## **Vietnam Technological and Commercial Joint Stock Bank Corporate Information**

### **Banking Operation**

**Licence No.** 0040/NH-GP 6 August 1993

The Banking Operation Licence was issued by the State Bank of Vietnam and is valid for 99 years from the licence date. The Banking Operation Licence has been amended several times, the most recent of which is the Banking Operation Licence No. 0038/GP-NHNN dated 6 March 2018 issued by the State Bank of Vietnam.

### **Business Registration**

**Certificate No.** 055697 7 September 1993

The Business Registration Certificate has been amended several times, the most recent of which is the Business Registration Certificate No. 0100230800 dated 19 January 2021 issued by Hanoi Department of Planning and Investment.

### **The Board of Directors during the year and until the issuing date of the separate financial statements**

Mr. Ho Hung Anh	Chairman
Mr. Nguyen Dang Quang	First Vice Chairman
Mr. Nguyen Thieu Quang	Vice Chairman
Mr. Nguyen Canh Son	Vice Chairman
Mr. Do Tuan Anh	Vice Chairman
Mr. Lee Boon Huat	Member
Mr. Saurabh Narayan Agarwal	Member
Mr. Nguyen Nhan Nghia	Independent Member

### **The Supervisory Board during the year and until the issuing date of the separate financial statements**

Mr. Hoang Huy Trung	Head of the Supervisory Board cum Specialist Member
Mr. Mag Rec Soc Oec	
Romauch Hannes	Member
Ms. Bui Thi Hong Mai	Member

### **The Executive Team during the year and until the issuing date of the separate financial statements**

Mr. Jens Lottner	Chief Executive Officer <i>(from 18 August 2020)</i>
Mr. Nguyen Le Quoc Anh	Chief Executive Officer <i>(until 17 August 2020)</i>
Mr. Phung Quang Hung	Standing Deputy Chief Executive Officer <i>(from 15 March 2020)</i> cum Managing Director <i>(from 13 January 2020 until 9 January 2021)</i> cum Chief Customer Services & Financial Advisory Officer <i>(until 15 November 2020)</i>

**Vietnam Technological and Commercial Joint Stock Bank  
Corporate Information (continued)**

**The Executive Team during the year and until the issuing date of the separate financial statements (continued)**

Mr. Do Tuan Anh	Deputy Chief Executive Officer (until 14 July 2020) cum Chief Corporate Affairs Officer (until 1 April 2020)
Mr. Pham Quang Thang	Deputy Chief Executive Officer cum Transformation Director (until 1 April 2020) cum Chief Corporate Affairs Officer (from 2 April 2020)
Mr. Phan Thanh Son	Deputy Chief Executive Officer cum Chief Global Transaction Services Officer cum Transformation Director
Mr. Kalyanaraman Sivaramakrishnan	Deputy Chief Executive Officer (from 10 January 2021) cum Chief Risk Officer (from 1 October 2020)
Mr. Trinh Bang	Group Chief Finance Officer cum Chief of Strategy and Corporate Development (from 1 February 2021)
Ms. Phan Thi Thanh Binh	Chief Wholesale Banking Officer
Mr. Vishal Shah	Chief Business Banking Officer
Mr. Dang Cong Hoan	Deputy Chief of Retail Banking Officer cum Head of Investment Solutions Development (from 10 January 2021)
Ms. Dang My Quyen	Chief Human Resources Officer (from 4 May 2020)
Mr. Nguyen Anh Tuan	Chief Information Officer (from 17 July 2020)
Mr. Chu Hong Ngoc	Chief Operating Officer (from 4 May 2020)
Ms. Thai Minh Diem Tu	Chief Marketing Officer (from 3 September 2020)
Mr. Santhosh Mahendiran	Chief Data & Analytics Officer (from 20 October 2020)
Mr. Kyle Timothy Justin	Chief Transformation Officer (from 30 October 2020)
Mr. Pranav Seth	Chief Digital Officer (from 13 January 2021)

**Vietnam Technological and Commercial Joint Stock Bank  
Corporate Information (continued)**

<b>Legal Representative</b>	Mr. Ho Hung Anh	Chairman of the Board of Directors
<b>Registered office</b>	191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi Vietnam	
<b>Auditor</b>	KPMG Limited Vietnam	

## **Vietnam Technological and Commercial Joint Stock Bank Statement of the Executive Team**

The Executive Team of Vietnam Technological and Commercial Joint Stock Bank (“the Bank”) present this statement and the accompanying separate financial statements of the Bank for the year ended 31 December 2020.

The Bank’s Executive Team is responsible for the true and fair presentation of the accompanying separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and relevant statutory requirements applicable to financial reporting. In the opinion of the Bank’s Executive Team:

- (a) the separate financial statements set out on pages 7 to 81 give a true and fair view of the unconsolidated balance sheet of the Bank as at 31 December 2020, and of the unconsolidated statement of income 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 Executive Team to believe that the Bank will not be able to pay its debts as and when they fall due.

The Bank’s Executive Team has, on the date of this statement, authorised the issuance of the accompanying separate financial statements.

On behalf of the Executive Team,

Jens Lottner  
*Chief Executive Officer*

Hanoi, 15 March 2021

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders**

#### **Vietnam Technological and Commercial Joint Stock Bank**

We have audited the accompanying separate financial statements of Vietnam Technological and Commercial Joint Stock Bank ("the Bank"), which comprise the separate balance sheet as at 31 December 2020, the separate statement of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Executive Team on 15 March 2021, as set out on pages from 7 to 81.

#### **Responsibility of the Bank's Executive Team**

The Executive Team 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 Bank's Executive Team determine is necessary to enable the preparation of the 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 Executive Team, as well as evaluating the overall presentation of the financial statements.

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

### **Auditor's Opinion**

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Vietnam Technological and Commercial Joint Stock Bank as at 31 December 2020 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.

### **Other Matter**

The separate financial statements of the Bank for the year ended 31 December 2019 were audited by another firm of auditors whose reports dated 18 March 2020 expressed an unqualified opinion on those statements.

### **KPMG Limited**

Vietnam

Audit Report No. 20-02-00068-21-3

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Doan Thanh Toan  
Practicing Auditor Registration  
Certificate No. 3073-2019-007-1  
*Deputy General Director*

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

Hanoi, 15 March 2021

	Note	31/12/2020 VND million	31/12/2019 VND million
<b>A ASSETS</b>			
<b>I Cash and gold on hand</b>	<b>4</b>	<b>3,663,615</b>	<b>4,820,627</b>
<b>II Balances with the State Bank of Vietnam (“SBV”)</b>	<b>5</b>	<b>10,253,324</b>	<b>3,192,256</b>
<b>III Balances with and loans to other credit institutions (“CIs”)</b>	<b>6</b>	<b>28,748,303</b>	<b>47,895,204</b>
1 Balances with other CIs		20,865,979	38,501,400
2 Loans to other CIs		7,882,324	9,393,804
<b>IV Securities held-for-trading</b>	<b>7</b>	<b>8,347,576</b>	<b>10,041,556</b>
1 Securities held-for-trading		8,357,447	10,052,963
2 Allowance for securities held-for-trading		(9,871)	(11,407)
<b>VI Loans and advances to customers</b>		<b>271,197,350</b>	<b>226,451,754</b>
1 Loans and advances to customers	8	273,391,760	229,357,829
2 Allowance for loans and advances to customers	9	(2,194,410)	(2,906,075)
<b>VIII Investment securities</b>		<b>81,672,624</b>	<b>63,276,980</b>
1 Available-for-sale securities	10(a)	81,836,592	63,367,369
2 Held-to-maturity securities	10(b)	200,000	202,006
3 Allowance for investment securities	10(c)	(363,968)	(292,395)
<b>IX Long-term investments</b>	<b>11</b>	<b>1,461,806</b>	<b>1,462,223</b>
1 Investments in subsidiaries		1,450,000	1,450,000
4 Other long-term investments		11,806	12,223
<b>X Fixed assets</b>		<b>4,567,199</b>	<b>3,156,993</b>
1 Tangible fixed assets	12	1,442,663	760,768
<i>a Cost</i>		2,355,545	1,704,522
<i>b Accumulated depreciation</i>		(912,882)	(943,754)
3 Intangible fixed assets	13	3,124,536	2,396,225
<i>a Cost</i>		3,863,306	3,043,284
<i>b Accumulated amortisation</i>		(738,770)	(647,059)
<b>XII Other assets</b>	<b>14</b>	<b>22,808,625</b>	<b>19,300,899</b>
1 Receivables		16,728,065	13,108,413
2 Accrued interest and fee receivables		5,015,763	5,377,334
4 Other assets		1,253,520	1,042,891
5 Allowance for other on-balance sheet assets		(188,723)	(227,739)
<b>TOTAL ASSETS</b>		<b>432,720,422</b>	<b>379,598,492</b>

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

	Note	31/12/2020 VND million	31/12/2019 VND million	
<b>B LIABILITIES AND OWNERS' EQUITY</b>				
<b>LIABILITIES</b>				
<b>II</b>	<b>Deposits and borrowings from other CIs</b>	<b>15</b>	<b>46,279,957</b>	<b>60,701,635</b>
1	Deposits from other CIs		21,232,089	38,632,337
2	Borrowings from other CIs		25,047,868	22,069,298
<b>III</b>	<b>Deposits from customers</b>	<b>16</b>	<b>279,107,778</b>	<b>233,053,806</b>
<b>IV</b>	<b>Derivatives and other financial liabilities</b>	<b>17</b>	<b>266,926</b>	<b>434,008</b>
<b>VI</b>	<b>Valuable papers issued</b>	<b>18</b>	<b>27,470,673</b>	<b>16,807,111</b>
<b>VII</b>	<b>Other liabilities</b>	<b>19</b>	<b>10,873,622</b>	<b>10,647,433</b>
1	Accrued interest and fee payables		3,244,836	3,467,972
3	Other liabilities		7,628,786	7,179,461
<b>TOTAL LIABILITIES</b>			<b>363,998,956</b>	<b>321,643,993</b>
<b>OWNERS' EQUITY</b>				
<b>VIII</b>	<b>Capital and reserves</b>	<b>20</b>	<b>68,721,466</b>	<b>57,954,499</b>
1	Capital		35,525,569	35,477,967
<i>a</i>	<i>Charter capital</i>		35,049,062	35,001,400
<i>c</i>	<i>Share premium</i>		476,507	476,567
2	Reserves		6,452,506	4,841,674
5	Retained earnings		26,743,391	17,634,858
<b>TOTAL OWNERS' EQUITY</b>			<b>68,721,466</b>	<b>57,954,499</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>			<b>432,720,422</b>	<b>379,598,492</b>

	Note	31/12/2020 VND million	31/12/2019 VND million
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>I CONTINGENT LIABILITIES AND OTHER COMMITMENTS</b>			
1	Loan guarantees	34,868	38,509
2	Foreign exchange commitments	185,950,560	228,476,804
	<i>Commitments to buy foreign currency</i>	1,605,493	1,108,119
	<i>Commitments to sell foreign currency</i>	3,004,364	5,611,861
	<i>Commitments to buy currency swap contracts</i>	90,498,304	110,730,891
	<i>Commitments to sell currency swap contracts</i>	90,842,399	111,025,933
4	Letters of credit	30,880,187	21,909,553
5	Other guarantees	21,121,837	22,285,888
6	Valuable papers forward commitments	15,802,168	19,281,908
7	Other commitments	131,316,212	113,347,193
	<i>Commitments for cross currency swap in foreign currency</i>	59,869,362	50,759,660
	<i>Commitments for cross currency swap in VND</i>	60,198,065	50,662,360
	<i>Commitments for interest rate swap in foreign currency</i>	9,994,922	2,471,787
	<i>Commitments for interest rate swap in VND</i>	-	7,161,705
	<i>Other commitments</i>	1,253,863	2,291,681
8	Unused credit limit	155,200,484	128,092,826

15 March 2021

Prepared by:

Reviewed by:

Approved by:

Bui Thi Khanh Van  
 Chief Accountant

Thai Ha Linh  
 Director of Accounting,  
 Financial Policy and Tax,  
 Finance and Planning Division

Jens Lottner  
 Chief Executive Officer

**Vietnam Technological and Commercial Joint Stock Bank**  
**191 Ba Trieu Street, Le Dai Hanh Ward**  
**Hai Ba Trung District, Hanoi, Vietnam**  
**Separate statement of income**  
**for the year ended 31 December 2020**

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

		Note	2020 VND million	2019 VND million (Reclassified)
1	Interest and similar income	21	28,300,917	24,731,540
2	Interest and similar expenses	21	(10,130,751)	(10,728,990)
<b>I</b>	<b>Net interest income</b>		<b>18,170,166</b>	<b>14,002,550</b>
3	Fee and commission income	22	3,823,314	3,361,680
4	Fee and commission expenses	22	(1,800,039)	(1,580,949)
<b>II</b>	<b>Net fee and commission income</b>		<b>2,023,275</b>	<b>1,780,731</b>
<b>III</b>	<b>Net gain from trading of foreign currencies</b>	<b>23</b>	<b>745</b>	<b>104,581</b>
<b>IV</b>	<b>Net gain from trading securities</b>	<b>24</b>	<b>321,397</b>	<b>397,932</b>
<b>V</b>	<b>Net gain from investment securities</b>	<b>25</b>	<b>937,192</b>	<b>745,394</b>
5	Other income	26	5,448,117	4,417,810
6	Other expenses	26	(3,254,860)	(2,627,736)
<b>VI</b>	<b>Net other income</b>	<b>26</b>	<b>2,193,257</b>	<b>1,790,074</b>
<b>VII</b>	<b>Income from capital contribution, share purchase</b>	<b>27</b>	<b>530,791</b>	<b>4,216</b>
<b>VIII</b>	<b>Operating expenses</b>	<b>28</b>	<b>(8,209,235)</b>	<b>(7,031,656)</b>
<b>IX</b>	<b>Net operating profit before allowance expenses</b>		<b>15,967,588</b>	<b>11,793,822</b>
<b>X</b>	<b>Allowance expenses for credit losses</b>	<b>29</b>	<b>(2,601,866)</b>	<b>(912,833)</b>
<b>XI</b>	<b>Profit before tax</b>		<b>13,365,722</b>	<b>10,880,989</b>
7	Corporate income tax expenses - current	30	(2,622,742)	(2,210,068)
<b>XII</b>	<b>Corporate income tax expenses</b>	<b>30</b>	<b>(2,622,742)</b>	<b>(2,210,068)</b>
<b>XIII</b>	<b>Net profit after tax</b>		<b>10,742,980</b>	<b>8,670,921</b>

15 March 2021

Prepared by:

Reviewed by:

Approved by:

Bui Thi Khanh Van  
*Chief Accountant*

Thai Ha Linh  
*Director of Accounting,  
 Financial Policy and Tax,  
 Finance and Planning Division*

Jens Lottner  
*Chief Executive Officer*

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

	2020 VND million	2019 VND million (Reclassified)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
01	28,196,927	25,393,123
02	(10,031,375)	(10,833,374)
03	2,002,861	1,755,318
04	1,329,371	1,195,904
05	1,110,834	471,025
06	1,253,350	1,077,581
07	(6,285,434)	(5,215,890)
08	(2,300,476)	(2,272,599)
	<b>15,276,058</b>	<b>11,571,088</b>
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		
<b>Changes in operating assets</b>		
09	1,511,480	2,028,530
10	(16,021,701)	19,326,639
12	(44,033,932)	(70,340,802)
13	(3,363,570)	(256,945)
14	(6,410,538)	(4,816,717)
<b>Changes in operating liabilities</b>		
15	-	(4,024,907)
16	(14,421,678)	24,572,707
17	46,053,972	28,224,266
18	10,821,275	7,392,892
19	(167,082)	123,695
20	(7,230)	(1,012,928)
21	(615)	(9,913)
<b>I</b>	<b>(10,763,561)</b>	<b>12,777,605</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
01	(644,753)	(233,097)
02	6,828	31,428
03	(559)	(268)
09	530,791	4,216
<b>II</b>	<b>(107,693)</b>	<b>(197,721)</b>

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

	2020 VND million	2019 VND million (Reclassified)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
01 Increase of share capital from issuance of shares	47,602	35,428
03 Payments for settlement of long-term valuable papers eligible for recognition as owners' equity and other long-term loans	(157,713)	(3,200,000)
<b>III NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(110,111)</b>	<b>(3,164,572)</b>
<b>IV NET CASH FLOWS DURING THE YEAR</b>	<b>(10,981,365)</b>	<b>9,415,312</b>
<b>V CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>46,514,283</b>	<b>37,098,971</b>
<b>VII CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Note 31)</b>	<b>35,532,918</b>	<b>46,514,283</b>

15 March 2021

Prepared by:

Reviewed by:

Approved by:

Bui Thi Khanh Van  
*Chief Accountant*

Thai Ha Linh  
*Director of Accounting,  
 Financial Policy and Tax,  
 Finance and Planning Division*

Jens Lottner  
*Chief Executive Officer*

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 operation**

Vietnam Technological and Commercial Joint Stock Bank (“the Bank”) is a commercial joint stock bank incorporated and registered in the Socialist Republic of Vietnam.

The Bank was established pursuant to Banking Operation License No. 0040/NH-GP dated 6 August 1993. The Banking Operation Licence was issued by the State Bank of Vietnam and is valid for 99 years from the licence date. The Banking Operation Licence has been amended several times, the most recent of which is the Banking Operation Licence No. 0038/GP-NHNN dated 6 March 2018 issued by the State Bank of Vietnam. The operation time according to the Banking Operation Licence is 99 years from 6 August 1993.

The principal activities of the Bank are mobilising and receiving short, medium and long-term deposits from organisations and individuals; lending to organisations and individuals up to the nature and ability of the Bank’s capital resources; conducting settlement and cash services and other banking services as approved by the SBV; making capital contributions, purchasing shares, investing in bonds and trading foreign currencies in accordance with the law.

### **(b) Charter capital**

As at 31 December 2020, the Bank’s charter capital was VND35,049,062,300,000 (31/12/2019: VND35,001,399,620,000). The Bank issued 3,504,906,230 ordinary shares with the par value of VND10,000 per share.

### **(c) Head Office and network**

The Bank’s Head Office is located at 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam. As at 31 December 2020, The Bank had one (1) Head Office, two (2) representative offices, three hundred and nine (309) transaction offices nationwide and three (3) subsidiaries (31/12/2019: one (1) Head Office, two (2) representative offices, three hundred and eleven (311) transaction offices nationwide and three (3) subsidiaries).

As at 31 December 2020, the Bank has three (3) subsidiaries as follows:

<b>Company name</b>	<b>Operation License</b>	<b>Business sector</b>	<b>% owned by the Bank</b>
Techcom Securities Joint Stock Company	72/GPDC- UBCK dated 4 November 2020 granted by the State Securities Commission	Securities activities	88.94843%
Vietnam Technological and Commercial Joint Stock Bank - Asset Management Company Limited	0102786255 dated 18 June 2008 granted by the Hanoi Department of Planning and Investment which was amended for the 22 <sup>nd</sup> time on 3 May 2019	Debt and asset management	100%
Techcom Capital Management Joint Stock Company	33/GPDC-UBCK dated 5 June 2019 granted by the State Securities Commission	Fund management	88.99956%

**(d) Total number of employees**

As at 31 December 2020, the Bank had 11,148 employees (31/12/2019: 10,539 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 CIs stipulated by the SBV and relevant statutory requirements applicable to financial reporting. These standards and statutory requirements may differ in some material aspects from International Financial Reporting Standards, generally accepted accounting principles and standards of other countries. Accordingly, the accompanying separate financial statements are not intended to present the Bank's unconsolidated financial position, unconsolidated results of operations and unconsolidated cash flows in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. Furthermore, their utilisation is not designed for those who are not informed about Vietnam's accounting principles, procedures and practices for CIs.

The Bank prepares the consolidated financial statements of the Bank and its subsidiaries (collectively referred to as "Techcombank") in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for CIs stipulated by the SBV and the relevant statutory requirements applicable to financial reporting. For a comprehensive understanding of Techcombank's consolidated balance sheet, its consolidated statement of income and its consolidated cash flows, these separate financial statements should be read in conjunction with the consolidated financial statements of Techcombank for the year ended 31 December 2020.

**(b) Basis of measurement**

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

**(c) Accounting period**

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

**(d) Accounting currency**

The Bank's accounting currency is Vietnam Dong ("VND"). These separate financial statements have been prepared and presented in Vietnam Dong ("VND"), rounded to the nearest million ("VND million").

### **3. Summary of significant accounting policies**

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

Except for the adoption of Circular No. 01/2020/TT-NHNN (“Circular 01”) issued by the SBV on CIs’ and foreign bank branches’ restructuring of loan repayment periods, exemption/reduction of interest/fees and keeping loan groups unchanged to assist customers affected by the Covid-19 pandemic as described in Note 3(g)(ii), the accounting policies that have been adopted by the Bank in the preparation of these separate financial statements are consistent with those adopted in the preparation of the latest annual financial statements.

#### **(a) Foreign currency**

##### ***Foreign currency transactions***

All transactions are recorded in their original currencies. Monetary items denominated in currencies other than VND are translated into VND at average exchange rate for spot selling and buying (gold is converted at the average selling and buying rate) of the Bank at the end of the last working day of the annual accounting period if the difference between this rate and the weighted average buying and selling rate of the last working day of the annual accounting period is less than 1% (refer to Note 45 for details of foreign exchange rates as at 31 December 2020). If the difference between the average exchange rate for spot selling and buying at the end of the last working day of the annual accounting period and the weighted average buying and selling rate of the last working day of the annual accounting period is 1% or more, the Bank shall use the weighted average buying and selling rate of the last working day of the annual accounting period.

Non-monetary foreign currency assets and liabilities are translated into VND using the exchange rates effective at the dates of the transactions. Income and expense in foreign currencies are translated into VND using the exchange rates effective at the dates of the transactions.

Foreign exchange differences arising from revaluation of monetary items denominated in foreign currencies as at the end of the annual accounting period are recognised in the separate statement of income.

#### **(b) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, gold on hand, balances with the SBV, Government treasury bills and other short-term valuable papers which are eligible for rediscount with the SBV, balances with other CIs without a term and with original terms to maturity of less than three months and securities with recovery or maturity period not exceeding three months from the acquisition date.

**(c) Balances with and loans to other CIs**

Balances with other CIs, except for current deposits, are deposits at other CIs with original terms of not exceeding three months. Loans to other credit institutions are loans with original terms to maturity of less than one year.

Current deposits at other CIs are stated at the amount of the outstanding principal. Term deposits at and loans to other CIs are stated at the amount of outstanding principal less allowance for credit risks.

Credit risk classification of balances with and loans to other CIs and allowance thereof is made in accordance with Circular No. 02/2013/TT-NHNN dated 21 January 2013 of the SBV on classification of assets, level and method of allowance making, and use of allowance against credit risks in banking activities of CIs and foreign banks' branches ("Circular 02") and Circular No. 09/2014/TT-NHNN dated 18 March 2014 of the SBV amending and supplementing certain articles of Circular 02 ("Circular 09"). Accordingly, the Bank has provided specific allowance for balances with (except for current accounts at domestic CIs and foreign bank branches the territory of in Vietnam) and loans to other CIs in accordance with the method described in Note 3(g).

According to Circular 02, the Bank is not required to make general allowance for balances with and loans to other CIs.

**(d) Securities held-for-trading and investment securities**

**(i) Classification**

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

Investment securities include available-for-sale investment securities and held-to-maturity investment securities. Available-for-sale investment securities are debt securities or equity securities, which are held for an indefinite period and may be sold at any time. Held-to-maturity investment securities are debt securities with fixed maturities and fixed or determinable payments, where the Bank has the positive intention and ability to hold until maturity.

The Bank classifies investment securities at the date of acquisition as available-for-sale investment securities and held-to-maturity investment securities. According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 of the SBV, the Bank is allowed to reclassify investment securities for a maximum of one time after initial recognition.

**(ii) Recognition**

The Bank recognises securities held-for-trading and investment securities on the date that the Bank becomes a party under purchase contracts for these securities (trade date accounting).

**(iii) Measurement**

***Equity securities***

For equity investment securities, the Bank initially records at cost including purchase cost plus other directly attributable costs such as brokerage fees, transaction fees, information fees and bank charges (if any). They are subsequently recognised at the lower of book value and the actual market price with the allowance expenses recognised in the separate statement of income.

For listed equity securities, the actual market price of securities is the closing bid price at the latest trading date prior to the end of the annual accounting period. If the listed securities are not traded in 30 days before making allowance or the listed securities are cancelled or suspended from trading on the date of making allowance, allowance for each investment in equity securities is determined as those for other investments specified in Note 3(e)(iii).

If there is no reliable information to determine allowance for investments in accordance with Note 3(e)(iii), the Bank shall not make allowance for such investments.

***Debt securities***

For debt securities held-for-trading, the Bank records at cost less allowance for credit risks and diminution in value of securities held-for-trading.

For debt investment securities, the Bank initially records at cost including transaction costs and other directly attributable costs. They are subsequently recognised at amortised cost (affected by premium/discount amortisation) less allowance for risks of investment securities, including allowance for diminution in value of securities and allowance for credit risk of unlisted corporate bonds. Premium and discounts arising from purchases of debt securities are amortised to the separate statement of income on a straight-line basis over the period from acquisition date to maturity date.

Allowance for diminution in value of investment securities is determined based on actual market prices. For Government bonds, the actual bond prices on the market are the average of prices set by market makers, commercial banks and securities companies announced and selected by the Ministry of Finance, pledge to bid in the bid session. In the absence of the aforementioned price commitment, the actual bond price on the market is the latest trading price at the Stock Exchange within 10 days to the end of the annual accounting period. If there is no transaction within 10 days to the end of the annual accounting period, the Bank will not make allowance for these investments.

For municipal bonds, government-guaranteed bonds, and corporate bonds that are listed, registered for transactions, the market price of bonds is the latest transaction price at the Stock Exchange within 10 days to the end of the annual accounting period. If there is no transaction within 10 days to the end of the annual accounting period, the Bank will not make allowance for these investments.

Other debt securities of unlisted enterprises (excluding held-to-maturity debt securities and available-for-sale investments of unlisted enterprises) are stated at cost less allowance for diminution in value determined by market value of securities. If there is no market value or market value cannot be determined reliably, these securities will be recognised at their carrying amount.

Allowance for credit risk of unlisted corporate bonds is made in accordance with the policies applicable to loans and advances to customers as described in Note 3(g).

The allowance for diminution in value of securities mentioned above is reversed if their price or their recoverable value subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

Interest income from debt securities after the acquisition date is recognised in the separate statement of income when the income is received on an accrual basis. Accrued interest receivable account of the pre-acquisition accumulated interest income of the Bank will be reduced upon receipt.

**(iv) *De-recognition***

The Bank derecognises securities held-for-trading and investment securities when the contractual rights to the cash flows from these securities expired or when the significant risks and rewards of ownership of these securities have been transferred.

**(e) *Other 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 investee 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 measured at cost less allowance for diminution in value of investments. Distributions from the accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the separate statement of income.

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

Other long-term investments are investments in the equity of other companies without having control or significant influence. These long-term investments are initially recognised at cost at the date of acquisition, and subsequently stated at cost less allowance for diminution in the value of investments.

**(iii) Allowance for diminution in value of long-term investments**

Allowance for diminution in the value of other long-term investments is made when the invested economic entities suffer losses, except when the loss was anticipated in the initial business plan before the date of investment. Allowance for diminution in the value is determined as the total actual contributed capital of parties to the investee less (-) the actual owner's equity multiplied (x) by the Bank's ownership percentage in the investee.

The allowance is reversed if the recoverable amounts are subsequently increased after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

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

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

Short-term loans are those with maturity term of no more than one year from the loan disbursement date. Medium-term loans are those with maturity of more than one year to five years of the loan disbursement date. Long-term loans are those with maturity term of more than five years from the loan disbursement date.

The Bank derecognises loans when the contractual rights to the cash flows from these loans expire or when substantial risks and rewards of ownership of these loans have been transferred.

Debt classification and allowance for loans and advances to customers are made in accordance with Circular 02 and Circular 09 as described in Note 3(g).

**(g) Debt classification and the rate and method of making allowance for credit losses**

**(i) Debt classification**

Classification of deposits with and loans to other credit institutions (excluding current deposits), purchases and entrustment amount to purchase of unlisted corporate bonds, loans and advances to customers, and entrusted credit (collectively referred to as "loans"), loans already sold but payments not yet collected, is implemented using the method based on the quantitative element as stipulated in Article 10 of Circular 02.

**(ii) Specific allowance for credit losses**

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 collaterals. 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. The rates of specific allowance for specific loan groups are as follows:

<i>Loan group</i>		<i>Overdue status</i>	<i>Rate of allowance</i>
1	Current	(a) Current loans that being assessed as fully and timely recoverable, both principals and interests; or (b) Loans which are overdue for a period of less than 10 days and being assessed as fully recoverable, both overdue principals and interests, and fully and timely recoverable, both remaining principals and interests.	0%
2	Special mention	(a) Loans which are overdue for a period of between 10 days and 90 days; or (b) Loans which are restructured repayment term for the first time.	5%
3	Sub-standard	(a) Loans which are overdue for a period of between 91 days and 180 days; or (b) Loans which are extended repayment term for the first time; or (c) Loans which are exempted or reduced interests because customers are not sufficient capability to pay all interests under credit contracts; or (d) Loans in one of the following circumstances which remain unrecovered during a period of 30 days after the date of the recovery decision: <ul style="list-style-type: none"> <li>• Loans in breach of clauses 1, 3, 4, 5 or 6 of Article 126 of the Law on CIs;</li> <li>• Loans in breach of clauses 1, 2, 3 or 4 of Article 127 of the Law on CIs;</li> <li>• Loans in breach of clauses 1, 2 or 5 of Article 128 of the Law on CIs; or</li> </ul> (e) Loans which are recovered under inspection conclusions.	20%
4	Doubtful	(a) Loans which are overdue for a period of between 181 days and 360 days; or (b) Loans which are restructured repayment term for the first time but still overdue for a period of less than 90 days under that restructured repayment term; or (c) Loans which are restructured repayment term for the second time; or (d) Loans which are specified in point (d) of loan Group 3 have not been recoverable for a period of between 30 days and 60 days after decisions on recovery have been issued; or (e) Loans which must be recovered under inspection conclusions but fail to be repaid although recovery term was overdue from 60 days ago.	50%
5	Loss	(a) Loans which are overdue for a period of more than 360 days; or (b) Loans which are restructured repayment term for the first time but still overdue for a period of 90 days or more than under that first restructured repayment term; or (c) Loans which are restructured repayment term for the second time but still overdue under that second restructured repayment term; or (d) Loans which are restructured repayment term for the third time or more, whether loans are overdue or not; or (e) Loans which are specified in point (d) of loan Group 3 have not been recoverable for a period of more than 60 days after decisions on recovery have been issued; or (f) Loans which must be recovered under inspection conclusions but fail to be repaid although recovery term was overdue for more than 60 days; or	100%

<i>Loan group</i>	<i>Overdue status</i>	<i>Rate of allowance</i>
	(g) Loans of customers being CIs which are announced by the SBV to place in special control status, or foreign bank branches of which capital and assets are blockaded.	

Payments on behalf arising from off-balance sheet commitments are classified based on the number of overdue days, starting from the date when the Bank committed obligations:

- Group 3 - Sub-standard loans: overdue for less than 30 days;
- Group 4 - Doubtful loans: overdue for between 30 days and less than 90 days;
- Group 5 - Loss loans: overdue for 90 days or more.

In case where a customer has more than one loan with the Bank, if a loan is reclassified to a higher risk group, the Bank is required to reclassify the other loans of that customers to that higher risk loan group.

When the Bank participates in a syndicated loan to a customer not as a lead bank, the Bank classifies loans (including the syndicated loan) of the customer to a higher risk group of the risk assessment made by the lead bank and made by the Bank.

The Bank also collects loan classification results of the customers provided by the Credit Information Center of the SBV (“CIC”) at the date of loan classification to adjust its own classification of loans. If a customer’s loans and off-balance sheet commitments are classified in a loan group that has a lower risk than the loan groups provided by CIC, the Bank shall adjust its classification of loans and off-balance commitments following the loan groups provided by CIC.

Since 13 March 2020, the Bank has applied Circular No. 01/2020/TT-NHNN (“Circular 01”) issued by the SBV providing regulations on restructuring of loan repayment periods, exemption/reduction of interest/fees and keeping loan groups unchanged to assist customers affected by the Covid-19 pandemic of CIs, foreign bank branches. Accordingly, for customers incurred obligations of loan principal repayments and/or interest payments during the period from 23 January 2020 to the succeeding day of the date after three months from the Government’s announcement of the termination of Covid-19 pandemic and these customers are unable to repay loan principles or to pay interest upon maturity of the signed loan contracts or agreements due to decreases in revenue and income caused by effect of the Covid-19 pandemic, the Bank is allowed to reschedule loan repayment periods, exemption/reduction of interest/fees and loan groups are kept unchanged from those classified at the most recent date prior to 23 January 2020.

Those collaterals that are movable assets, immovable assets and those collaterals that are not gold bars, government securities listed in the Stock Exchanges, securities issued by enterprises or other credit institutions valued at VND50 billion or more in respect of the loans of customers that are related persons of the Bank and other persons under Article 127 of the Law on Credit Institutions; and those collaterals that are valued at VND200 billion or more, shall be evaluated by professional valuers. For other cases, collaterals are valued in accordance with the Bank’s internal regulations and procedures. For collaterals which fail to fully meet conditions specified in Clause 3, Article 12 of Circular 02, their discounted value must be considered as zero.

The discount rates for collaterals are determined as follows:

<b>Types of collaterals</b>	<b>Maximum discount rate</b>
(a) Deposits from customers in VND	100%
(b) Gold bars, except for gold bars as described in item (i) deposits from customers in foreign currencies	95%
(c) Government bonds, negotiable instruments, valuable papers issued by the Bank; saving cards, deposit certificates, treasury notes, treasury bills issued by other CIs, foreign banks' branches:	
▪ With the remaining term of less than 1 year	95%
▪ With the remaining term of between 1 year and 5 years	85%
▪ With the remaining term of more than 5 years	80%
(d) Securities issued by other credit institutions and listed on the Stock Exchange	70%
(e) Securities issued by other enterprises and listed on the Stock Exchange	65%
(f) Securities unlisted on the Stock Exchange, valuable papers (except securities and valuable papers specified in Point (c), and issued by CIs which have registered securities listing on the Stock Exchange	50%
Securities unlisted on the Stock Exchange, valuable papers (except securities and valuable papers specified in Point (c), and issued by CIs which have not registered securities listing on the Stock Exchange	30%
(g) Securities unlisted on the Stock Exchange, valuable papers issued by enterprises which have registered securities listing on the Stock Exchange	30%
Securities unlisted on the Stock Exchange, valuable papers issued by enterprises which have not registered securities listing on the Stock Exchange.	10%
(h) Real estates	50%
(i) Gold bars without listed prices, other gold and other collaterals	30%

**(iii) General allowance for credit risks**

According to Circular 02, general allowance is also required at the rate of 0.75% of total balance of loans, except for the balances with and loans to other CIs and the loans classified into the Loss group. General allowance as at 31 December is calculated based on the debt classification results and the outstanding loan principal amount at the last working day of November.

**(iv) Write-off of bad debts**

According to Circular 02 and Circular 09, loans and advances to customers are written off against the allowance when loans and advances to customers 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).

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

According to Circular 02 and Circular 09, the classification of off-balance sheet credit commitments is conducted solely for risk management, credit quality supervision of credit granting activities. No allowance is made for off-balance sheet credit 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 allowance is made for in accordance with policy in Note 3(g).

**(h) **Debt sales****

Income and expenses from the sale of debts are recognised in accordance with Circular No. 09/2015/TT-NHNN of the SBV providing guidance on the sale of debts of CIs and foreign bank branches. According to Circular 09, for debts recorded in the separate balance sheet, if the sale price is higher than the book value of the debt, the difference shall be recorded as income of the Bank during the year. If the sale price is lower than the book value of the debt, the difference shall be offset by the indemnity paid by an individual or guarantor (in case such individual or guarantor is determined to be responsible for the damage and obliged to make indemnity under prevailing regulations), or the claim paid by the insurer, or utilisation of allowance recognised as expense previously. The remaining balance (if any) shall be recognised as other expense of the Bank during the year.

For debts which have been sold but have not yet been collected, the debts shall be classified and made allowance as before the sale of debts under guidance of Circular 02.

For debts written-off and monitored off-balance sheet, the proceeds from sale of debts shall be recognized as other income of the Bank.

Book value of debts sold is the book value of the principal, interest and related financial obligations (if any) of debts recorded in the on-balance sheet or off-balance sheet at the date of debts sold; or the book value at the date of writing-off of debts; or the book value of debts written-off previously at the date of debts sold.

The selling price is the total amount to be paid to a debts seller under a debt sale contract.

**(i) **Derivative financial instruments****

**(i) *Currency forward and swap contracts***

The Bank involves in currency forward contracts and currency swap contracts to facilitate customers to transfer, adjust or mitigate foreign exchange risks and also for the business purposes of the Bank.

Currency forward contracts are commitments to buy or to sell an amount of foreign currency at a specified interest rate at the transaction date and will be settled at a specific date in the future. The forward contracts are recorded at nominal value at the date of transaction and are revalued at exchange rate at the reporting date and are stated at net value on the separate balance sheet. Differences upon revaluation of foreign exchange rate at the end of the annual accounting period are recognised in the separate statement of income. Differences between the amounts in VND of the foreign currency amounts which are committed to buy/sell at forward rate and spot rate are recognised in the separate statement of income on a straight-line basis over the term of the contracts.

The currency swap contracts are commitments to buy or to sell the same amount of foreign currency (only two currencies are used in the transaction) with the same partner, in which there is a transaction with the spot payment term and a transaction with a payment period determined in the future and the rate of the two transactions is determined at the time of determination of spot transaction. Premiums/discounts arising from the difference of the spot exchange rate at the effective date of the contracts and the forward exchange rate will be recognised immediately on the effective date of the contracts on the separate balance sheet as an asset if such difference is positive or as a liability if such difference is negative. This difference is amortised to the separate statement of income on a straight-line basis over the term of the swap contracts.

**(ii) Interest rate swap contracts**

Interest swap contracts are commitments to settle in cash the notional principal amounts at the interest amount based on floating or fixed interest rates. The contract value in basic interest rate swaps of the same currency is not recognised in the separate balance sheet. Income earned and expenses incurred are recognised in the separate statement of income on an accrual basis.

**(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 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 and maintenance and overhaul costs, is normally charged to the separate statement of income during the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted as an increase in the future economic benefits expected to be obtained from the use of an item 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 tangible fixed assets. The estimated useful lives are as follows:

▪ buildings and structures	8 - 50 years
▪ machines and equipment	3 - 10 years
▪ means of transportation	6 - 10 years
▪ others	4 - 10 years

**(k) Intangible fixed assets**

**(i) Software**

The cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software costs are amortised on a straight-line basis ranging from 4 to 8 years.

(ii) **Land use rights**

Definite land use rights are stated at cost less accumulated amortisation. The initial cost of definite land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation of definite land use right is computed on a straight-line basis.

(iii) **Other intangible fixed assets**

Other intangible fixed assets are stated at cost less accumulated amortisation. Intangible fixed assets are amortised on a straight-line basis over 4 to 8 years.

(l) **Other assets**

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

For other assets that are not classified as credit risk assets and are overdue, allowance are made based on the overdue status of receivables or expected losses which may incur in case receivables are overdue or undue receivables are likely to become overdue. Allowance expense is recorded in operating expense during the year.

Allowance rates by overdue period are as follows:

<b>Overdue period</b>	<b>Allowance rate</b>
▪ From more than six (06) months up to less than one (01) year	30%
▪ From one (01) year up to less than two (02) years	50%
▪ From two (02) years up to less than three (03) years	70%
▪ Three (03) years or more	100%

(m) **Provision**

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.

(n) **Deposits from customers**

Deposits from customers are stated at cost.

**(o) Valuable papers issued**

Valuable papers issued are stated at cost, including par value, discount/premium plus other directly attributable costs such as brokerage fee, issuing fee and other costs (if any).

**(p) Other payables**

Other payables are stated at cost.

**(q) Share capital**

**(i) Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance 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.

**(iii) Treasury shares**

When repurchased shares are recognised as equity, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold subsequently (reissued), cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

**(r) Reserves and funds**

According to Decree No. 93/2017/ND-CP dated 7 August 2017 issued by the Government of Vietnam providing regulations on the financial regime applicable to credit institutions (“Decree 93”), Law on Credit Institutions No. 47/2010/QH12 and Charter of the Bank, the Bank is required to make the following reserves before distribution of profits:

	<b>Annual allocation</b>	<b>Maximum balance</b>
Reserve to supplement charter capital	5% of profit after tax	100% of charter capital
Financial reserve	10% of profit after tax	Not stipulated

Financial reserve is used to cover financial losses incurred during the normal course of business. Financial reserve and reserve to supplement charter capital are non-distributable and classified as equity.

Other funds are allocated from profit after tax. The allocation from profit after tax to these funds is approved by the shareholders in the Annual General Meeting. Other funds are not required by law and are fully distributable.

**(s) Employee benefits**

**(i) Post-employment benefits**

Post-employment benefits are paid to retired employees of the Bank by the Social Insurance Agency which belongs to the Ministry of Labor, Invalids and Social Affairs. The Bank is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of employees' basic salary plus other allowances. Other than that, the Bank has no further obligation. Expenses for such contribution are recognised in the separate statement of income in the year.

**(ii) Voluntary resignation**

The Bank has the obligation, under Article 48 of the Vietnam Labor Code No. 10/2012/QH13 effective from 1 May 2013, to pay allowance arising from voluntary resignation of employees, equal to a half of monthly salary for each year of employment up to 31 December 2008 plus salary allowances (if any). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date. Allowance arising from voluntary resignation of eligible employees is recognised as expenses during the year.

**(iii) Unemployment allowance**

According to Circular No. 28/2015/TT-BLĐTBXH on guidelines for Article 52 of the Law on Employment and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government providing guidelines for the Law on Employment in term of unemployment insurance, the Bank is required to contribute to unemployment insurance at the rate of 1% of salary and wage budget of unemployment insurance joiners and appropriate 1% of monthly salary and wage of each employee to contribute to unemployment insurance fund at the same time. Expenses for such contribution are recognised in the separate statement of income during the year.

**(t) Welfare fund**

Welfare fund is allocated from profit after tax in accordance with the resolution of the Annual General Meeting and is used primarily to make payments to the Bank's employees.

**(u) Revenue**

**(i) Interest income**

Interest income is recognised in the separate statement of income on an accrual basis, except for interest on loans classified in Group 2 to Group 5 as described in Note 3(g) and restructured loans kept unchanged in Group 1 as a result of implementation of Circular 01. When loans are classified in Group 2 to Group 5 as defined in Note 3(g) or kept unchanged in Group 1 as a result of implementation of Circular 01, interest receivable will be derecognised and recorded as off-balance sheet items. Interest on these loans are recognised in the separate statement of income upon receipt.

**(ii) Fee and commission income**

Fees and commissions are recognised in the separate statement of income upon delivery of the services rendered.

**(iii) *Income from investing activities***

Income from sale of securities is recognised in the separate statement of income upon receipt of the order matching notice from Vietnam Securities Depository (listed securities) and completion of the assets transfer agreement (unlisted securities) and is determined based on the differences between selling price and cost of securities sold.

Dividend income in the form of cash is recognised in the separate statement of income when the Bank's right to receive dividend is established. Dividends received in the form of shares, bonus shares and rights to purchase shares given to existing shareholders, shares distributed from retained earnings are not recognised as an increase in investment and such dividend income is not recognised in the separate statement of income. When share dividends are received, the Bank only recognises an increase in the number of shares.

Dividends received which are attributable to the period before acquisition date are deducted against the carrying amount of the investment.

**(v) *Interest expenses***

Interest expenses are recognised in the separate statement of income on accrual basis.

**(w) *Fee and commission expenses***

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

**(x) *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.

**(y) *Taxation***

Corporate income tax on the profit for the year comprises current and deferred tax. 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 difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(z) Related parties**

Related parties of the Bank include:

- The Bank's subsidiaries;
- Management or members of the Supervisory Board of the Bank;
- Individuals, organisations that hold at least 5% of charter capital or share capital with voting rights of the Bank;
- Wives, husbands, parents, children, siblings of managers or members of the Supervisory Board, capital contributors or shareholders who hold at least 5% of charter capital or share capital with voting rights of the Bank;
- Enterprises held directly or indirectly by such individuals hold an important part of voting rights or through this person, this person may significantly influence the enterprises. This case includes businesses owned by the Bank's leaders or key shareholders and those businesses that have a key managing member with the Bank.
- Representatives for the Bank's paid-in capital and shares.

**(aa) Commitments and contingent liabilities**

At any point of time, the Bank has outstanding credit commitments. These commitments are approved and unutilised loans and overdraft facilities. The Bank also provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Many of the contingent liabilities and commitments will expire without any advanced payment, in whole or in part. Therefore, these commitments and contingent liabilities do not represent expected future cash flows.

**(bb) Nil balances**

Items or balances required by Decision No. 16/2007/QD-NHNN dated 18 April 2007 ("Decision 16") of the SBV's Governor promulgating the regulation on financial reporting regime applicable to credit institutions and Circular No. 49/2014/TT-NHNN dated 31 December 2014 ("Circular 49") of the SBV's Governor on amending and supplementing a number of articles of the regulation on financial reporting regime applicable to credit institutions accompanying Decision 16, Decision No. 479/2004/QD-NHNN dated 29 April 2004 and the chart of accounts of credit institutions accompanying the Decision that are not shown in these separate financial statements indicate nil balances.

**(cc) Financial instruments**

Solely for the purpose of providing disclosures about the significance of financial instruments on the Bank's separate balance sheet and statement of income 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:

- A financial asset is classified as held-for-trading if it meets either of the following conditions:
  - it is acquired principally for the purpose of selling it in the short term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - 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 financial assets 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 a fixed maturity that the Bank has the positive intention and ability to hold to maturity, other than:

- financial assets that, upon initial recognition, were categorised by the Bank as financial assets at fair value through profit or loss;
- financial assets already categorised by the Bank as assets that available for sale; or
- financial assets qualified the definitions 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 short term, which are classified as held-for-trading, and those that the entity on initial recognition designates as financial assets 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 assets 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 are not classified as:

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

**(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:

- A financial liability is classified as held-for-trading if:
  - it is incurred principally for the purpose of repurchasing it in the short term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - 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 financial liabilities 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 purpose 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.

#### 4. Cash and gold on hand

	31/12/2020 VND million	31/12/2019 VND million
Cash on hand in VND	3,408,588	4,396,424
Cash on hand in foreign currencies	249,944	411,367
Gold on hand	5,083	12,836
	3,663,615	4,820,627

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

These consist of current accounts and compulsory reserve balances for liquidity.

	31/12/2020 VND million	31/12/2019 VND million
Current deposits and compulsory reserve balances with the SBV		
▪ In VND	10,231,475	3,190,934
▪ In foreign currencies	21,849	1,322
	10,253,324	3,192,256

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

Year-end CRR rates were as follows:

##### Deposits in scope

	CRR rates	
	31/12/2020 %	31/12/2019 %
Preceding month average balances of:		
▪ Deposits in foreign currencies with term of less than 12 months	8.00	8.00
▪ Deposits in foreign currencies with term of and more than 12 months	6.00	6.00
▪ Deposits in VND with term of less than 12 months	3.00	3.00
▪ Deposits in VND with term of and more than 12 months	1.00	1.00

Year-end annual interest rates were as follows:

	31/12/2020 %	31/12/2019 %
Deposits in VND within the CRR	0.50	0.80
Deposits in foreign currencies within the CRR	0.00	0.00
Deposits in VND beyond the CRR	0.00	0.00
Deposits in foreign currencies beyond the CRR	0.05	0.05

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

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND million</b>	<b>VND million</b>
<b>Current accounts</b>		
Current accounts in VND	677,792	6,117,316
Current accounts in foreign currencies	6,307,747	9,056,471
<b>Term deposits</b>		
Term deposits in VND	8,272,000	19,562,000
Term deposits in foreign currencies	5,608,440	3,765,613
	<hr/> 20,865,979	<hr/> 38,501,400
<b>Loans to other CIs</b>		
In VND	7,399,254	7,695,397
In foreign currencies	483,070	1,698,407
	<hr/> 7,882,324	<hr/> 9,393,804
	<hr/> 28,748,303	<hr/> 47,895,204

Balances of term deposits with and loans to other CIs by groups were as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND million</b>	<b>VND million</b>
Group 1 - Current	21,762,764	32,721,417

Year-end annual interest rates were as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>%</b>	<b>%</b>
Demand deposits in VND	0.00	0.00
Demand deposits in foreign currencies	0.00	0.00
Term deposits in VND	0.12 - 1.40	1.20 - 6.60
Term deposits in foreign currencies	0.05 - 0.52	1.55 - 2.10
Loans in VND	0.20 - 4.23	3.50 - 6.00
Loans in foreign currencies	1.25 - 1.75	3.09 - 3.94

## 7. Securities held-for-trading

	31/12/2020 VND million	31/12/2019 VND million
<b>Debt securities</b>		
Government bonds	4,035,936	6,688,778
Debt securities issued by local CIs	4,321,511	3,364,185
<i>In which: Bonds guaranteed by the Government for settlement</i>	<i>128,615</i>	<i>185,821</i>
	8,357,447	10,052,963
<b>Allowance for securities held-for-trading</b>		
General allowance of unlisted corporate bonds	-	(8,184)
Allowance for diminution in value of listed securities held-for-trading	(9,871)	(3,223)
	(9,871)	(11,407)
	8,347,576	10,041,556

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

	31/12/2020 VND million	31/12/2019 VND million
<b>Debt securities</b>		
Listed	4,164,551	6,874,599
Unlisted	4,192,896	3,178,364
	8,357,447	10,052,963

Movements in general allowance for unlisted corporate bonds during the year were as follows:

	2020 VND million	2019 VND million
Opening balance	8,184	10,544
Allowance reversed during the year (Note 24)	(8,184)	(2,360)
Closing balance	-	8,184

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

	2020 VND million	2019 VND million
Opening balance	3,223	317
Allowance made during the year (Note 24)	7,353	3,220
Utilisation of allowance during the year	(705)	(314)
Closing balance	9,871	3,223

## 8. Loans and advances to customers

	31/12/2020 VND million	31/12/2019 VND million
Loans to local economic entities and individuals	271,461,309	227,743,939
Loans on discounting negotiable instruments and valuable papers	1,815,974	1,265,636
Loans granted from borrowed and entrusted funds	113,310	254,269
Payments on behalf of customers	-	93,575
Loans to foreign economic entities and individuals	1,167	410
	273,391,760	229,357,829

Loan portfolio by loans group was as follows:

	31/12/2020		31/12/2019	
	VND million	%	VND million	%
Group 1 - Current	270,290,919	98.87	224,157,579	97.73
Group 2 - Special mention	1,805,866	0.66	2,122,693	0.93
Group 3 - Sub-standard	416,892	0.15	218,128	0.10
Group 4 - Doubtful	533,944	0.19	305,230	0.13
Group 5 - Loss	344,139	0.13	2,554,199	1.11
	273,391,760	100.00	229,357,829	100.00

Loan portfolio by terms was as follows:

	31/12/2020		31/12/2019	
	VND million	%	VND million	%
Short-term loans	88,041,984	32.21	83,790,139	36.53
Medium-term loans	85,255,104	31.18	47,443,165	20.69
Long-term loans	100,094,672	36.61	98,124,525	42.78
	273,391,760	100.00	229,357,829	100.00

Year-end annual interest rates were as follows:

	31/12/2020 %	31/12/2019 %
Loans in VND	0.00 - 11.29	0.00 - 19.55
Loans in foreign currencies	1.50 - 7.41	2.50 - 8.69

Loan portfolio by industry sectors was as follows:

	<b>31/12/2020</b>		<b>31/12/2019</b>	
	<b>VND million</b>	<b>%</b>	<b>VND million</b>	<b>%</b>
Agriculture, forestry and aquaculture	240,565	0.09	16,855	0.01
Mining	1,242,940	0.45	1,418,239	0.62
Manufacturing and processing	19,732,665	7.22	20,431,391	8.89
Production and distribution of electricity, gas, hot water, steam and air-conditioning	3,100,097	1.13	2,858,783	1.25
Water supply; waste and wastewater management and processing	43,775	0.02	31,413	0.01
Construction	9,135,831	3.34	6,957,444	3.03
Wholesale and retail trade; repair of motor vehicles, motorcycles	29,247,061	10.70	27,075,217	11.80
Transport, warehousing	2,700,900	0.99	2,822,942	1.23
Hospitality services	194,360	0.07	1,876,083	0.82
Information and communications	685,428	0.25	1,002,211	0.44
Finance and insurance	8,044,676	2.94	662,780	0.29
Real estates	91,360,789	33.42	50,771,549	22.14
Science and technology	256,158	0.09	842,877	0.37
Administrative activities and supporting services	322,874	0.12	800,483	0.35
Political activities	-	0.00	1,178	0.00
Education and training	186,103	0.07	242,994	0.11
Health care and social work	39,231	0.01	29,948	0.01
Art, entertainment and recreation	1,056	0.00	62,876	0.03
Households services	-	0.00	184,851	0.08
Other services	100,660	0.04	7,814,563	3.41
Loans to individuals	106,756,591	39.05	103,453,152	45.11
	<b>273,391,760</b>	<b>100.00</b>	<b>229,357,829</b>	<b>100.00</b>

Portfolio of loans and advances to customers by ownership and customer type was as follows:

	<b>31/12/2020</b>		<b>31/12/2019</b>	
	<b>VND million</b>	<b>%</b>	<b>VND million</b>	<b>%</b>
State-owned limited liability companies	5,761,372	2.11	5,566,486	2.43
Other limited liability companies	67,226,430	24.59	47,353,186	20.65
State-owned joint stock companies	427,229	0.16	297,929	0.13
Other joint stock companies	91,324,824	33.40	69,763,527	30.40
Private companies and partnerships	275,967	0.10	442,319	0.19
Foreign invested enterprises	1,345,667	0.49	2,104,387	0.92
Cooperatives, cooperative unions	7,818	0.00	37,405	0.02
Administrative units, parties, unions and associations	265,862	0.10	339,438	0.15
Individuals	106,756,591	39.05	103,453,152	45.11
	<b>273,391,760</b>	<b>100.00</b>	<b>229,357,829</b>	<b>100.00</b>

## 9. Allowance for loans and advances to customers

	<b>31/12/2020</b> <b>VND million</b>	<b>31/12/2019</b> <b>VND million</b>
General allowance (i)	1,859,851	1,641,316
Specific allowance (ii)	334,559	1,264,759
	2,194,410	2,906,075

(i) Movements in general allowance for loans and advances to customers were as follows:

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Opening balance	1,641,316	1,219,151
Allowance made during the year (Note 29)	218,535	421,350
Reclassification from other assets bearing credit risk (Note 14(v))	-	815
Closing balance	1,859,851	1,641,316

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

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Opening balance	1,264,759	1,159,829
Allowance made during the year (Note 29)	2,433,370	361,761
Utilisation of allowance during the year	(3,363,570)	(256,875)
Reclassification from other assets bearing credit risk (Note 14(v))	-	44
Closing balance	334,559	1,264,759

## 10. Investment securities

### (a) Available-for-sale investment securities

	31/12/2020 VND million	31/12/2019 VND million
<b>Debt securities</b>		
▪ Government bonds	17,161,695	14,586,567
▪ Debt securities issued by local CIs	20,230,134	20,299,324
<i>In which: Bonds guaranteed by the Government for settlement</i>	9,568,061	12,313,699
▪ Debt securities issued by local economic entities	44,444,346	28,481,478
<b>Equity securities</b>		
▪ Equity securities issued by local economic entities	417	-
	81,836,592	63,367,369

Portfolio of unlisted debt securities classified as assets exposed to credit risk by loan group was as follows:

	31/12/2020 VND million	31/12/2019 VND million
Current	45,718,427	31,124,773

### (b) Held-to-maturity investment securities

	31/12/2020 VND million	31/12/2019 VND million
Debt securities issued by local economic entities	200,000	202,006

Portfolio of unlisted debt securities classified as assets exposed to credit risk by loan group was as follows:

	31/12/2020 VND million	31/12/2019 VND million
Current	200,000	202,006

(c) **Allowance for investment securities**

	<b>31/12/2020</b> <b>VND million</b>	<b>31/12/2019</b> <b>VND million</b>
General allowance of unlisted corporate bonds	355,471	290,212
Allowance for diminution in value of listed investment securities	8,497	2,183
	<hr/> 363,968	<hr/> 292,395

Movements in general allowance of unlisted corporate bonds during the year were as follows:

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Opening balance	290,212	341,461
Allowance made/(reversed) during the year (Note 25)	65,259	(51,249)
Closing balance	<hr/> 355,471	<hr/> 290,212

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

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Opening balance	2,183	3,797
Allowance made/(reversed) during the year (Note 25)	6,848	(1,614)
Utilisation of allowance during the year	(534)	-
Closing balance	<hr/> 8,497	<hr/> 2,183

## 11. Long-term investments

	31/12/2020 VND million	31/12/2019 VND million
Investments in subsidiaries (i)	1,450,000	1,450,000
Other long-term investments (ii)	11,806	12,223
	1,461,806	1,462,223

(i) Details of the investments in subsidiaries of the Bank at the year-end were as follows:

Company name	31/12/2020		31/12/2019	
	Cost VND million	Holding rate	Cost VND million	Holding rate
Techcom Securities Joint Stock Company	1,000,000	88.95%	1,000,000	89.00%
Vietnam Technological and Commercial Joint Stock Bank - Asset Management Company Limited	410,000	100.00%	410,000	100.00%
Techcom Capital Management Joint Stock Company	40,000	89.00%	40,000	89.00%
	1,450,000		1,450,000	

(ii) Details of other long-term investments of the Bank at the year-end were as follows:

Company name	31/12/2020		31/12/2019	
	Cost VND million	Holding rate	Cost VND million	Holding rate
PCB Investment Joint Stock Company	7,962	6.64%	7,962	6.64%
Society for Worldwide Interbank Financial Telecommunication	1,804	0.00%	1,804	0.00%
Banking Operations Training and Advisory JSC	1,040	10.93%	1,040	10.93%
National Payment Corporation of Vietnam	1,000	0.42%	1,000	0.42%
Vietnam Airlines Corporation (*)	-	0.00%	417	0.00%
	11,806		12,223	

(\*) The Bank has reclassified the investment in Vietnam Airlines Corporation to available-for-sale investment securities.

## 12. Tangible fixed assets

*Year ended 31 December 2020*

	<b>Buildings and structures VND million</b>	<b>Machines and equipment VND million</b>	<b>Means of transportation VND million</b>	<b>Others VND million</b>	<b>Total VND million</b>
<b>Cost</b>					
Opening balance	233,016	1,259,613	210,221	1,672	1,704,522
Additions	1,471	436,005	24,709	-	462,185
Transfer from construction in progress	40,183	361,226	55,772	-	457,181
Disposals	(13,322)	(231,764)	(22,941)	(316)	(268,343)
Closing balance	261,348	1,825,080	267,761	1,356	2,355,545
<b>Accumulated depreciation</b>					
Opening balance	31,598	808,874	102,003	1,279	943,754
Charge for the year	4,814	195,615	23,321	32	223,782
Disposals	(1,525)	(231,567)	(21,246)	(316)	(254,654)
Closing balance	34,887	772,922	104,078	995	912,882
<b>Net book value</b>					
Opening balance	201,418	450,739	108,218	393	760,768
Closing balance	226,461	1,052,158	163,683	361	1,442,663

Included in tangible fixed assets were assets costing VND459,806 million which were fully depreciated as of 31 December 2020 (31/12/2019: VND612,144 million), but still in active use.

*Year ended 31 December 2019*

	<b>Buildings and structures VND million</b>	<b>Machines and equipment VND million</b>	<b>Means of transportation VND million</b>	<b>Others VND million</b>	<b>Total VND million</b>
<b>Cost</b>					
Opening balance	445,723	1,174,273	164,465	1,603	1,786,064
Additions	11,231	71,403	42,702	325	125,661
Transfer from construction in progress	116,605	191,960	23,020	-	331,585
Disposals	(15,098)	(177,784)	(19,966)	(256)	(213,104)
Other movements	(325,445)	(239)	-	-	(325,684)
Closing balance	233,016	1,259,613	210,221	1,672	1,704,522
<b>Accumulated depreciation</b>					
Opening balance	35,758	890,193	102,406	1,403	1,029,760
Charge for the year	5,166	96,093	18,509	132	119,900
Disposals	(2,757)	(177,408)	(18,912)	(256)	(199,333)
Other movements	(6,569)	(4)	-	-	(6,573)
Closing balance	31,598	808,874	102,003	1,279	943,754
<b>Net book value</b>					
Opening balance	409,965	284,080	62,059	200	756,304
Closing balance	201,418	450,739	108,218	393	760,768

### 13. Intangible fixed assets

Year ended 31 December 2020

	Land use rights VND million	Software VND million	Others VND million	Total VND million
<b>Cost</b>				
Opening balance	2,064,499	976,294	2,491	3,043,284
Additions	-	197,875	-	197,875
Transfer from construction in progress	557,955	75,341	-	633,296
Disposals	-	(9,546)	(295)	(9,841)
Other movements	-	(1,308)	-	(1,308)
Closing balance	2,622,454	1,238,656	2,196	3,863,306
<b>Accumulated amortisation</b>				
Opening balance	447	646,255	357	647,059
Charge for the year	29	101,461	62	101,552
Disposals	-	(9,546)	(295)	(9,841)
Closing balance	476	738,170	124	738,770
<b>Net book value</b>				
Opening balance	2,064,052	330,039	2,134	2,396,225
Closing balance	2,621,978	500,486	2,072	3,124,536

Included in intangible fixed assets were assets costing VND375,669 million which were fully amortised as of 31 December 2020 (31/12/2019: VND259,194 million), but still in active use.

*Year ended 31 December 2019*

	<b>Land use rights VND million</b>	<b>Software VND million</b>	<b>Others VND million</b>	<b>Total VND million</b>
<b>Cost</b>				
Opening balance	647,826	858,125	2,006	1,507,957
Additions	4,289	102,662	485	107,436
Transfer from construction in progress	1,420,528	15,476	-	1,436,004
Disposals	(8,144)	-	-	(8,144)
Other movements	-	31	-	31
Closing balance	2,064,499	976,294	2,491	3,043,284
<b>Accumulated amortisation</b>				
Opening balance	30,567	561,448	302	592,317
Charge for the year	29	84,807	55	84,891
Other movements	(30,149)	-	-	(30,149)
Closing balance	447	646,255	357	647,059
<b>Net book value</b>				
Opening balance	617,259	296,677	1,704	915,640
Closing balance	2,064,052	330,039	2,134	2,396,225

## 14. Other assets

	31/12/2020 VND million	31/12/2019 VND million
<b>Receivables</b>		
Internal receivables	56,250	50,739
External receivables	16,671,815	13,057,674
▪ Deposits for office rental (i)	294,681	281,233
▪ Deposits for purchases of offices (ii)	377,397	377,397
▪ Receivables relating to the Interest Subsidy Program	20,006	20,006
▪ Prepayments to suppliers	249,047	117,826
▪ Deposits for gold, commodity and foreign currencies trading in futures markets	92,078	44,763
▪ Advances for fixed assets purchase and construction in progress (iii)	2,891,060	2,790,738
▪ Receivables from loan sold contracts	449,939	567,348
▪ Receivables from UPAS L/C (Usance payable at sight letters of credit) (iv)	12,061,855	8,634,519
▪ Other external receivables	235,752	223,844
	16,728,065	13,108,413
<b>Interest and fee receivables</b>	5,015,763	5,377,334
<b>Other assets</b>		
Materials	18,980	12,357
Prepaid expenses	1,232,009	1,025,885
Other assets	2,531	4,649
	1,253,520	1,042,891
Allowance for other assets (v)	(188,723)	(227,739)
	22,808,625	19,300,899

- (i) These represent deposits for office rental of the Bank's headquarter and branches, in which the largest amount is the deposit for the head office at 191 Ba Trieu.
- (ii) These represent deposits for the purchase of the Bank's offices in Hanoi.
- (iii) These represent the advance payments for the purchase of fixed assets and construction of the Bank's offices.
- (iv) Receivables from importers who are the Bank's customers from UPAS L/C (Usance payable at sight letters of credit). Accordingly, the corresponding bank made payment to the beneficiaries (exporters) prior to those letter of credits' matured dates and earned fees for advanced settlement services.

(v) Allowance for other assets consists of the following:

	31/12/2020 VND million	31/12/2019 VND million
Allowance for receivables from loan sold contracts	24,439	100,679
<i>General allowance</i>	-	4,255
<i>Specific allowance</i>	24,439	96,424
Allowance for receivables from UPAS L/C (Usance payable at sight letters of credit)	89,334	63,134
<i>General allowance</i>	89,334	63,063
<i>Specific allowance</i>	-	71
Other allowances	74,950	63,926
	188,723	227,739
	188,723	227,739

Movements of allowance for risks during the year were as follows:

	Note	2020 VND million	2019 VND million
Opening balance		227,739	74,670
Movement of allowance for receivables from loan sold contracts		(76,240)	100,679
<i>General allowance (reversed)/made</i>	29	(4,255)	4,255
<i>Specific allowance (reversed)/made</i>	29	(71,985)	96,424
Allowance made for receivables from UPAS L/C (Usance payable at sight letters of credit)	29	26,201	29,043
Allowance made for other assets	28	11,023	24,276
Utilisation of allowance during the year		-	(70)
Reclassification from allowance for other assets bearing credit risk to allowance for loans and advances to customers		-	(859)
Closing balance		188,723	227,739
		188,723	227,739

## 15. Deposits and borrowings from other credit institutions

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND million</b>	<b>VND million</b>
<b>Demand deposits from other CIs</b>		
In VND	881,447	6,415,253
In foreign currencies	882	757
<b>Term deposits from other CIs</b>		
In VND	18,111,000	23,399,000
In foreign currencies	2,238,760	8,817,327
	<hr/> 21,232,089	<hr/> 38,632,337
<b>Borrowings from other CIs</b>		
In VND	750,564	3,907,179
In foreign currencies	12,235,449	9,527,600
Payables from UPAS L/C (Usance payable at sight letters of credit)	12,061,855	8,634,519
	<hr/> 25,047,868	<hr/> 22,069,298
	<hr/> 46,279,957	<hr/> 60,701,635

Year-end annual interest rates were as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>%</b>	<b>%</b>
Term deposits in VND	0.10 - 0.80	1.20 - 5.10
Term deposits in foreign currencies	0.12 - 0.18	1.60 - 2.20
Borrowings in VND	0.18 - 5.99	3.00 - 5.99
Borrowings in foreign currencies	0.06 - 3.99	0.06 - 3.99

## 16. Deposits from customers

	31/12/2020 VND million	31/12/2019 VND million
<b>Current accounts</b>		
Current accounts in VND	117,696,322	71,961,477
Current accounts in foreign currencies	6,858,805	5,756,332
<b>Term deposits</b>		
Term deposits in VND	144,194,777	145,733,845
Term deposits in foreign currencies	5,291,936	5,939,932
<b>Margin deposits</b>		
Margin deposits in VND	4,987,448	3,510,647
Margin deposits in foreign currencies	78,490	151,573
	279,107,778	233,053,806

Deposits from customers by types of customers were as follows:

	31/12/2020		31/12/2019	
	VND million	%	VND million	%
State-owned limited liability companies	4,718,936	1.69	5,717,986	2.45
Other limited liability companies	32,255,924	11.56	22,483,000	9.65
Joint stock companies with state-owned capital	65,328	0.02	93,074	0.04
Other joint stock companies	39,532,016	14.16	30,262,846	12.97
Private companies and partnerships	194,889	0.07	62,483	0.03
Foreign invested enterprises	4,249,447	1.52	3,746,288	1.61
Cooperatives, cooperative unions	7,141	0.00	15,425	0.01
Administrative units, parties, unions and associations	1,903,013	0.68	2,018,720	0.87
Others	541,364	0.19	1,442,006	0.62
Individuals	195,639,720	70.11	167,211,978	71.75
	279,107,778	100.00	233,053,806	100.00

Year-end annual interest rates were as follows:

	31/12/2020 %	31/12/2019 %
Current accounts in VND	0.00 - 0.30	0.00 - 0.80
Current accounts in foreign currencies	0.00 - 0.10	0.00 - 0.10
Term deposits in VND	0.20 - 7.10	0.30 - 7.60
Term deposits in foreign currencies	0.00 - 0.60	0.00 - 0.60

## 17. Derivatives and other financial liabilities

Details of financial derivatives at the end of the year were as follows:

	<b>Total contract value (at foreign exchange rate at the effective date of the contract)</b>	<b>Total book value (at foreign exchange rate at the reporting date)</b>
	<b>VND million</b>	<b>Liabilities VND million</b>
<b>As at 31 December 2020</b>		
Foreign exchange forward contracts	79,566,587	18,160
Foreign exchange swap contracts	91,058,259	344,094
Interest rate swap contracts cross two currencies	59,736,465	(95,328)
	<b>230,361,311</b>	<b>266,926</b>
<b>As at 31 December 2019</b>		
Foreign exchange forward contracts	33,248,703	56,734
Foreign exchange swap contracts	111,288,148	295,034
Interest rate swap contracts cross two currencies	50,662,360	82,240
	<b>195,199,211</b>	<b>434,008</b>

## 18. Valuable papers issued

	<b>31/12/2020 VND million</b>	<b>31/12/2019 VND million</b>
From 12 months up to 5 years (i)	26,770,673	15,949,398
Over 5 years (ii)	700,000	857,713
	<b>27,470,673</b>	<b>16,807,111</b>

- (i) These bonds and certificates of deposits bear interest rates ranging from 3.80% to 7.00% per annum (31/12/2019: 5.20% to 7.30% per annum).
- (ii) These bonds bear interest rates of 7.80% per annum (31/12/2019: 8.20% to 15.00% per annum).

## 19. Other liabilities

	31/12/2020 VND million	31/12/2019 VND million
Accrued interest and fee payables	3,244,836	3,467,972
<b>Other payables and liabilities</b>	<b>7,628,786</b>	<b>7,179,461</b>
Internal payables	9,322	13,038
External payables	7,619,464	7,166,423
▪ Payables to employees	915,536	820,526
▪ Salary accrued expenses	241,810	286,394
▪ Other accrued expenses	1,010,921	605,025
▪ Bonus and welfare fund	9,812	10,176
▪ Deferred income	76,633	40,629
▪ Taxes payable (Note 33)	1,057,608	729,345
▪ Disbursements awaiting for settlement	8,169	30,284
▪ Deposit certificates and funds kept for customers awaiting for settlement	42,589	35,802
▪ Deferred proceeds from sale of collaterals awaiting for resolution	90,238	50,946
▪ Remittance payables	2,872,105	3,087,402
▪ Settlement on behalf of other CIs	700,510	370,161
▪ Others awaiting for settlement	160,689	783,971
▪ Other payables	432,844	315,762
	10,873,622	10,647,433

## 20. Capital and reserves

Changes in capital and reserves of the Bank during the year ended 31 December 2020 were as follows:

	Charter capital	Share premium	Financial reserve	Reserve to supplement charter capital	Other reserves	Retained earnings	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million
<b>Balance at 1 January 2019</b>	34,965,922	476,617	2,814,757	735,719	474	10,296,574	49,290,063
Additions of capital	35,478	(50)	-	-	-	-	35,428
Net profit for the year	-	-	-	-	-	8,670,921	8,670,921
Appropriation to reserves	-	-	867,092	433,545	-	(1,300,637)	-
Appropriation to welfare fund	-	-	-	-	-	(32,000)	(32,000)
Utilisations of reserves	-	-	(9,913)	-	-	-	(9,913)
	35,001,400	476,567	3,671,936	1,169,264	474	17,634,858	57,954,499
<b>Balance at 1 January 2020</b>	35,001,400	476,567	3,671,936	1,169,264	474	17,634,858	57,954,499
Additions of capital	47,662	(60)	-	-	-	-	47,602
Net profit for the year	-	-	-	-	-	10,742,980	10,742,980
Appropriation to reserves	-	-	1,074,298	537,149	-	(1,611,447)	-
Appropriation to welfare fund	-	-	-	-	-	(23,000)	(23,000)
Utilisations of reserves	-	-	(615)	-	-	-	(615)
<b>Balance at 31 December 2020</b>	35,049,062	476,507	4,745,619	1,706,413	474	26,743,391	68,721,466

**Charter capital**

	31/12/2020		31/12/2019	
	Number of shares	VND million	Number of shares	VND million
<b>Shares registered for issuance</b>	3,504,906,230	35,049,062	3,500,139,962	35,001,400
<b>Shares issued to the public</b>				
Ordinary shares	3,504,906,230	35,049,062	3,500,139,962	35,001,400
<b>Shares in circulation</b>				
Ordinary shares	3,504,906,230	35,049,062	3,500,139,962	35,001,400

All ordinary shares of the Bank have a par value of VND10,000. Each share is entitled to one vote at meetings of the Bank. All ordinary shares are ranked equally with regard to the Bank's residual assets.

**21. Net interest income**

	2020 VND million	2019 VND million (Reclassified)
<b>Interest and similar income</b>		
Interest income from deposits	277,866	715,486
Interest income from loans	21,345,837	16,592,762
Income from investments in securities	5,864,850	6,646,001
Income from guarantee services	316,749	414,244
Other income from credit activities	495,615	363,047
	28,300,917	24,731,540
<b>Interest and similar expenses</b>		
Interest expenses for deposits	(8,194,313)	(9,431,153)
Interest expenses for borrowings	(528,993)	(355,561)
Interest expenses for valuable papers issued	(1,368,439)	(938,080)
Other expenses from credit activities	(39,006)	(4,196)
	(10,130,751)	(10,728,990)
Net interest income	18,170,166	14,002,550

## 22. Net fee and commission income

	2020 VND million	2019 VND million
<b>Fee and commission income from</b>		
Settlement and cash services	2,914,167	2,338,815
Cashiering services	2,679	4,566
Trustee and agency services	467	1,694
Consulting services	383	597
Bancassurance services	827,321	931,882
Other services	78,297	84,126
	3,823,314	3,361,680
<b>Fee and commission expenses for</b>		
Settlement and cash services	(1,672,413)	(1,371,196)
Cashiering services	(68,962)	(65,716)
Consulting services	(495)	(30,657)
Other services	(58,169)	(113,380)
	(1,800,039)	(1,580,949)
Net fee and commission income	2,023,275	1,780,731

## 23. Net gain from trading of foreign currencies

	2020 VND million	2019 VND million
<b>Gain from trading of foreign currencies</b>		
Gain from spot foreign exchange trading	1,278,966	1,014,049
Gain from currency derivatives	1,404,612	1,321,921
	2,683,578	2,335,970
<b>Loss from trading of foreign currencies</b>		
Loss from spot foreign exchange trading	(1,198,056)	(642,943)
Loss from currency derivatives	(1,484,777)	(1,588,446)
	(2,682,833)	(2,231,389)
Net gain from trading of foreign currencies	745	104,581

## 24. Net gain from trading securities

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Income from trading of securities held-for-trading	828,500	592,871
Expenses for trading of securities held-for-trading	(507,934)	(194,079)
General allowance reversed of unlisted corporate bonds (Note 7)	8,184	2,360
Allowance made for diminution in value of listed securities held-for-trading (Note 7)	(7,353)	(3,220)
Net gain from trading securities	<u>321,397</u>	<u>397,932</u>

## 25. Net gain from investment securities

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Income from trading of investment securities	1,956,862	990,410
Expenses for trading of investment securities	(947,563)	(297,879)
General allowance (made)/reversed for unlisted corporate bonds (Note 10)	(65,259)	51,249
Allowance (made)/reversed for diminution in value of listed investment securities (Note 10)	(6,848)	1,614
Net gain from investment securities	<u>937,192</u>	<u>745,394</u>

## 26. Net other income

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
<b>Income from other activities</b>		
Income from other derivatives	3,914,316	3,159,510
Recoveries of bad debts previously written off	1,253,350	1,077,581
Other income	280,451	180,719
	<u>5,448,117</u>	<u>4,417,810</u>
<b>Expenses for other activities</b>		
Expenses for other derivatives	(2,908,170)	(2,493,050)
Other expenses	(346,690)	(134,686)
	<u>(3,254,860)</u>	<u>(2,627,736)</u>
Net income from other activities	<u>2,193,257</u>	<u>1,790,074</u>

## 27. Income from capital contribution, share purchases

	2020	2019
	VND million	VND million
Dividends received from subsidiary	526,600	-
Dividends received from other long-term investments	4,191	4,216
	<u>530,791</u>	<u>4,216</u>

## 28. Operating expenses

	2020	2019
	VND million	VND million
Salaries and related expenses (Note 32)	4,801,856	4,109,487
Publication, marketing and promotion	310,499	287,776
Office and asset rental	669,151	661,045
Depreciation and amortisation of fixed assets	325,334	204,791
Tax, duties and fees	114,846	109,819
Tools and equipment expenses	122,819	122,288
Telecommunication expenses	46,634	43,341
Expenses for maintenance and repair of assets	272,609	225,579
Utilities expenses	86,022	79,647
Payment of insurance premium for customers' deposits	267,524	228,831
Per diem expenses	53,954	92,202
Consultancy expenses	377,392	231,004
Training and education expenses	77,751	57,110
Conference expenses	42,859	54,742
Allowance expenses for other assets (Note 14(v))	11,023	24,276
Other operating expenses	628,962	499,718
	<u>8,209,235</u>	<u>7,031,656</u>

## 29. Allowance expenses for credit losses

	Note	2020	2019
		VND million	VND million
Movements in allowance for loans and advances to customers		2,651,905	783,111
<i>General allowance made</i>	9(i)	218,535	421,350
<i>Specific allowance made</i>	9(ii)	2,433,370	361,761
Movements in allowance for receivables from loan sold contracts		(76,240)	100,679
<i>General allowance (reversed)/made</i>	14(v)	(4,255)	4,255
<i>Specific allowance (reversed)/made</i>	14(v)	(71,985)	96,424
Allowance made for receivables from UPAS L/C (Usance payable at sight letters of credit)	14(v)	26,201	29,043
		<u>2,601,866</u>	<u>912,833</u>

### 30. Corporate income tax expenses

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

	2020 VND million	2019 VND million
<b>Current tax expense</b>		
Current year	2,629,790	2,229,383
Over provision in prior years	(7,048)	(19,315)
	2,622,742	2,210,068

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

	2020 VND million	2019 VND million
Accounting profit before tax	13,365,722	10,880,989
Tax at the Bank's tax rate	2,673,145	2,176,197
Tax exempt income	(106,158)	(843)
Adjustment to taxable income	-	(4,748)
Non-deductible expenses	62,803	58,777
Over provision in prior years	(7,048)	(19,315)
	2,622,742	2,210,068

#### (c) Applicable tax rate

The Bank has an obligation to pay corporate income tax to the Government at the rate of 20% of taxable profit (2019: 20%). The corporate income tax computation is subject to review and approval by local tax authorities.

### 31. Cash and cash equivalents

	31/12/2020 VND million	31/12/2019 VND million
Cash and gold on hand	3,663,615	4,820,627
Balances with the SBV	10,253,324	3,192,256
Investment securities with maturity period not exceeding 3 months from the acquisition date	750,000	-
Deposits with other CIs with original terms not exceeding 3 months	20,865,979	38,501,400
	35,532,918	46,514,283

### 32. Employee benefits

	2020 VND million	2019 VND million
Average number of employees during the year (employees)	10,844	9,875
Employees' remunerations		
1. Salaries	3,829,154	3,333,676
2. Allowances and other income	972,702	775,811
Total income	4,801,856	4,109,487
Average monthly salary	29	28
Average monthly income	37	35

### 33. Obligations to the State Budget

#### *Year ended 31 December 2020*

	1/1/2020 VND million	Incurred VND million	Paid VND million	31/12/2020 VND million
<b>Payables</b>				
Value added tax	21,086	159,180	(160,674)	19,592
Corporate income tax	670,289	2,622,742	(2,300,476)	992,555
Other taxes	37,970	652,998	(645,507)	45,461
	729,345	3,434,920	(3,106,657)	1,057,608

#### *Year ended 31 December 2019*

	1/1/2019 VND million	Incurred VND million	Paid VND million	31/12/2019 VND million
<b>Payables</b>				
Value added tax	15,102	188,333	(182,349)	21,086
Corporate income tax	732,820	2,210,068	(2,272,599)	670,289
Other taxes	27,914	518,436	(508,380)	37,970
	775,836	2,916,837	(2,963,328)	729,345

### 34. Assets and valuable papers mortgaged, pledged, discounted and rediscounted

*Assets and valuable papers mortgaged, pledged, discounted and rediscounted to the Bank*

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND million</b>	<b>VND million</b>
<b>From customers</b>		
Real estates	385,221,459	305,844,790
Equipments and machines	20,685,030	20,859,401
Valuable papers	115,215,367	112,325,000
Other collaterals	109,912,998	157,286,288
	631,034,854	596,315,479
<b>From other CIs</b>		
Valuable papers	2,730,000	5,512,700
Other collaterals	758,425	8,436
	3,488,425	5,521,136
	634,523,279	601,836,615

*Assets and valuable papers mortgaged, pledged, discounted and rediscounted by the Bank*

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND million</b>	<b>VND million</b>
Other collaterals	1,616,800	6,463,460
	1,616,800	6,463,460

### 35. Significant transactions and balances with related parties

In the normal course of operation, the Bank carries out transactions with related parties.

Balances with related parties at 31 December 2020 and 31 December 2019; and value of transactions for the year ended 31 December 2020 and the year ended 31 December 2019 were as follows:

	Relationship	Assets/(Liabilities)		Revenue/(Expenses)	
		31/12/2020 VND million	31/12/2019 VND million	2020 VND million	2019 VND million
<i>European Plastic Window Joint Stock Company</i>	(ii)				
▪ Loans to customers		522,087	509,927	-	-
▪ Interest receivable from loans		1,938	2,228	-	-
▪ Guarantee, letter of credit contracts		26,725	35,384	-	-
▪ Demand deposits		(6,938)	(11,042)	-	-
▪ Derivative, foreign currency contracts		-	(49,482)	-	-
▪ Interest income from loans		-	-	44,313	44,713
<i>One Mount Group Joint Stock Company</i>	(iii)				
▪ Term deposits		(2,500)	-	-	-
▪ Interest payables on term deposits		(4)	-	-	-
▪ Demand deposits		(5,465)	(16,041)	-	-
▪ Interest expenses from deposits		-	-	(568)	(2)
<i>One Distribution Joint Stock Company</i>	(iii)				
▪ Term deposits		(1,000)	-	-	-
▪ Interest payables on term deposits		(2)	-	-	-
▪ Demand deposits		(41,679)	-	-	-
▪ Interest expenses from deposits		-	-	(1,067)	-

	Relationship	Assets/(Liabilities)		Revenue/(Expenses)	
		31/12/2020 VND million	31/12/2019 VND million	2020 VND million	2019 VND million
<i>FCE Vietnam Joint Stock Company</i>	(iii)				
▪ Demand deposits		(1,651)	(2,578)	-	-
<i>IMG Housing Joint Stock Company</i>	(iii)				
▪ Demand deposits		(1,807)	-	-	-
<i>Online Mobile Services Joint Stock Company</i>	(iii)				
▪ Demand deposits		(621)	(129)	-	-
<i>Techcom Securities Joint Stock Company</i>	(iv)				
▪ Demand deposits		(1,569,402)	(1,642,860)	-	-
▪ Interest expenses from deposits		-	-	(2,214)	(12,889)
▪ Derivative, foreign currency contracts		(693,850)	-	-	-
<i>Vietnam Technological and Commercial Joint Stock Bank - Asset Management Company Limited</i>	(iv)				
▪ Loans to customers		250,000	350,000	-	-
▪ Interest receivable from loan to customers		70	103	-	-
▪ Term deposits		(66,489)	(92,630)	-	-
▪ Interest payables on term deposits		(1,526)	(2,227)	-	-
▪ Demand deposits		(10,138)	(14,518)	-	-
▪ Interest income from loan to customers		-	-	31,464	39,655
▪ Interest expenses from deposits		-	-	(3,424)	(6,657)
▪ Other expenses		-	-	(74,432)	(14,255)
▪ Other operating expenses		-	-	(165,009)	(163,199)
<i>Techcom Capital Management Joint Stock Company</i>	(iv)				
▪ Demand deposits		(3,098)	(7,034)	-	-
▪ Interest expenses from deposits		-	-	(11)	(119)

	Relationship	Assets/(Liabilities)		Revenue/(Expenses)	
		31/12/2020 VND million	31/12/2019 VND million	2020 VND million	2019 VND million
<i>Masan Group Corporation Joint Stock Company and a group of related companies</i>	(v)				
▪ Guarantee, letter of credit contracts		73,657	67,342	-	-
▪ Loans to customers		1,921,332	1,012,502	-	-
▪ Interest receivable from loans		1,127	858	-	-
▪ Term deposits		(1,351,225)	(1,410,303)	-	-
▪ Interest payables on term deposits		(1,921)	(1,693)	-	-
▪ Demand deposits		(484,539)	(752,246)	-	-
▪ Interest income from loans		-	-	103,346	52,982
▪ Interest expenses from deposits		-	-	(20,522)	(41,505)
<i>Members of Board of Directors, Supervisory Board, Executive Team and other related individuals</i>	(i), (iii)				
▪ Term deposits		(671,842)	(550,359)	-	-
▪ Interest payables on term deposits		(17,147)	(11,916)	-	-
▪ Demand deposits		(146,726)	(103,162)	-	-
▪ Interest expenses from deposits		-	-	(46,433)	(39,476)
<i>Members of Board of Directors, Supervisory Board, Executive Team</i>					
▪ Allowance of Board of Directors, Supervisory Board		-	-	(34,363)	(32,133)
▪ Salary, bonus and other benefits of the Chief Executive Officer and other management personnel		-	-	(211,093)	(145,317)

- (i) Shareholder has its representative in the Board of Directors;
- (ii) Related party has its representative in the Board of Directors;
- (iii) Related party has its representative in the Board of Directors, or Executive Team or Supervisory Board or majority shareholders related to members of the Board of Directors, or Executive Team or Supervisory Board of the Bank;
- (iv) Subsidiary;
- (v) Masan Group Corporation Joint Stock Company and a group of related companies of Masan Group Corporation Joint Stock Company have their representatives in the Board of Directors of the Bank or their Board of Directors' members are related parties of members of the Board of Directors, or Executive Team or Supervisory Board of the Bank.

### 36. Geographical concentration of assets, liabilities and off-balance sheet items

As at 31 December 2020

	Total loans	Total deposits	Contingent credit commitments	Derivatives (*)	Trading and investment securities
	VND million	VND million	VND million	VND million	VND million
Domestic	281,272,917	298,310,673	207,186,789	217,795,679	90,394,039
Overseas	1,167	2,029,194	50,587	12,565,632	-
	281,274,084	300,339,867	207,237,376	230,361,311	90,394,039

As at 31 December 2019

	Total loans	Total deposits	Contingent credit commitments	Derivatives (*)	Trading and investment securities
	VND million	VND million	VND million	VND million	VND million
Domestic	238,751,223	269,140,621	172,287,226	184,153,065	73,622,338
Overseas	410	2,545,522	39,550	11,046,146	-
	238,751,633	271,686,143	172,326,776	195,199,211	73,622,338

(\*) Total contract value.

### 37. Financial risk management

This note provides information of the Bank's exposure to risk and describes the policies, the methods used by the Bank's Executive Team to control risk. The most important types of financial risk to which the Bank is exposed to are credit risk, liquidity risk and market risk.

#### *Risk management policy*

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's financial risk management framework to facilitate its business activities to thrive safely and sustainably.

Having taken that responsibility, the Board of Directors appropriately promulgates risk management policies and strategies, establishes business limit, directly approves high-value business transactions in accordance with both legal and internal requirement, and determines organisational structure and key managing directors.

Risk management strategies and policies are adhered to the Bank's Charter and General Shareholders' Meeting resolutions.

Audit and Risk Committee (“ARCO”) is established by the Board of Directors for the purpose of undertaking a number of functions and tasks related to the audit, supervising and monitoring risk management of the Bank’s operation which are assigned/authorised by the Board of Directors.

ARCO is responsible for promulgating and monitoring risk management framework, risk appetites and risk management policies in the Bank’s operation activities and approving market risk limit, credit risk limit for each industry, business line and other general risk limits of the Bank.

### **38. Credit risk**

The Bank is subject to credit risk through its lending, investing activities and in cases where it acts as an intermediary on behalf of customers or other third parties or issuing guarantees. The risk that counterparties might default on their obligations is monitored on an ongoing basis. To manage the level of credit risk, the Bank attempts to deal with counterparties with good credit standing, and, when appropriate, obtains collateral. The Bank’s primary exposure to credit risk arises through its loans. The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the separate balance sheet. In addition, the Bank is exposed to off-balance sheet credit risk through commitments to extend credit and guarantees issued.

The Bank manages credit risk by using various tools: development and issuance of internal policies and regulations on credit risk management; development of credit procedures and manuals; regular review of credit risk; development of a credit rating system and loan classification; setting up authorisation levels within the credit approval process.

The following table presents the maximum exposure to credit risk from balance sheet, before taking into account of any collaterals held or other credit risk enhancements:

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND million</b>	<b>VND million</b>
Balances with and credit granting to other CIs - gross	28,748,303	47,895,204
Securities held-for-trading - gross	8,357,447	10,052,963
Loans to customers - gross	273,391,760	229,357,829
Investment securities - gross	82,036,175	63,569,375
Others financial assets - gross	18,150,068	15,129,041
	<hr/>	<hr/>
	410,683,753	366,004,412
	<hr/>	<hr/>

***Financial assets that are neither past due nor impaired***

Information about credit quality of financial assets that are neither past due nor impaired was as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND million</b>	<b>VND million</b>
Balances with and credit granting to other CIs - gross	28,748,303	47,895,204
Securities held-for-trading - gross	8,357,447	10,052,963
Loans to customers - gross	270,290,919	224,157,579
Investment securities - gross	82,036,175	63,443,957
Others financial assets - gross	17,610,431	14,473,370
	407,043,275	360,023,073
	407,043,275	360,023,073

The Bank's financial assets, which are neither past due nor impaired, include debts in Group 1 - Current, securities, receivables and other financial assets which are not overdue. The Bank believes that those financial assets can be fully and timely recovered in the future.

***Financial assets that are past due but not impaired***

The aging of financial assets that are past due but not impaired as at 31 December 2020 and 31 December 2019 was as follows:

*As at 31 December 2020*

	<b>Overdue less than 90 days VND million</b>	<b>Overdue from 91 to 180 days VND million</b>	<b>Overdue from 181 to 360 days VND million</b>	<b>Overdue more than 360 days VND million</b>	<b>Total VND million</b>
Loans to customers	221,102	26,330	51,420	78,809	377,661

*As at 31 December 2019*

	<b>Overdue less than 90 days VND million</b>	<b>Overdue from 91 to 180 days VND million</b>	<b>Overdue from 181 to 360 days VND million</b>	<b>Overdue more than 360 days VND million</b>	<b>Total VND million</b>
Loans to customers	268,157	40,820	55,426	741,528	1,105,931
Investment securities	62,709	-	62,709	-	125,418
	330,866	40,820	118,135	741,528	1,231,349

These overdue loans were not impaired as they were secured by adequate collaterals.

*Financial assets that are impaired*

The aging of financial assets that are impaired as at 31 December 2020 and 31 December 2019 was as follows:

*As at 31 December 2020*

	<b>Not past due</b>	<b>Overdue less than 90 days</b>	<b>Overdue from 91 to 180 days</b>	<b>Overdue from 181 to 360 days</b>	<b>Overdue more than 360 days</b>	<b>Total</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
Loans to customers	-	1,584,764	390,562	482,524	265,330	2,723,180
Other financial assets	449,939	-	-	-	89,698	539,637
	449,939	1,584,764	390,562	482,524	355,028	3,262,817

*As at 31 December 2019*

	<b>Not past due</b>	<b>Overdue less than 90 days</b>	<b>Overdue from 91 to 180 days</b>	<b>Overdue from 181 to 360 days</b>	<b>Overdue more than 360 days</b>	<b>Total</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
Loans to customers	-	1,854,536	177,308	249,804	1,812,671	4,094,319
Other financial assets	567,348	-	-	-	88,323	655,671
	567,348	1,854,536	177,308	249,804	1,900,994	4,749,990

### 39. Liquidity risk

Liquidity risk arises from the Bank's funding activities in general and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The maturity term of assets and liabilities represents the remaining period from the date of the separate financial statements to the contractual maturity date of assets and liabilities.

The following assumptions and conditions are applied in the analysis of overdue status of the Bank's assets and liabilities:

- Balances with the SBV are classified as demand deposits which include compulsory deposits. The balance of compulsory deposits depends on the proportion and terms of the Bank's deposits from customers;
- The maturity term of investment securities is calculated based on the maturity date of each category of securities. In which, securities issued/guaranteed by the Government, despite the classification based on residual maturity, they are considered as liquid assets in the market that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value;
- The maturity term of balances with and credit granting to other CIs; and loans to customers is determined on the maturity date as stipulated in contracts. The actual maturity term may be altered because loan contracts may be extended/prepaid;
- The maturity term of equity investments is considered as more than five years because these investments do not have specific maturity date;
- The maturity term of deposits and borrowings from financial institutions and CIs and deposits from customers is determined based on features of these items or the maturity date as stipulated in contracts. Demand deposits are transacted as required by customers and therefore being classified as current accounts, however, a large proportion of these deposit types of customers remain stable at the Bank over one year. The maturity term of borrowings and term deposits is determined based on the maturity date in contracts. In fact, these amounts may be rotated and therefore they last beyond the original maturity date;
- The maturity term of fixed assets is determined on the remaining useful life of assets;
- The maturity term of valuable papers issued is calculated based on the maturity date of each category of valuable papers;
- The maturity term of other borrowings is determined on the maturity date as stipulated in contracts as at the reporting date of each contract;
- The maturity term of other liabilities is determined on the actual maturity date of each liability.

The table in the next page shows the analysis of assets and liabilities of the Bank according to their maturities as at 31 December 2020 and 31 December 2019:

As at 31 December 2020 (VND million)	Overdue		Current				Total	
	Up to 3 months	More than 3 months	Up to 1 month	From 1 to 3 months	From 3 to 12 months	More than 1 year to 5 years		More than 5 years
<b>Assets</b>								
Cash and gold on hand	-	-	3,663,615	-	-	-	-	3,663,615
Balances with the SBV	-	-	10,253,324	-	-	-	-	10,253,324
Balances with and loans to other CIs - gross	-	-	20,914,053	5,862,457	1,971,793	-	-	28,748,303
Securities held-for-trading - gross	-	-	450,001	400,000	1,991,728	1,488,578	4,027,140	8,357,447
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	-	-	-	-	-	137,411	4,027,140	4,164,551
Loans and advances to customers - gross	1,805,866	1,294,975	19,204,584	22,988,570	62,903,705	70,617,285	94,576,775	273,391,760
Investment securities - gross	-	-	1,300,847	882,707	20,359,770	43,014,937	16,478,331	82,036,592
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	-	-	350,426	302,335	4,509,626	6,507,610	15,139,958	26,809,955
Other long-term investments - gross	-	-	-	-	-	-	1,461,806	1,461,806
Fixed assets - net	-	-	2,647,643	853,357	372	917,456	148,371	4,567,199
Other assets - gross	-	89,698	8,517,930	5,802,982	6,836,115	1,309,939	440,684	22,997,348
<b>Total assets</b>	<b>1,805,866</b>	<b>1,384,673</b>	<b>66,951,997</b>	<b>36,790,073</b>	<b>94,063,483</b>	<b>117,348,195</b>	<b>117,133,107</b>	<b>435,477,394</b>
<b>Liabilities</b>								
Deposits and borrowings from other CIs	-	-	18,083,981	10,349,808	6,175,200	11,670,968	-	46,279,957
Deposits from customers	-	-	195,665,508	35,326,133	45,604,700	2,452,477	58,960	279,107,778
<i>In which: Demand deposits and marginal deposits</i>	-	-	129,172,748	114,859	297,921	35,537	-	129,621,065
Derivatives and other financial liabilities	-	-	54,712	200,124	76,743	(64,653)	-	266,926
Valuable papers issued	-	-	1,573,473	422,300	-	25,474,900	-	27,470,673
Other liabilities	-	-	8,376,078	861,506	1,080,949	551,286	3,803	10,873,622
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>223,753,752</b>	<b>47,159,871</b>	<b>52,937,592</b>	<b>40,084,978</b>	<b>62,763</b>	<b>363,998,956</b>
<b>Net liquidity gap</b>	<b>1,805,866</b>	<b>1,384,673</b>	<b>(156,801,755)</b>	<b>(10,369,798)</b>	<b>41,125,891</b>	<b>77,263,217</b>	<b>117,070,344</b>	<b>71,478,438</b>

As at 31 December 2019 (VND million)	Overdue		Current					Total
	Up to 3 months	More than 3 months	Up to 1 month	From 1 to 3 months	From 3 to 12 months	More than 1 year to 5 years	More than 5 years	
<b>Assets</b>								
Cash and gold on hand	-	-	4,820,627	-	-	-	-	4,820,627
Balances with the SBV	-	-	3,192,256	-	-	-	-	3,192,256
Balances with and loans to other CIs - gross	-	-	35,257,784	11,687,934	949,486	-	-	47,895,204
Securities held-for-trading - gross	-	-	535,821	157,927	1,227,868	1,327,507	6,803,840	10,052,963
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	-	-	185,821	-	-	85,498	6,603,280	6,874,599
Loans and advances to customers - gross	2,122,693	3,077,557	4,605,320	17,416,836	62,408,895	47,091,699	92,634,829	229,357,829
Investment securities - gross	62,709	62,709	497,954	646,287	20,808,703	23,597,335	17,893,678	63,569,375
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	62,709	62,709	350,545	306,288	3,592,940	8,056,297	14,548,977	26,980,465
Other long-term investments - gross	-	-	-	-	-	-	1,462,223	1,462,223
Fixed assets - net	-	-	644,692	976	12,836	364,312	2,134,177	3,156,993
Other assets - gross	-	88,323	4,688,042	3,967,462	6,325,418	3,893,735	565,658	19,528,638
<b>Total assets</b>	<b>2,185,402</b>	<b>3,228,589</b>	<b>54,242,496</b>	<b>33,877,422</b>	<b>91,733,206</b>	<b>76,274,588</b>	<b>121,494,405</b>	<b>383,036,108</b>
<b>Liabilities</b>								
Deposits and borrowings from other CIs	-	-	34,606,537	16,553,946	8,893,006	645,085	3,061	60,701,635
Deposits from customers	-	-	142,868,055	35,947,167	49,903,273	4,274,210	61,101	233,053,806
<i>In which: Demand deposits and marginal deposits</i>	-	-	80,667,415	163,158	495,159	54,297	-	81,380,029
Derivatives and other financial liabilities	-	-	62,233	137,742	196,801	37,232	-	434,008
Valuable papers issued	-	-	-	-	4,109,211	12,697,900	-	16,807,111
Other liabilities	-	-	7,803,351	967,852	1,247,810	624,020	4,400	10,647,433
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>185,340,176</b>	<b>53,606,707</b>	<b>64,350,101</b>	<b>18,278,447</b>	<b>68,562</b>	<b>321,643,993</b>
<b>Net liquidity gap</b>	<b>2,185,402</b>	<b>3,228,589</b>	<b>(131,097,680)</b>	<b>(19,729,285)</b>	<b>27,383,105</b>	<b>57,996,141</b>	<b>121,425,843</b>	<b>61,392,115</b>

## **40. Market risk**

### **(a) Interest rate risk**

Interest rate risk arises when there is a difference of term in repricing of interest rate between assets and liabilities. All loan activities, mobilisation activities, investment activities of the Banks create interest rate risk.

On the basis of the state of “interest rate sensitivity” according to periodic changes in interest rates, the items which are assets, equity and off-balance sheet assets are classified by terms into the table “interest gap” of the whole Bank.

Interest rate repricing terms for items with fixed interest rates are the remaining period until maturity date of assets, as for floating interest rates are the remaining period until the nearest repricing date.

The followings assumptions and conditions are applied when constructing “interest gap” table:

- Cash and gold, capital contribution, long-term investments, fixed assets, other receivables and other liabilities are classified as non-sensitive to interest rate items;
- Balances with the SBV, demand balances with other CIs are classified as non-sensitive to interest rate items;
- Interest rate repricing terms of securities held-for-trading and investment securities are based on the actual maturity date at the reporting date if such securities have a fixed interest rate or based on the nearest repricing date if such securities have a floating interest rate;
- Interest rate repricing of balances with and credit granting to other CIs; loans to customers; due from the Government and the SBV; deposits and borrowings from other financial institutions and CIs, deposits from customers are identified as follows:
  - Items with fixed interest rates for the duration of contract: interest rate repricing terms based on actual maturity date since reporting date of the separate financial statements;
  - Items with floating interest rates: interest rate repricing terms based on the nearest repricing date since the reporting date of the separate financial statements.
- Interest rate repricing terms of valuable papers issued based on the actual maturity date of each type of valuable papers if there is a fixed interest rate or the nearest repricing date if there is a floating interest rate;
- Interest rate repricing terms of other borrowings are based on actual maturity date at the reporting date of separate financial statement of each borrowing if the interest rate is fixed or based on the nearest repricing date if the interest rate is floating.

The following table presents assets and liabilities of the Bank based on the “interest gap” model as at 31 December 2020 and 31 December 2019.

**Vietnam Technological and Commercial Joint Stock Bank**  
**191 Ba Trieu Street, Le Dai Hanh Ward**  
**Hai Ba Trung District, Hanoi, Vietnam**  
**Notes to the separate financial statements for the year ended 31 December 2020 (continued)**

**Form B05/TCTD**  
*(Issued under Circular No.*  
*49/2014/TT-NHNN dated 31 December 2014*  
*of the State Bank of Vietnam)*

<b>As at 31 December 2020</b> <b>(VND million)</b>	<b>Overdue</b>	<b>Non-sensitive to interest rate</b>	<b>Up to 1 month</b>	<b>From 1 to 3 months</b>	<b>From 3 to 6 months</b>	<b>From 6 to 12 months</b>	<b>More than 1 year to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Assets</b>									
Cash and gold on hand	-	3,663,615	-	-	-	-	-	-	3,663,615
Balances with the SBV	-	10,253,324	-	-	-	-	-	-	10,253,324
Balances with and loans to other CIs - gross	-	6,985,539	13,928,514	5,862,457	1,971,793	-	-	-	28,748,303
Securities held-for-trading - gross	-	-	450,000	400,000	1,015,307	976,422	1,488,578	4,027,140	8,357,447
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	-	-	-	-	-	-	137,411	4,027,140	4,164,551
Loans and advances to customers - gross	3,100,841	-	128,228,278	75,603,153	21,480,113	18,552,464	24,039,485	2,387,426	273,391,760
Investment securities - gross	-	1,379,464	14,811,190	18,304,039	12,004,200	13,042,033	8,483,666	14,012,000	82,036,592
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	-	1,384,380	350,000	300,000	1,521,200	2,908,709	6,333,666	14,012,000	26,809,955
Other long-term investments - gross	-	1,461,806	-	-	-	-	-	-	1,461,806
Fixed assets - net	-	4,567,199	-	-	-	-	-	-	4,567,199
Other assets - gross	89,698	22,907,650	-	-	-	-	-	-	22,997,348
<b>Total assets</b>	<b>3,190,539</b>	<b>51,218,597</b>	<b>157,417,982</b>	<b>100,169,649</b>	<b>36,471,413</b>	<b>32,570,919</b>	<b>34,011,729</b>	<b>20,426,566</b>	<b>435,477,394</b>
<b>Liabilities</b>									
Deposits and borrowings from other CIs	-	882,329	17,155,147	21,847,810	5,398,497	571,163	422,398	2,613	46,279,957
Deposits from customers	-	-	196,238,683	35,165,752	31,983,609	13,262,379	2,399,446	57,909	279,107,778
<i>In which: Demand deposits and marginal deposits</i>	-	-	129,621,065	-	-	-	-	-	129,621,065
Derivatives and other financial liabilities	-	(147)	13,315,936	6,064,610	(3,388,118)	(2,487,757)	(13,237,598)	-	266,926
Valuable papers issued	-	-	1,908,973	5,382,300	5,031,000	700,000	14,448,400	-	27,470,673
Other liabilities	-	10,873,622	-	-	-	-	-	-	10,873,622
<b>Total liabilities</b>	<b>-</b>	<b>11,755,804</b>	<b>228,618,739</b>	<b>68,460,472</b>	<b>39,024,988</b>	<b>12,045,785</b>	<b>4,032,646</b>	<b>60,522</b>	<b>363,998,956</b>
<b>Interest sensitivity gap</b>	<b>3,190,539</b>	<b>39,462,793</b>	<b>(71,200,757)</b>	<b>31,709,177</b>	<b>(2,553,575)</b>	<b>20,525,134</b>	<b>29,979,083</b>	<b>20,366,044</b>	<b>71,478,438</b>

**Vietnam Technological and Commercial Joint Stock Bank**  
**191 Ba Trieu Street, Le Dai Hanh Ward**  
**Hai Ba Trung District, Hanoi, Vietnam**  
**Notes to the separate financial statements for the year ended 31 December 2020 (continued)**

**Form B05/TCTD**  
*(Issued under Circular No.*  
*49/2014/TT-NHNN dated 31 December 2014*  
*of the State Bank of Vietnam)*

As at 31 December 2019 (VND million)	Overdue	Non-sensitive to interest rate	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 1 year to 5 years	More than 5 years	Total
<b>Assets</b>									
Cash and gold on hand	-	4,820,627	-	-	-	-	-	-	4,820,627
Balances with the SBV	-	3,192,256	-	-	-	-	-	-	3,192,256
Balances with and loans to other CIs - gross	-	15,173,787	20,083,998	11,587,933	910,544	138,942	-	-	47,895,204
Securities held-for-trading - gross	-	-	535,821	157,927	779,559	960,729	1,015,647	6,603,280	10,052,963
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	-	-	185,821	-	-	-	85,498	6,603,280	6,874,599
Loans and advances to customers - gross	5,200,250	-	101,207,972	42,292,255	18,942,697	32,081,861	26,952,364	2,680,430	229,357,829
Investment securities - gross	125,418	1,288,227	14,673,190	14,839,304	3,632,709	5,030,242	10,290,228	13,690,057	63,569,375
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	125,418	1,296,179	350,000	305,714	2,052,709	1,520,160	7,640,228	13,690,057	26,980,465
Other long-term investments - gross	-	1,462,223	-	-	-	-	-	-	1,462,223
Fixed assets - net	-	3,156,993	-	-	-	-	-	-	3,156,993
Other assets - gross	88,323	19,440,315	-	-	-	-	-	-	19,528,638
<b>Total assets</b>	<b>5,413,991</b>	<b>48,534,428</b>	<b>136,500,981</b>	<b>68,877,419</b>	<b>24,265,509</b>	<b>38,211,774</b>	<b>38,258,239</b>	<b>22,973,767</b>	<b>383,036,108</b>
<b>Liabilities</b>									
Deposits and borrowings from other CIs	-	6,416,010	28,190,526	16,553,946	8,584,377	308,630	645,085	3,061	60,701,635
Deposits from customers	-	-	144,975,108	35,762,392	32,233,184	16,871,104	3,197,347	14,671	233,053,806
<i>In which: Demand deposits and marginal deposits</i>	-	-	81,380,029	-	-	-	-	-	81,380,029
Derivatives and other financial liabilities	-	-	19,722,421	4,713,084	(2,222,793)	(3,127,042)	(18,651,662)	-	434,008
Valuable papers issued	-	-	1,727,600	2,642,900	1,584,300	157,713	10,694,598	-	16,807,111
Other liabilities	-	10,647,433	-	-	-	-	-	-	10,647,433
<b>Total liabilities</b>	<b>-</b>	<b>17,063,443</b>	<b>194,615,655</b>	<b>59,672,322</b>	<b>40,179,068</b>	<b>14,210,405</b>	<b>(4,114,632)</b>	<b>17,732</b>	<b>321,643,993</b>
Interest sensitivity gap	5,413,991	31,470,985	(58,114,674)	9,205,097	(15,913,559)	24,001,369	42,372,871	22,956,035	61,392,115

*Interest rate sensitivity*

The following table estimates the sensitivity of profit before tax and equity of the Bank assuming that there is an increase in lending and funding interest rate. The result is reversed if assuming that there is a decrease in lending and funding interest rate:

*As at 31 December 2020*

Currency	Increase in interest rate	Increase/(Decrease)	
		Profit before tax for year ended 31/12/2020 VND million	Equity as at 31/12/2020 VND million
VND	3.00%	4,960,210	3,968,168
USD	1.50%	(69,869)	(55,895)

*As at 31 December 2019*

Currency	Increase in interest rate	Increase/(Decrease)	
		Profit before tax for the year ended 31/12/2019 VND million	Equity as at 31/12/2019 VND million
VND	3.00%	3,499,888	2,799,910
USD	1.50%	(107,159)	(85,727)

**(b) Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank was incorporated and operates in Vietnam with VND as its reporting currency. The major currency in which the Bank transacts is VND. The Bank's assets - liabilities structure included different types of currencies (such as USD, EUR, AUD, ect), which is the main cause of currency risk. The Bank has set limits on positions by currency based on internal risk assessment process and regulations of the SBV. Currency positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

As at 31 December 2020 (VND million)	USD equivalent	EUR equivalent	Gold equivalent	Other currencies equivalent	Total
<b>Assets</b>					
Cash and gold on hand	151,060	45,575	5,083	53,309	255,027
Balances with the SBV	21,849	-	-	-	21,849
Balances with and loans to other CIs - gross	11,430,274	486,004	-	482,979	12,399,257
Loans and advances to customers - gross	13,016,773	-	-	-	13,016,773
Other assets - gross	10,230,806	631,012	-	1,077,398	11,939,216
	34,850,762	1,162,591	5,083	1,613,686	37,632,122
<b>Liabilities</b>					
Deposits and borrowings from other CIs	24,308,686	631,022	-	1,076,331	26,016,039
<i>In which: UPAS L/C (Usance payable at sight letters of credit)</i>	9,833,605	631,012	-	1,076,331	11,540,948
Deposits from customers	11,222,868	517,355	-	489,008	12,229,231
Derivatives and other financial liabilities	(5,330,254)	2,972	-	7,478	(5,319,804)
Other liabilities	605,286	13,841	-	9,079	628,206
	30,806,586	1,165,190	-	1,581,896	33,553,672
FX position on-balance sheet	4,044,176	(2,599)	5,083	31,790	4,078,450
FX position off-balance sheet	1,391,203	(5,671)	-	13,339	1,398,871
Total FX position on and off-balance sheet	5,435,379	(8,270)	5,083	45,129	5,477,321

As at 31 December 2019 (VND million)	USD equivalent	EUR equivalent	Gold equivalent	Other currencies equivalent	Total
<b>Assets</b>					
Cash and gold on hand	239,241	64,143	12,836	107,983	424,203
Balances with the SBV	1,322	-	-	-	1,322
Balances with and loans to other CIs - gross	13,748,109	467,767	-	304,615	14,520,491
Loans and advances to customers - gross	11,912,935	-	-	-	11,912,935
Other assets - gross	5,760,921	540,759	-	2,650,140	8,951,820
	31,662,528	1,072,669	12,836	3,062,738	35,810,771
<b>Liabilities</b>					
Deposits and borrowings from other CIs	23,801,711	540,740	-	2,637,752	26,980,203
<i>In which: UPAS L/C (Usance payable at sight letters of credit)</i>	5,456,037	540,730	-	2,637,752	8,634,519
Deposits from customers	10,720,334	530,572	-	596,931	11,847,837
Derivatives and other financial liabilities	(4,873,955)	(7,281)	-	(208,188)	(5,089,424)
Other liabilities	1,428,930	4,663	-	43,403	1,476,996
	31,077,020	1,068,694	-	3,069,898	35,215,612
FX position on-balance sheet	585,508	3,975	12,836	(7,160)	595,159
FX position off-balance sheet	(4,528,156)	-	-	24,413	(4,503,743)
Total FX position on and off-balance sheet	(3,942,648)	3,975	12,836	17,253	(3,908,584)

*Interest rate sensitivity*

Assuming that all variables remain constant, the following table shows the effects on profit before tax and equity of the Bank due to possible changes in exchange rates. The risk due to changes in exchange rates of other currencies of the Bank is insignificant.

*As at 31 December 2020*

Currency	Increase in exchange rate	Increase/(Decrease)	
		Profit before tax for the year ended 31/12/2020 VND million	Equity as at 31/12/2020 VND million
USD	1.00%	54,354	43,483
EUR	1.00%	(83)	(66)
Gold	3.00%	152	122

*As at 31 December 2019*

Currency	Increase in exchange rate	Increase/(Decrease)	
		Profit before tax for the year ended 31/12/2019 VND million	Equity as at 31/12/2019 VND million
USD	1.00%	(39,426)	(31,541)
EUR	1.00%	40	32
Gold	3.00%	385	308

## 41. Disclosure of financial instruments

### Fair value disclosure

Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 requires disclosing on fair value determination method and fair value of financial assets and financial liabilities to have a comparison between fair value and carrying value.

The following table sets out the carrying value and fair value of the Bank's financial assets and financial liabilities in case such values are identifiable:

As at 31 December 2020 (VND million)	Carrying value						Fair value
	<i>Fair value through profit and loss</i>	<i>Held-to-maturity</i>	<i>Loans and receivables</i>	<i>Available for sale</i>	<i>Other assets/(liabilities) at amortised cost</i>	<i>Total carrying value</i>	
<b>Financial assets</b>							
Cash and gold on hand	-	-	3,663,615	-	-	3,663,615	3,663,615
Balances with the SBV	-	-	10,253,324	-	-	10,253,324	(*)
Balances with and loans to other CIs - gross	-	-	28,748,303	-	-	28,748,303	(*)
Securities held-for-trading - gross	8,357,447	-	-	-	-	8,357,447	(*)
Loans and advances to customers - gross	-	-	273,391,760	-	-	273,391,760	(*)
Available-for-sale securities - gross	-	-	-	81,836,592	-	81,836,592	(*)
Held-to-maturity securities - gross	-	200,000	-	-	-	200,000	(*)
Other long-term investments	-	-	-	11,806	-	11,806	(*)
Other financial assets	-	-	22,997,348	-	-	22,997,348	(*)
	8,357,447	200,000	339,054,350	81,848,398	-	429,460,195	
<b>Financial liabilities</b>							
Deposits and borrowings from other CIs	-	-	-	-	46,279,957	46,279,957	(*)
Deposits from customers	-	-	-	-	279,107,778	279,107,778	(*)
Derivatives and other financial liabilities	266,926	-	-	-	-	266,926	(*)
Valuable papers issued	-	-	-	-	27,470,673	27,470,673	(*)
Other financial liabilities	-	-	-	-	10,873,622	10,873,622	(*)
	266,926	-	-	-	363,732,030	363,998,956	

(\*) The Bank has not determined the fair value of these items due to Vietnamese Accounting Standard, Vietnamese Accounting System for CIs lack of detailed guidance on fair value when using valuation model. Fair value of these financial instruments might be different from book value.

As at 31 December 2019 (VND million)	Carrying value						Fair value
	<i>Fair value through profit and loss</i>	<i>Held-to-maturity</i>	<i>Loans and receivables</i>	<i>Available for sale</i>	<i>Other assets/(liabilities) at amortised cost</i>	<i>Total carrying value</i>	
<b>Financial assets</b>							
Cash and gold on hand	-	-	4,820,627	-	-	4,820,627	4,820,627
Balances with the SBV	-	-	3,192,256	-	-	3,192,256	(*)
Balances with and loans to other CIs - gross	-	-	47,895,204	-	-	47,895,204	(*)
Securities held-for-trading - gross	10,052,963	-	-	-	-	10,052,963	(*)
Loans and advances to customers - gross	-	-	229,357,829	-	-	229,357,829	(*)
Available-for-sale securities - gross	-	-	-	63,367,369	-	63,367,369	(*)
Held-to-maturity securities - gross	-	202,006	-	-	-	202,006	(*)
Long-term investments	-	-	-	12,223	-	12,223	(*)
Other financial assets	-	-	15,129,041	-	-	15,129,041	(*)
	10,052,963	202,006	300,394,957	63,379,592	-	374,029,518	
<b>Financial liabilities</b>							
Deposits and borrowings from other CIs	-	-	-	-	60,701,635	60,701,635	(*)
Deposits from customers	-	-	-	-	233,053,806	233,053,806	(*)
Derivatives and other financial liabilities	434,008	-	-	-	-	434,008	(*)
Valuable papers issued	-	-	-	-	16,807,111	16,807,111	(*)
Other financial liabilities	-	-	-	-	8,091,354	8,091,354	(*)
	434,008	-	-	-	318,653,906	319,087,914	

(\*) The Bank has not determined the fair value of these items due to Vietnamese Accounting Standard, Vietnamese Accounting System for CIs lack of detailed guidance on fair value when using valuation model. Fair value of these financial instruments might be different from book value.

## 42. Profit movements

The separate profit after tax for the year ended 31 December 2020 of the Bank increased by VND2,072,059 million equivalent to an increase of 23.90% compared to the year ended 31 December 2019 due to the following reasons:

	<b>Profit after tax VND million</b>
<b>Increase/(decrease) of profit after tax as a result of:</b>	
Increase in net interest income	4,167,616
Increase in net fee and commission income	242,544
(Decrease) in net gain from trading of foreign currencies	(103,836)
(Decrease) in net gain from trading of securities held-for-trading	(76,535)
Increase in net gain from investment securities	191,798
Increase in net gain from other activities	403,183
Increase in income from investments in other entities	526,575
Increase in operating expenses	(1,177,579)
Increase in allowance expenses for credit losses	(1,689,033)
Increase in corporate income tax expenses	(412,674)
	<hr/>
Increase in profit after tax	2,072,059
	<hr/>

## 43. Comparative figure

Some comparative figures have been reclassified to conform to the current financial reporting requirements, The table compares the figures presented in the previous year, before and after reclassification as follows:

	<b>2019 VND million (As reclassified)</b>	<b>2019 VND million (As previously stated)</b>
<b>Separate statement of income</b>		
Interest and similar income	24,731,540	24,727,344
Interest and similar expenses	(10,728,990)	(10,724,794)
	<hr/>	<hr/>
<b>Separate statement of cash flows</b>		
Interest and similar income received	25,393,123	25,388,927
Interest and similar expenses paid	(10,833,374)	(10,829,178)
	<hr/>	<hr/>

#### **44. Other events**

In 2020, Vietnam's economy and society were dramatically affected by the Covid-19 pandemic.

The Covid-19 pandemic was initially recognised in Vietnam on 23 January 2020, Vietnam Government has performed significant control measures including the social distancing initiated on 1 April 2020. On 23 April 2020, Vietnam basically ceased social distancing and domestic economic and social activities have gradually resumed their normal course. However, the number of infected cases in the world has increased constantly. The Covid-19 pandemic has significantly impacted business operations of multiple enterprises in different sectors. On 28 January 2021, the Covid-19 pandemic broke out again in Quang Ninh and Hai Duong, and tended to spread to other provinces. The Covid-19 pandemic greatly affected the business activities of many enterprises in many different industries.

During the year ended 31 December 2020, the Bank restructured loan repayment periods, offered exemption/reduction of interest/fees to and kept loan groups unchanged for Covid-19 affected customers according to Circular 01.

#### 45. Exchange rates of some currencies at the balance sheet date

The followings were the significant foreign exchange rates applied by the Bank:

	Exchange rate as at	
	31/12/2020 VND	31/12/2019 VND
AUD	17,797	16,006
CAD	17,861	17,760
CHF	26,192	23,927
CNY	3,528	3,328
DKK	3,811	3,477
EUR	28,356	25,976
GBP	31,546	30,452
HKD	2,977	2,976
JPY	224	213
NOK	2,708	2,635
SEK	2,828	2,481
SGD	17,458	17,002
THB	769	755
USD	23,080	23,173
XAU	5,567,500	4,235,000

15 March 2021

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