



2020 LEADER'S COURAGE

Annual
Report
2020

2020

**LEADER'S
COURAGE**

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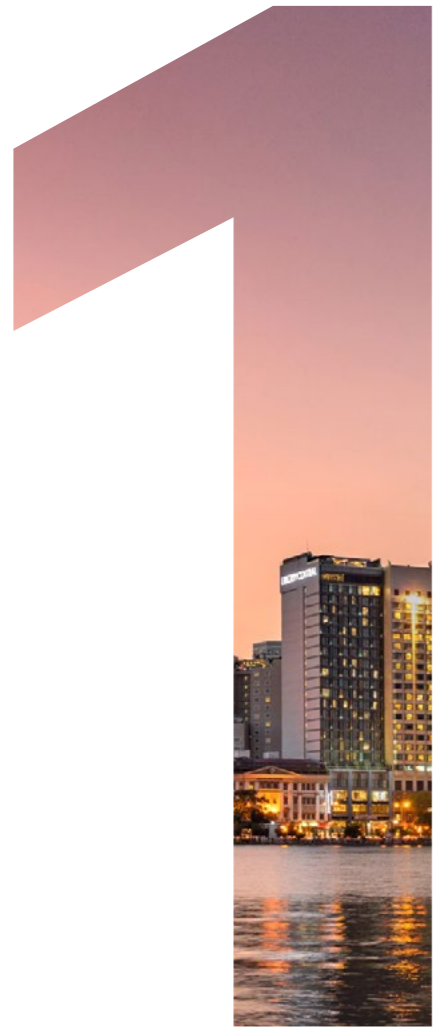


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CONSISTENT MIND

CHAPTER 1

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MESSAGE FROM CHAIRMAN AND CEO



Thanks to the Party's appropriate policies and the Government's drastic, flexible, and responsive governance, Vietnam successfully accomplished the dual mission of effectively fighting and preventing the pandemic and natural disasters while ensuring the major balances, macro stability, social security.

**Chairman of the Board of Directors
NGHIEM XUAN THANH**

2020 was a year of obstacles and challenges for the world economy as the COVID-19 outbreak interrupted supply chains, delayed production and business, as well as decreased consumption. Vietnam was no exception, facing even more challenges as a result of unusually severe natural disasters. Thanks to the Party's appropriate policies and the Government's drastic, flexible, and responsive governance, Vietnam successfully accomplished the dual mission of effectively fighting and preventing the pandemic and natural disasters while ensuring the major balances, macro stability, social security (GDP increased by 2.9% with inflation of 2.3%) and became a rare bright spot of growth in the world gloomy economic picture.

Contributing to the country's overall achievement, the banking industry has achieved numerous accomplishments in governing the monetary policy and banking operations in the context of complex international financial market: Liquidity of Credit Institutions is stable; Foreign exchange market is stable, the exchange rate is governed in a responsive and flexible manner; Lending interest rate continues to decrease and is currently at the lowest level for the last few decades; The growth of credit is suitable with the governing policy and represents great effort of the banking industry when the economy's capital absorption ability is low. The accomplishments of the banking industry have made essential contributions to the macroeconomic stability, inflation management, and maintenance of growth momentum for the economy.

Adhering to the Party's policies, Government's governing orientation, and State Bank's direction, consistent with the established strategic objective with the highest effort, responsibility, and determination, Vietcombank has overcome all difficulties and challenges to have a successful 2020 with many impressive results.

Shift business model to prioritize safety and efficiency while reducing operating expenses, actively lead efforts to support businesses and people affected not only by the COVID-19 pandemic but also storms and subsequent flooding in Central Vietnam via decision to cut fees/interest rates and restructure loan, through an unprecedented five interest rates reduction campaigns totaling VND 3,700 billion.

MESSAGE FROM CHAIRMAN AND CEO

The entire Vietcombank network continues to make the effort, stay united to overcome those difficulties and challenges together, seize opportunities, and gather all resources with the highest sense of responsibility to steer Vietcombank in accomplishing the “Sail the vast sea” journey.

**Chief Executive Officer
PHAM QUANG DZUNG**

Highest credit growth (14%) and lowest NPL ratio among credit institutions. With outstanding business efficiency, Vietcombank continues to retain its position as the most profitable bank and the biggest contributor to the State budget. Vietcombank has also risen to the top spot in terms of market capitalization on the Vietnamese stock market (~ USD 17 billion).

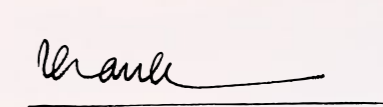
The bank innovated and made breakthroughs in digital banking operation, successfully launched a new Core Banking System – Core Banking Signature, introduced a completely new digital banking service – VCB Digibank, the two most notable banking digitalization projects in 2020.

The retail banking model has been comprehensively transformed with a view to become the number one retail bank in Vietnam.

The Social Security activities was enhanced, affirming the image of a Green Bank for the community with nearly VND 400 billion to support the country in fighting the pandemic, helping people stabilize their lives after natural disasters, pandemic, making positive contributions to the education, medicine, hunger eradication and poverty reduction, etc. across the country.

The above achievements are the result of synchronized, consistent strategy orientation, efforts, courage, intelligence, and the unity of the Vietcombank’s Board of Management and entire officers and employees of the bank; the increasingly solid companionship and cooperation of millions of valued customers, tens of thousands of valued shareholders who trust and engage with Vietcombank.

As we begin a new development period of 2021–2025, new socioeconomic and banking operation trends bring not only opportunities but also difficulties and challenges. The entire Vietcombank network continues to make effort, stay united to overcome those difficulties and challenges together, seize opportunities, and gather all resources with the highest sense of responsibility to steer Vietcombank in accomplishing the “Sail the vast sea” journey.



Chairman of the Board of Directors
NGHIEM XUAN THANH



Chief Executive Officer
PHAM QUANG DZUNG

GENERAL INFORMATION

TRADING NAME:

Name in Vietnamese:

**NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN NGOẠI
THƯƠNG VIỆT NAM.**

Name in English:

**JOINT STOCK COMMERCIAL BANK FOR FOREIGN
TRADE OF VIET NAM.**

Trading name: VIETCOMBANK

Abbreviated name: VIETCOMBANK

License of Establishment and Operation

**No. 138/GP-NHNN issued by State Bank of Vietnam,
dated May 23rd, 2008.**

CERTIFICATE OF BUSINESS REGISTRATION:

Tax code: 0100112437

Certificate of Business Registration No. 0103024468 issued
by Ha Noi Department of Planning and Investment dated
June 02nd, 2008 (first registration)

13th Amendment issued on January 16th, 2019

CHARTER CAPITAL (OWNER'S EQUITY):

37.088.774.480.000 VND

In word: Thirty seven thousand and eighty eight billion,
seven hundred and seventy four million, four hundred
and eighty thousand dong

TICKER SYMBOL: VCB

Par value: VND10,000

Number of shares: 3,708,877,448

Address: No. 198 Tran Quang Khai Str., Ly Thai To Ward,
Hoan Kiem Dist., Ha Noi, Vietnam

Phone number: 84 - 24 - 3934 3137

Fax: 84 - 24 - 3826 9067

Website: www.vietcombank.com.vn

CHARTER CAPITAL (VND BILLION)

37.089



VIETCOMBANK PROFILE

JSC Bank for Foreign Trade of Vietnam, formerly known as Bank for Foreign trade of Vietnam, was established on April 01st, 1963 from the Foreign Exchange Bureau (of the State Bank of Vietnam).



Being the first state commercial bank chosen for pilot privatization by the Government, Joint Stock Commercial Bank for Foreign Trade of Vietnam officially came into operation on June 2nd, 2008 after the successful implementation of the equitization plan through initial public offering. On June 30th, 2009, Vietcombank (ticker symbol: VCB) was officially listed on Ho Chi Minh City Stock Exchange.

During its 58 years of growth and development, Vietcombank has contributed significantly to the stability and growth of national economy, upholding the role of a major foreign trade bank in facilitating efficient domestic economic growth as well as expanding influence within the regional and global financial community.

Originated as a specialized bank for foreign trade, Vietcombank nowadays has become a multiple sector bank, providing customers with a wide range of leading financial services in international trade; traditional services such as capital trading, capital mobilization, credit, project financing...etc., and modern banking segment such as forex trading and derivatives, card services, e-banking and so on.

Owning the modern banking technical infrastructure with the successful transformation of the core banking system (Core Banking) in the early 2020, Vietcombank has many advantages

of applying advanced technology into the automatic banking system, products development, e-banking services, based on its high technology foundation. The digital transaction space with the multi-utility digital banking services provided to retail and commercial customers such as: VCB Digibank, VCB Pay, VCB – iB@nking, VCB CashUp, etc. have always been a point of attraction for customers due to its convenience, speed, safety, efficiency, thereby promoting wider adoption of non-cash payments.

After more than a half-century operating in the market, Vietcombank, one of the biggest commercial banks in Vietnam, currently has approximately 600 branches/transaction offices/representative offices/Affiliates both in Vietnam and abroad including: Head quarter in Hanoi; 116 Branches; 474 transaction offices; 04 domestic Subsidiaries (Leasing Company, Securities Company, Remittance Company, Vietcombank Tower 198); 03 overseas Subsidiaries (Vinafico Hongkong Company, VCB Money Inc., a Subsidiary bank in Laos); 01 Representative Office in Ho Chi Minh City; 01 Representative Office in Singapore, 01 Representative Office in the USA; 03 Non-business units: Human Resources Development and Training School; 01 Cash Treatment Center in Hanoi, and 01 Cash Treatment Center in HCMC; 03 joint ventures and associates. Vietcombank currently employs over 20,000 people.

In addition, Vietcombank has also developed an Autobank system with over 2,500 ATM and more than 60,000 merchants accepting card payments across the country. The banking operations are also supported by a network of 1,249 correspondent banks in 102 countries and territories in the world.

Vietcombank's team of professional employees with solid background in banking and finance and a good sense for modern and integrated business environment. Thanks to their contribution, Vietcombank remains the primary choice for large corporations, domestic and foreign enterprises as well as millions individual customers.

Heading towards international standards, Vietcombank has been continuously rated as "Best Bank in Vietnam" by global prestigious organizations. Vietcombank is also the first and only bank in Vietnam voted among Top 500 world's leading banks by The Banker; the only bank of Vietnam among Top 30 Strongest Banks in Asia – Pacific region according to The Asian Banker rankings; and the only representative of Vietnam among the Forbes' Top 1,000 The World's Largest Public Companies at the rank of 937. In 2020, in the list of "100 Vietnam best places to work" (announced by Anphabe – a pioneer in consulting employer branding solutions and happy working environment in Vietnam and Intage – a leading market research company in Japan), Vietcombank was ranked the

No. 1 in banking industry, No. 2 in Vietnam market, maintaining its leading position for 5 consecutive years as the bank with the best working environment in Vietnam. With great determination and high dedication, Vietcombank staff has been constantly striving for a more and more sustainable Vietcombank with the objectives to firmly keep the position as the leading bank in Vietnam towards 2025; to become one of 100 largest banks in Asia; one of 300 largest banking and financial corporations in the world; one of 1,000 global largest public companies; and to contribute significantly to the development of Vietnam.

TOP 01 WORKING ENVIROMENT
IN BANKING INDUSTRY

TOP 30 STRONGEST BANKS IN
ASIA – PACIFIC REGION

ESTABLISHMENT AND DEVELOPMENT HISTORY

The Joint Stock Commercial Bank for Foreign Trade of Viet Nam is the most established and prestigious bank in Vietnam.

1963

- Established on April 01st, 1963, known as Bank for Foreign Trade of Vietnam span off from the Foreign Exchange Bureau of the State Bank of Vietnam

1990

- Officially transforming into state commercial bank

2007

- Pioneering in piloting equitization in accordance with the Government's policy, succeeded in initial public offering

2009

- Officially listed on Ho Chi Minh City Stock Exchange

2011

- Signing a strategic shareholders agreement with Mizuho Corporate Bank Ltd., (Japan)

2013

- Launching a new brand identity

2018

- Celebrating 55th anniversary of establishment, affirming the position of No. 1 bank in Vietnam in terms of profit, business efficiency, and many aspects of operation
- Establishing a subsidiary bank in Laos

2019

- The only bank of Vietnam in the list of 1,000 global public companies
- Opening Representative Office in New York – USA (as approved by the Federal Reserve Board)

2020

- Best bank in Vietnam
- Retaining the No. 1 position in banking industry in terms of quality and operating performance
- Pioneering in implementing the Policies of the Government and the State Bank of Vietnam; effectively supporting people and businesses affected by the Covid-19
- Approved to establish a banking branch in Australia (in accordance with the approval decision of the Prime Minister on August 18th, 2020)

SERVICES AND BUSINESS NETWORK

BANKING SERVICES

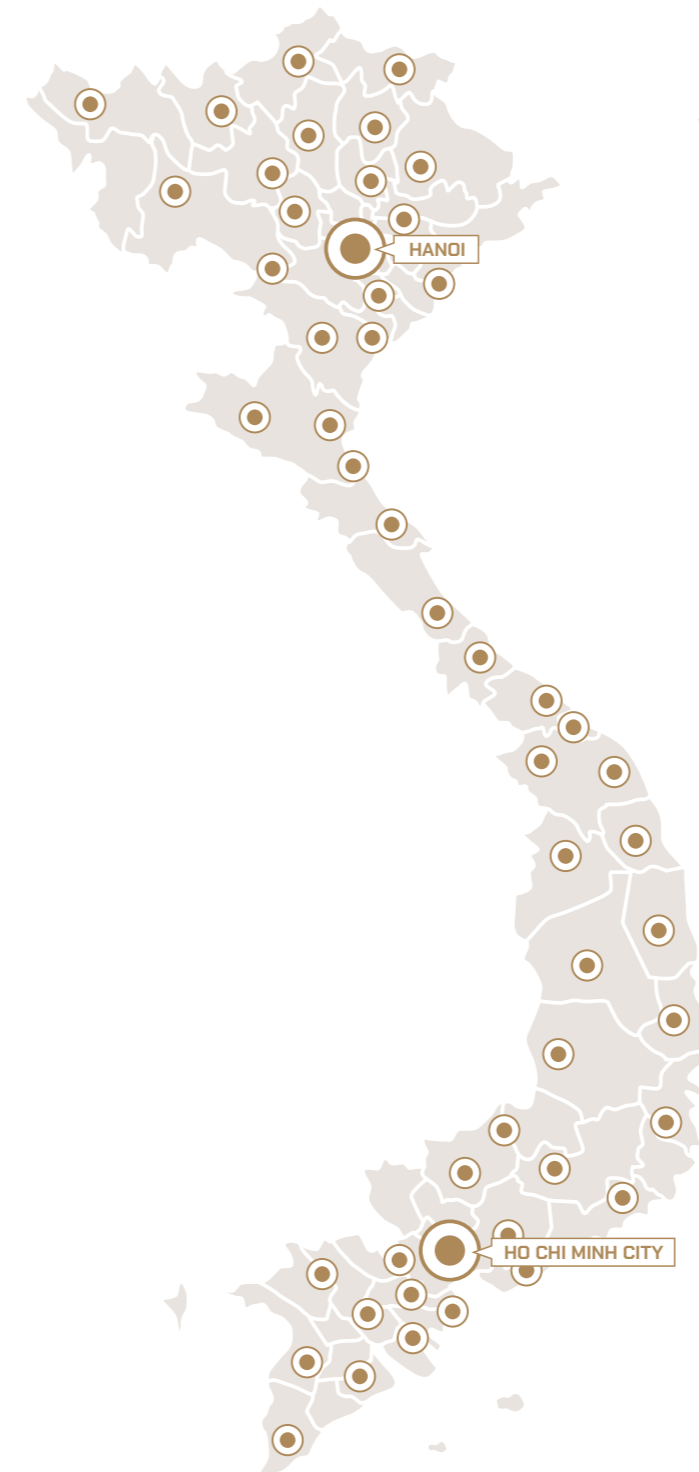
- Deposits;
- Loans;
- Discounting, re-discounting of bills and other valuable papers;
- Guarantees;
- Domestic and foreign factoring;
- Credit cards;
- Other forms of credit grant in accordance with legal regulations;
- Settlement and banknotes;
- Foreign exchange in domestic and international markets in accordance with relevant regulations;
- Correspondent banking;
- Commodity price derivatives within the scope prescribed by the State Bank of Vietnam;
- Other services as per the bank's Business Registration.



BRANCH NETWORK COVERAGE

As at December 31st, 2020, Vietcombank has 116 Branches with 474 transaction offices operating in 56/63 provinces and cities across the country: 26 branches in the North (22.4%); 15 branches in Hanoi (12.9%); 15 branches in Northern-Central (12.9%); 13 branches in the Southern-Central and Highland Regions (11.2%); 18 branches in Ho Chi Minh City (15.6%); 14 branches in Eastern-Southern Region (12.1%); and 15 branches in the Western-Southern Region (12.9%).

Vietcombank maintains correspondent relationships of 1,249 correspondent banks in 102 countries and territories worldwide.



116
BRANCHES

56/63
PROVINCES AND CITIES

474
TRANSACTION
OFFICES

1.249
CORRESPONDENT
BANKS

HOÀNG SA

15
BRANCHES IN HANOI

18
BRANCHES IN
HO CHI MINH CITY

TRƯỜNG SA

10 NOTABLE EVENTS OF VIETCOMBANK IN 2020

In 2020, the outbreak of COVID-19 pandemic on a global scale had significant impact on every aspect of the economic and social life in the country.

The banking industry was no exception. During that difficult time, responding to the call of the General Secretary, the President, and direction of the Government, the State Bank of Vietnam, and the Party Committee of Central Enterprises' Bloc, Vietcombank made every effort and commitment to successfully fulfill the "dual missions", which was to ensure the continuous, safe, effective business activities; while cooperating with the whole country in drastically preventing and fighting the pandemic and sharing, accompanying with businesses and customers to overcome the difficulties, contributing to the quick and stable recovery, economic and social development of the country under the new normal.

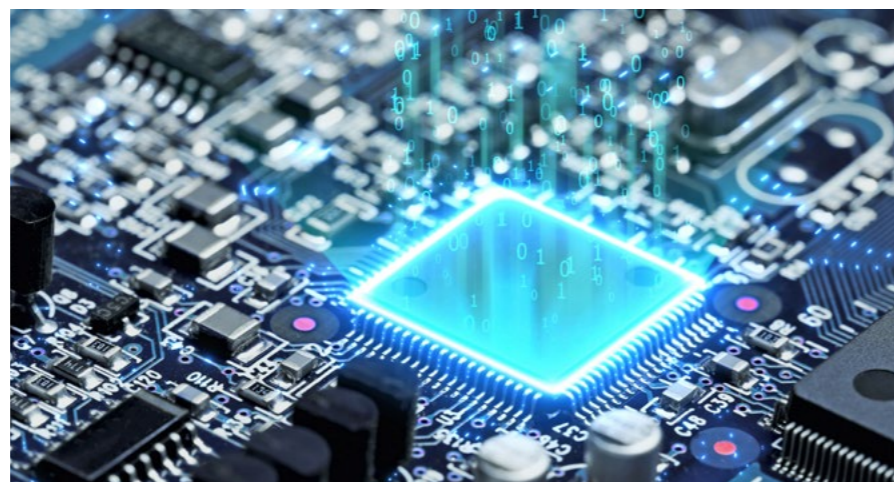
Below are 10 notable events of Vietcombank in 2020 – the bright spots in a year full of hardship.

01

Successfully launching the new Core Banking System – Core Banking Signature, implementing many high technology projects to improve the operating and governing capacity in accordance with international best practices

Vietcombank has officially provided services in the new Core Banking system since January 27th, 2020 (3rd day of the Lunar New Year of the Mouse). The implementation of the new Core Banking system plays a crucial role for Vietcombank, enabling the diversification in products and services provided to customers, particularly products and services on digital platform.

Also in 2020, Vietcombank put into operation many new hi-tech systems such as: Multi-dimensional Profitability Analysis (MPA), Human resources management (HCM), etc. and launched many transformation projects, applying modern technology to improve the operation and management capacity in accordance with international best practices such as Treasury, ALM.FTP, IFRS9, PCM, etc.



02

Pioneering in reducing interest rates and fees to support businesses and people with record times and amount of reduction

With a proactive and determined spirit in joining hands to support people and businesses directly and indirectly affected by the COVID-19 pandemic, floods and storms in the Central provinces, Vietcombank implemented various solutions to help customers such as waiver and reduction of interest, fees; restructuring repayment due; rolling out new loan schemes to help customers recover their production and business activities; implementing credit facilities with reasonable interest rates to assist customers.

In 2020, Vietcombank offered 5 interest rate reductions, in which 4 to support businesses and people affected by the COVID-19 pandemic and 1 to aid businesses and people in 10 Central provinces impacted by floods and storms so as to help reduce the difficulties for customers with a total amount of reduced interest of up to VND 3,700 billion.



03

Highest credit growth within banking industry

At the end of 2020, Vietcombank's outstanding loans reached VND 845,128 billion, increasing by 14% compared to 2019, fulfilling 103.6% of the annual plan, in which there were fields of remarkable growth such as: Retail credit with high growth, reached 20.4%. Loan disbursement at transaction office increased by 25.3% compared to the end of 2019. FDI outstanding loans rose by 16.7% compared to the end of 2019.

With the growth scale of over VND 100,000 billion of outstanding loans in 2020, Vietcombank achieved the highest credit growth within the banking industry.

OUTSTANDING LOANS REACH
845.128 VND BILLION
UP 14% AGAINST 2019



04

Bank of the best credit quality with the lowest NPL ratio in the market

Effective risk management has allowed Vietcombank to maintain a notably low NPL ratio for many years. At the end of 2020, the NPL ratio was only 0.62%. This result continued to enable Vietcombank to be the credit institution with the lowest NPL ratio and best asset quality among all Vietnamese credit institutions.

Meanwhile, Vietcombank is also the bank with the highest loan loss reserve ratio among the credit institutions with the ratio of approximately 380%, which means that every VND 100 of nonperforming loan are covered by VND 380 of reserve. This guaranteed the safety, certainty and stable operation for the system against risks and uncertainties of the market.



05

Transforming the business model of the Retail Banking Division, striving to become the No. 1 Retail Bank in Vietnam

With the aim at the No. 1 bank in terms of customer's satisfaction, providing the most advanced digital experiences, bringing about convenience and confidence for customers, Vietcombank had implemented the project of Transforming the Retail Banking business model (RTOM) to comprehensively transform the retail business, with the throughout orientation to focus on customers, and aim for their satisfactory digital experience and engagement.

On that basis, Vietcombank had reorganized the departments and rearranged the staff of the Retail Division in a streamlined, effective manner in line with the functions of each business department. In 2020, many retail products and services were introduced by Vietcombank to customers.



06

Securing the position of outstanding bank in terms of business efficiency, first time to become the listed company with the largest capitalization in stock market

TO THE TOP SPOT IN TERMS
370.000 VND BILLION
MARKET CAPITALIZATION ON THE
VIETNAMESE STOCK MARKET

Overcoming countless difficulties and challenges, Vietcombank's business operations still ensured the safety, efficiency and became a bright spot in the entire banking industry. In addition to positive credit growth while still ensuring credit quality and low NPL ratio, the growth momentum of other operating aspects was remained:

- Total assets exceeded VND 1.3 million billion, increasing by 8.5% compared to 2019.
- Deposits of first market reached VND 1,053,354 billion, increasing by 10.9% compared to 2019, fulfilling 104.6% of 2020 plan.
- Recovery of written-off loans reached VND 2,422 billion.
- International payment and trade finance turnover reached USD 83 billion, fulfilling 101% of 2020 plan, continued to remain the leading position with 15.3% of market share.
- FX transaction volume reached USD 53.6 billion, fulfilling 102.5% of 2020 plan.
- Card payment and card usage volume reached 100% and 98% of 2020 plan, respectively.
- Developed 2.85 million new E-banking customers and 1.67 million new individual customers, increasing by 21.8% and 3.1% respectively compared to 2019.
- Consolidated profit reached over VND 23 trillion, equivalent to 2019 and equivalent to USD 1 billion, continued to remain the leading role as the most efficient bank.

With outstanding business efficiency, Vietcombank continues to retain its position as the most profitable bank and the biggest contributor to the State budget. Vietcombank has also risen to the top spot in terms of market capitalization on the Vietnamese stock market (~ VND 370 trillion, equivalent to USD 16 billion).



07

Making breakthrough in digital banking operation, becoming a banking digitalization model in 2020

In 2020, Vietcombank officially introduced the completely new a digital banking service, i.e. VCB DigiBank, with integrated multi-channel payment developed on the consolidation of individual transaction platforms for internet banking and mobile banking, providing seamless and consistent experience to customers on both electronic means and mobile devices. Vietcombank is also the bank pioneering in the provision of online payment solution for services on the National Public Service Portal.

With the breakthrough digitalization innovations in the application of remarkable technology achievements to provide customers with modern, quick, convenient, safe, and secure payment, Vietcombank was honored as the typical model of banking digitalization in 2020.



08

Successfully holding the 4th Party Congress for the term 2020-2025; making impression in the 3rd Party Congress for State-Owned Enterprises' Bloc for the term 2020-2025

Towards the 13th National Congress of the Party, Vietcombank's Party successfully organized the grassroots-level Party Congress and the VCB's 4th Party Congress for the term 2020-2025. This was also the Congress chosen by the Party Committee of the State-Owned Enterprises' Bloc for direct election of Secretary for the Congress.

Many activities to welcome the Party Congress of all levels were organized, creating a wide-ranging political activities across the Party Congress. In the activities welcoming the Party Congress, the writing Contest "Vietcombank's culture under the light of Ho Chi Minh ideology" and the Camp "Vietcombank's Youth - Solid faith in the Party" created a deep impression on a variety of party members and had a reputation in welcoming activities of the Bloc's Party Congress.

In the 3rd Party Congress for State-Owned Enterprises' Bloc, term 2020-2025, Vietcombank's Chairman was re-elected as a member of the Secretarial Standing Committee of the Bloc's Party for term 2020-2025 and elected into the Delegation to attend the 13th National Congress of the Party with a high vote rate. Vietcombank was also the only unit in the Bloc's Party Congress to have the Chairman and CEO elected for the Executive Committee of the Bloc's Party for the term 2020-2025.



09

Organizing courses to educate, train, update knowledge for the entire key officers in Vietcombank, contributing to the development of high-quality human resources to realize the strategic objective of regional and international integration

In 2020, Vietcombank organized the program "Educating and updating knowledge for key officers in Vietcombank" for the first time with the scale of more than 200 trainees as key officers, including member of the Board of Management, Heads of units in the Head Quarter and Directors of Branch, subsidiaries that were wholly owned by Vietcombank. The trainees were updated with new knowledge about the global and the country's economic situation, the strategy of the banking industry and Vietcombank's development strategy until 2025, corporate governance mindset, etc.

Being organized right after the success of Vietcombank's Party Congress and Party Congress for the Central Enterprises' Bloc, the course contributed to spread and boost the faith and positive effect for the entire Vietcombank staff to excellently fulfill the mission in the new period, working in line with the banking industry in making positive contributions to the country's socioeconomic development. The event created an additional good impression during the innovation of training and scientific research activities at Vietcombank over the past few years.



10

Vietcombank brand was recognized with many prestigious awards and titles in Vietnam and abroad

In 2020, Vietcombank was continuously highly praised by reputable regional and international magazines and honored with many prestigious awards.

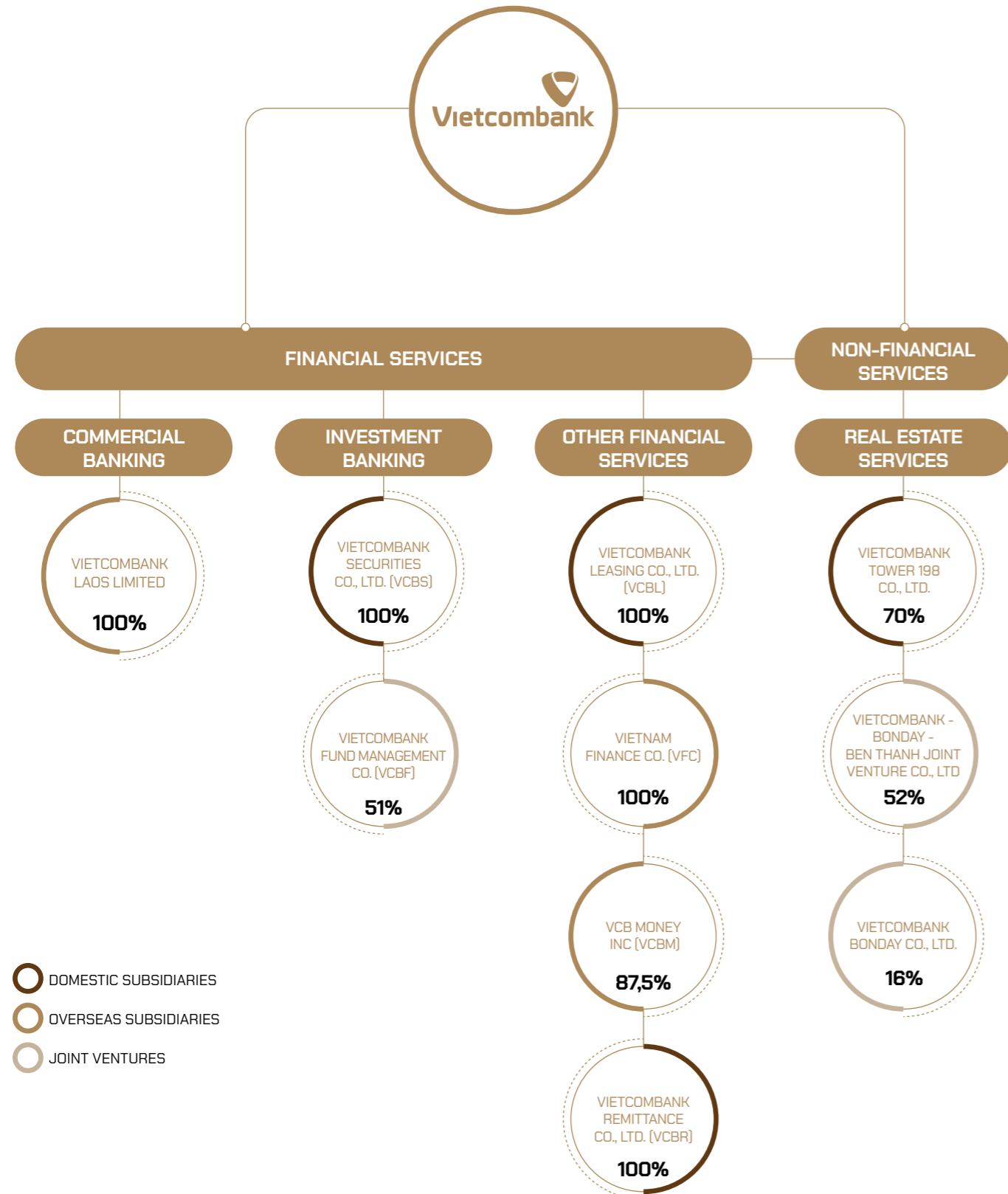
The bank's ranking is also improved regionally and globally; i.e. the top 50 best listed companies in Vietnam, the only Vietnamese representative among top 1,000 global largest public companies (according to Forbes); ranked 403rd (first among all banks in Vietnam) in The Banker's ranking; into Top 2 banks with greatest brand value growth in the world (according to Brand Finance) and the unit with the greatest brand value in Vietnam's banking industry (according to Forbes Vietnam).

Domestically, Vietcombank was honored the National Brand for the 7th time in a row; honored as the largest bank paying tax and enterprise income tax in Vietnam; awarded the Certificate of Merit "Exemplary Enterprise for Employees" by the Prime Minister; bank with the best working environment in Vietnam for 5 consecutive years; the most reputable bank brand on the media for 3 consecutive years, with many other prestigious awards for products and services for retail banking, digital banking and cards.

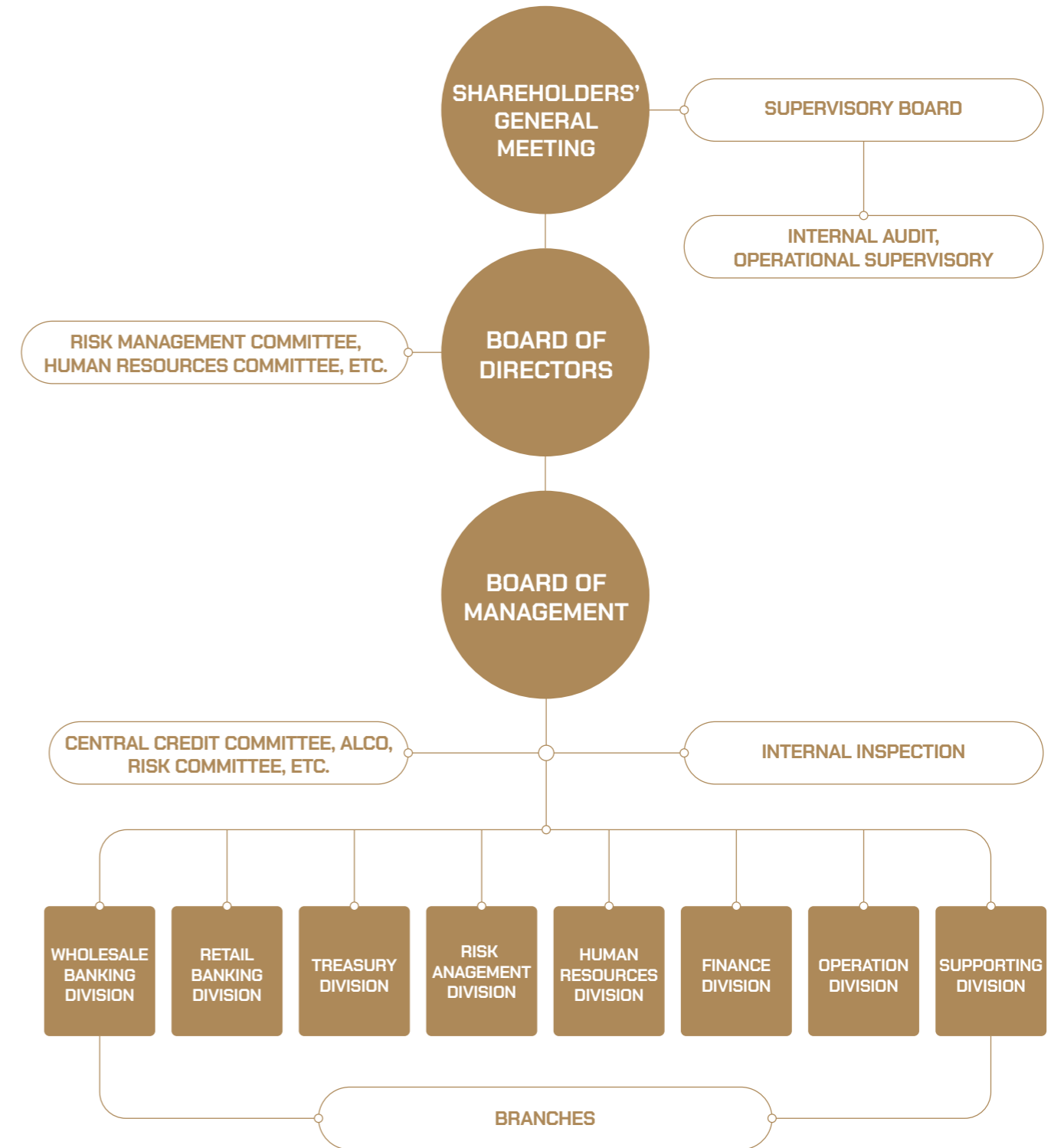


CORPORATE GOVERNANCE MODEL & MANAGEMENT STRUCTURE

CORPORATE GOVERNANCE MODEL



MANAGEMENT STRUCTURE

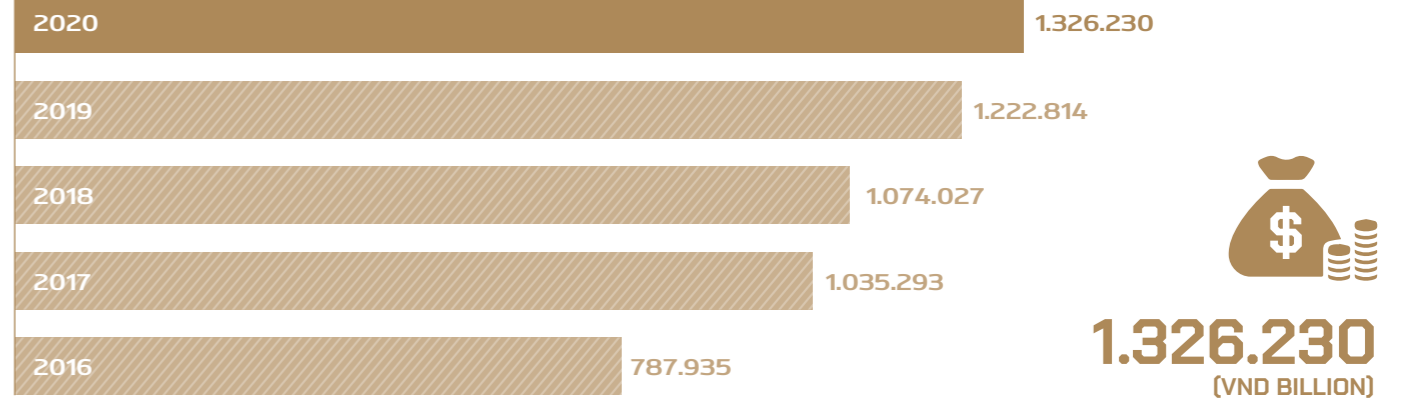


KEY FINANCIAL RATIOS

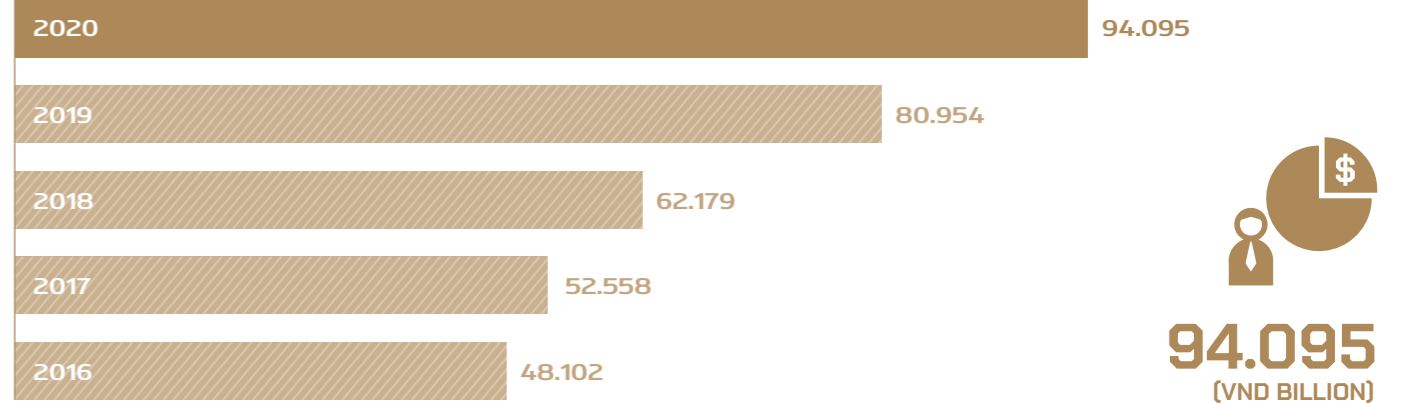
Unit: billion VND, %

	2016	2017	2018	2019	2020
KEY BUSINESS INDICATORS					
Total assets	787.935	1.035.293	1.074.027	1.222.814	1.326.230
Shareholders' equity	48.102	52.558	62.179	80.954	94.095
Total deposits/Total assets ratio	58,5%	52,5%	58,8%	60,1%	63,3%
Non-interest income	6.352	7.469	10.870	11.156	12.777
Total operating income	24.886	29.406	39.278	45.693	49.063
Total operating expense	(9.950)	(11.866)	(13.611)	(15.875)	(16.038)
Net operating income before loan loss provision	14.929	17.540	25.667	29.819	33.024
Loan loss provision	(6.406)	(6.198)	(7.398)	(6.607)	(9.975)
Profit before tax	8.523	11.341	18.269	23.212	23.050
Corporate income tax	(1.672)	(2.231)	(3.647)	(4.614)	(4.577)
Profit after tax	6.851	9.111	14.622	18.597	18.473
Net profit	6.832	9.091	14.606	18.582	18.451
KEY PROFITABILITY AND RISK INDICATORS					
KEY PROFITABILITY RATIOS					
NIM	2,63%	2,66%	2,94%	3,10%	3,11%
ROAE	14,69%	18,09%	25,49%	25,99%	21,11%
ROAA	0,94%	1,00%	1,39%	1,62%	1,45%
KEY RISK INDICATORS					
Loans (including corporate bonds)/Deposits ratio	76,71%	76,74%	77,68%	78,05%	80,23%
Non-Performing Loan ratio	1,46%	1,11%	0,97%	0,78%	0,62%

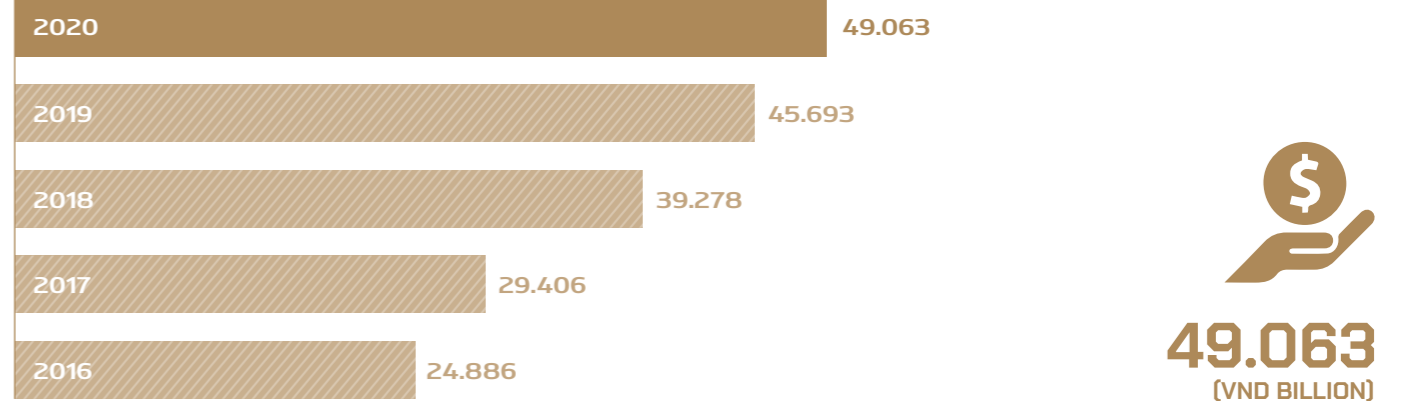
TOTAL ASSETS (VND BILLION)



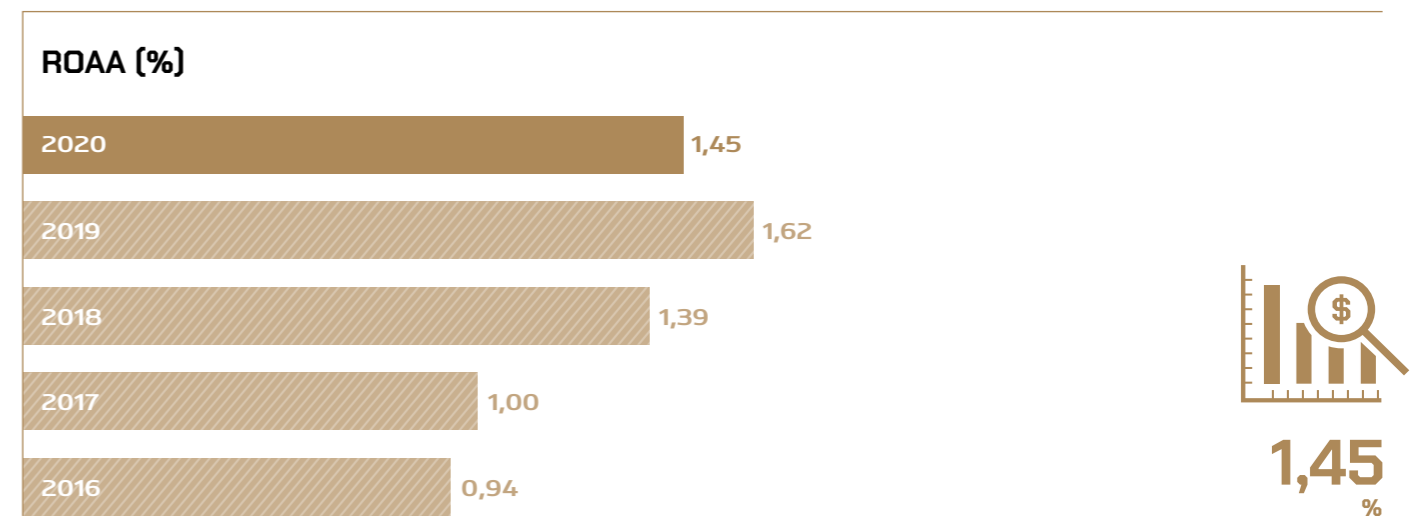
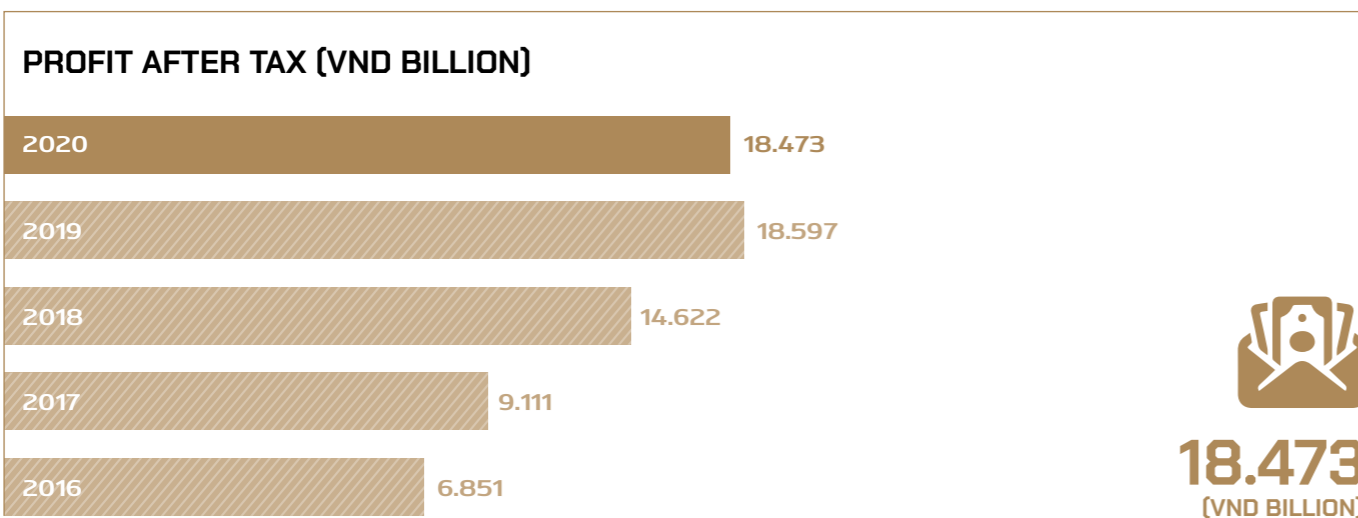
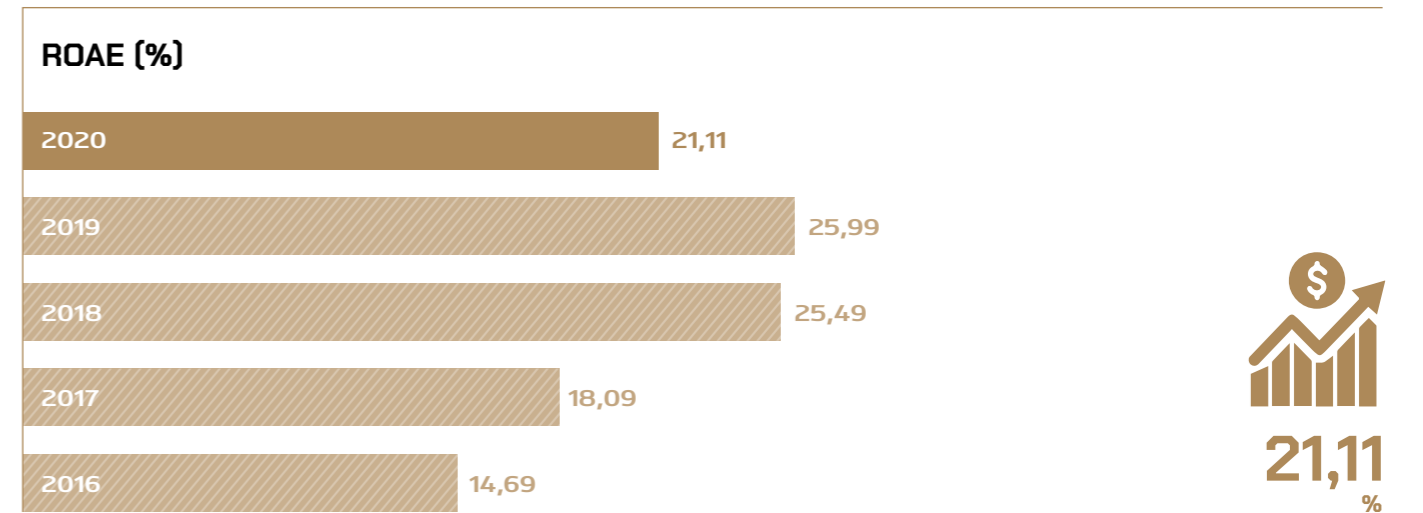
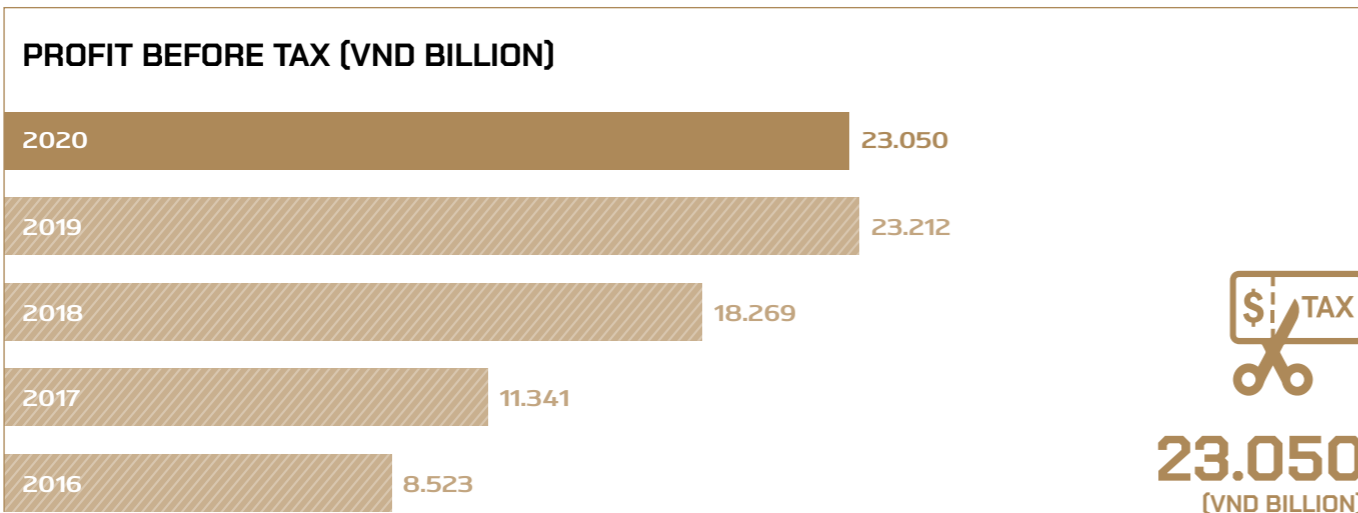
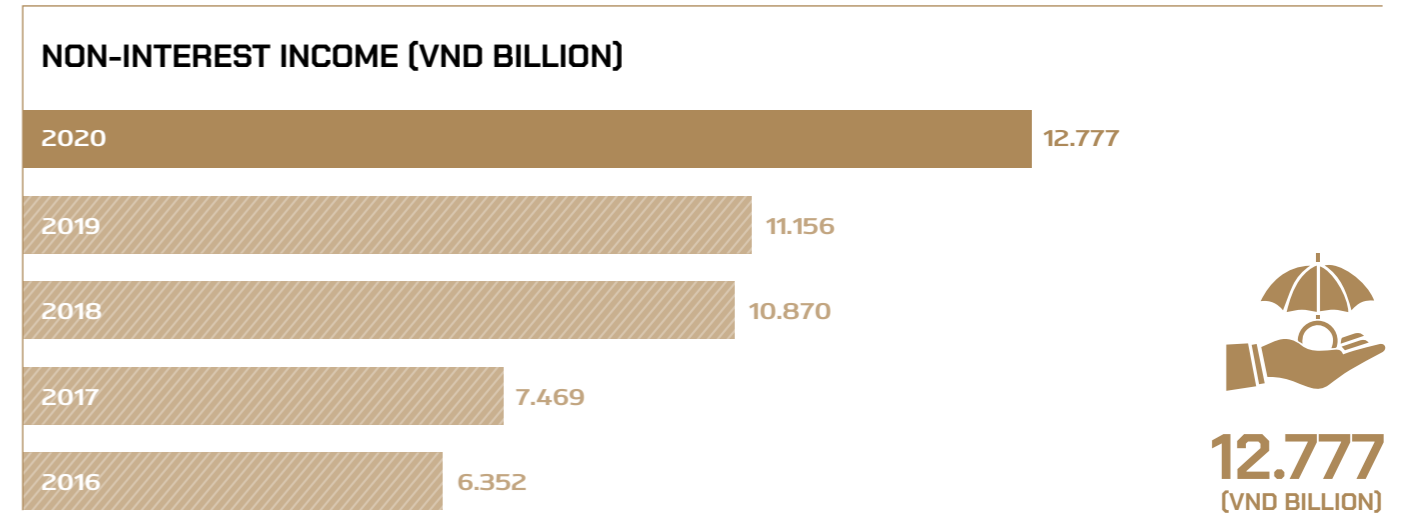
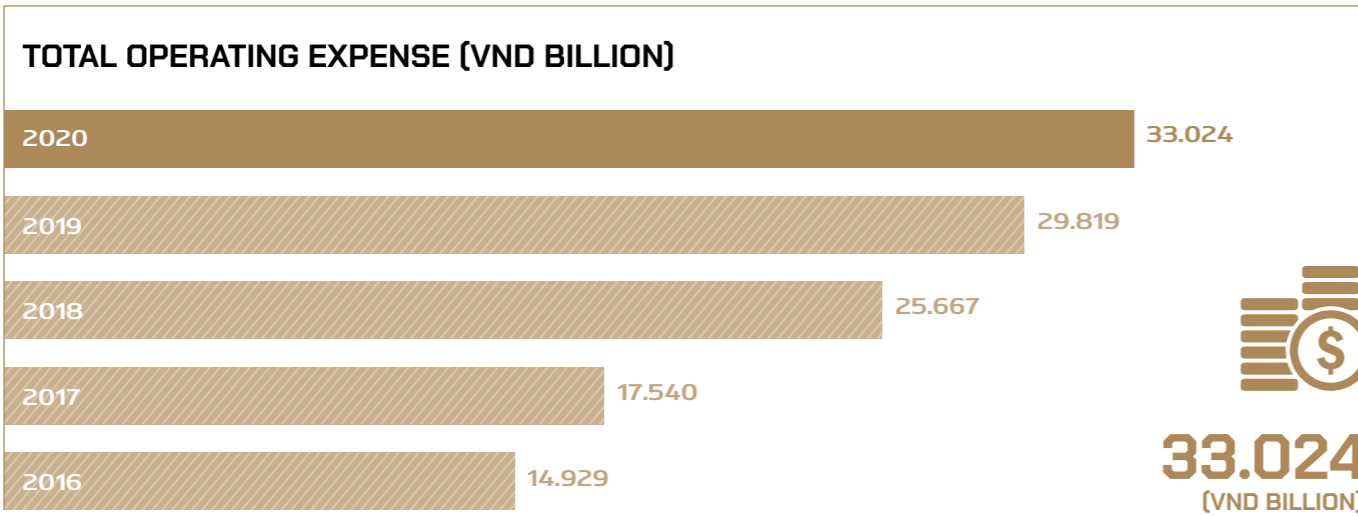
SHAREHOLDERS' EQUITY (VND BILLION)



TOTAL OPERATING INCOME (VND BILLION)



KEY FINANCIAL RATIOS



DEVELOPMENT STRATEGY

VISION TOWARDS 2030

No. 1 bank in Vietnam, one of the 100 largest banks in Asia, one of the 300 world's largest financial and banking corporations, one of the 1000 world's largest listed companies contributing to the development of Vietnam.

STRATEGIC OBJECTIVES TOWARDS 2025



2020 TITLES AND REWARDS

VIETCOMBANK IS CONFIDENT TO SAIL THE VAST SEA

In 2020, Vietcombank continued to be highly recognized by reputable regional and international magazines and honored in many prestigious awards, the bank's ranking was also raised in the region and the world, ranked 937th in the list of global largest listed companies (according to Forbes); ranked 403rd (first among banks in Vietnam) in The Banker's ranking.

Vietcombank is currently the most operational efficient bank in Vietnam's banking industry with continuous breakthrough in profit over the years. It is also the first bank of Vietnam to reach the profit of USD 1 billion and among Top 200 world's most profitable financial and banking groups.

RANKED
937th

WORLD'S LARGEST
LISTED COMPANIES

ACCORDING TO FORBES

Forbes

RANKED
403rd

(FIRST AMONG BANKS OF
VIETNAM)

ACCORDING TO THE BANKER

The Banker



DOMESTIC AWARDS



THE ONLY BANK TO BE HONORED AS A NATIONAL BRAND FOR 7 CONSECUTIVE TIMES

In November 2020, in Hanoi, the National Branding Council, Ministry of Industry and Trade held the 2020 National Branding Programme Announcement Ceremony.

The programme was held for the 7th time in 2020 from the first selection in 2008. This is a specific, long-term, and unique trading promotion programme of the Government with 3 values: "Quality – Innovation – Leadership". Vietcombank is proud to be the only bank honored as a National Brand for 7 consecutive times.

As the only bank honored as a National Brand for 7 consecutive times, Vietcombank had recently made significant breakthroughs in its operational efficiency to become the market leader in terms of profitability, making tremendous contributions to the State budget and actively participating in the socioeconomic development.



AWARDED THE CERTIFICATE OF MERIT "EXEMPLARY ENTERPRISE FOR EMPLOYEES" BY THE PRIME MINISTER

In October 2020, Vietnam General Confederation of Labor cooperated with the Ministry of Labor, Invalids and Social Affairs and Vietnam Chamber of Commerce and Industry in holding the Award Ceremony of "Exemplary Enterprise for Employees" for the 2nd time.

The ceremony honored 50 ranked companies in 2019, in which 30 companies were awarded the Certificate of Merit by the Organizers, 8 companies were proudly awarded and the Certificate for Merit by the Prime Minister. Vietcombank was honorably awarded the Certificate of Merit "Exemplary Enterprise for Employees" by the Prime Minister for twice.

Over the years, Vietcombank has constantly been honored "Enterprise for Employees", "Enterprise for Employees Award" and "Typical Enterprise for Employees"; honorably received the Prime Minister's Certificate of Merit for twice.



DOMESTIC AWARDS



LARGEST TAX PAYING BANK IN VIETNAM

In October 2020, the General Department of Taxation held a ceremony to honor taxpayers and announced the launch of a 479-channel system providing information on the tax payment procedure via the electronic portal Etax.

In 2020, Vietcombank was proudly among the group of 30 companies with representative and excellent performance in the adherence to the law on Taxation and compliance with the obligations to pay tax to the State Budget, honored by the Ministry of Finance and awarded the Certificate of Merit in the ceremony.

With outstanding business performance, Vietcombank is always the commercial bank making the most contribution to the State Budget. In the period of 2015-2019, Vietcombank had contributed to the State Budget over VND 30,700 billion, in which the total amount of tax and fee was over VND 19 trillion, total dividends paid to the State shareholders were more than VND 10,700 billion.



AMONG THE TOP 50 BEST LISTED COMPANIES IN VIETNAM BY FORBES FOR 8 CONSECUTIVE YEARS

In October 2020, Forbes Vietnam held a Ceremony to honor 50 best public companies in Vietnam in 2020. This was the 8th time since Forbes Vietnam held this list to select and honor the best companies in the stock market. Vietcombank was honored as the company that was still able to secure its position in the list of 50 best public companies by Forbes Vietnam for 8 years.

As assessed by Forbes Vietnam: In 2020, Vietcombank ranked 937th, the highest ranking ever, in the list of Global 2,000 (2,000 largest companies in the world) – the rankings were based on the revenue, profit, capitalization, and assets. There are 4 Vietnamese companies in the list with 3 banks among which Vietcombank ranked No. 1.



DOMESTIC AWARDS



LEADING BANK IN TOP 50 MOST PROFITABLE COMPANIES IN VIETNAM

In October 2020, in Hanoi, the Announcement of Top 500 Most Profitable Companies in Vietnam (PROFIT500) 2020 was held by Vietnam Report JSC in collaboration of VietNamNet - Ministry of Information and Communications.

2020 was the fourth consecutive year in which the PROFIT500 rankings were announced and the first year in which the list of Top 50 best profitable companies in Vietnam (Vietnam Best Profitable) was announced. Vietcombank was honored as the leader among banks in Vietnam in Top 50 best profitable companies in Vietnam.



GREATEST BRAND VALUE IN BANKING INDUSTRY

In August 2020, Forbes Vietnam announced the list of 50 leading brands in business sectors in Vietnam in 2020. Accordingly, Vietcombank was the bank with the greatest brand value with USD 251 million and also the only bank among top 10.

There were 6 banks in this list, in which, Vietcombank had the greatest brand value and was the only bank among Top 10. According to Forbes, 10 leading brands accounted for 60% of the total value of the list by value.



LEADER IN TOP 10 MOST PRESTIGIOUS COMMERCIAL BANKS IN VIETNAM 2020

In September 2020, Top 10 prestigious companies in key industries including banking industry was announced by Vietnam Report JSC in collaboration with Vietnamnet electronic newspapers. 2020 was the third consecutive year when Vietcombank was honored as the leader in Top 10 prestigious commercial banks in Vietnam. Vietcombank was also the only company to represent the banking industry among Top 10 prestigious public companies in 2020. All of the companies honored in Top 10 prestigious companies 2020 were companies with efficient operations, solid position in the industry, making significant contributions to the overall development of the economy and the brands trusted by many people in Vietnamese market in recent years.

INTERNATIONAL AWARDS



BANK WITH GREATEST GROWTH IN BRAND VALUE IN THE WORLD

In February 2020, the world-leading brand valuation consultant (Brand Finance) announced the 500 greatest banking brand ranking in the world (Brand Finance Banking 500). There were 9 Vietnamese banks named in the rankings, in which there were 5 new names compared to 2019.

According to Brand Finance, while the European region saw a decline in the rankings, there was an increase in the Asian group, mostly thanks to Vietnam. 'The market with the greatest growth in brand value is Vietnam with the increase of 146%. In which, Vietcombank increases by 99%, reaching USD 0.8 USD, the second highest growth by percentage in the world', announced by Brand Finance.

With the above impressive growth, the ranking of Vietcombank in the Brand Finance Banking 500 rocketed from 325th (in 2019) to 207th (in 2020).



CONTINUOUSLY HONORED AS THE BANK WITH BEST WORKING ENVIRONMENT IN VIETNAM

In October 2020, the survey "100 best places to work in Vietnam 2020" was announced by Anphabe – a pioneer consultant in branding solutions and happy working environment in Vietnam and Intage – a leading market research company in Japan.

Vietcombank continued to affirm its position as the bank with the most attractive working environment when ranking No. 1 in the banking industry and No. 2 in the entire Vietnamese job market and among Top 50 Vietnamese enterprises with most attractive employer brand.

With this year's survey result, Vietcombank remained its leading position for 5 consecutive years as the bank with the best working environment in Vietnam.



INTERNATIONAL AWARDS



THE ONLY VIETNAMESE REPRESENTATIVE AMONG TOP 1,000 WORLD'S LARGEST PUBLIC COMPANIES BY FORBES

In May 2020, Vietcombank was named in "The World's Largest Public Companies 2020" Rankings by Forbes with the leading position among Vietnamese companies honored in the rankings with the ranking of 937th, up 159 places compared to 2019.

According to the statistics from 2015 to present, Vietcombank's ranking has been significantly improved 1985th to 937th, among Top 1,000 world's largest public companies by Forbes. According to "The World's Largest Public Companies 2020" by Forbes, Vietcombank was the only Vietnamese representative among Top 1,000 world's largest public companies.

In 2019, Vietcombank's profit reached VND 23,155 billion, increasing by 24% compared to 2018, considerably exceeding the 12% target set out in the plan. With the profit of approximately USD 1 billion, Vietcombank was among Top 200 world's financial and banking groups with the highest profit. Vietcombank is currently the first bank in Vietnam to have the total assets of USD 50 billion and highest capitalization among the financial institutions listed in Vietnamese stock market. Vietcombank is currently employing over 18,000 employees with an operating network all over the country including Head Quarter in Hanoi and nearly 600 Branches and Transaction Offices nationwide.

The bank's strategic objectives towards 2025 and visions towards 2030 are to secure the No. 1 position in Vietnam, among 100 largest banks in Asia, one of 300 largest financial and banking groups in the world, one of 1,000 global largest public companies, making considerable contributions to the development of Vietnam.



3 PRESTIGIOUS INTERNATIONAL AWARDS FOR RETAIL BANKING

In June 2020, with the distinguished performance in retail banking, Vietcombank excellently received 03 awards of "Best Retail Bank in Vietnam", "Best Credit Card in Vietnam" for Vietcombank Visa Signature card and "Best Mobile Banking Application in Vietnam" within the framework of Retail Finance Awards 2020 by The Asian Banker.

This was the first time that a Vietnamese commercial bank was honored with three most important awards in retail banking business of The Asian Banker – one of the most prestigious assessment and ranking organization in the financial industry in Asia and the world.

Vietcombank received the award "Best Retail Bank in Vietnam" 2020 based on the exceptional business performance of its retail banking unit. The revenue from the retail banking unit also brought about VND 19,300 billion to Vietcombank, the highest revenue in retail banking achieved by a Vietnamese bank till present. In 2019, Vietcombank introduced the international Visa Signature credit card for Vietcombank Priority customers, which helps to enhance the engagement for high end customers. The Asian Banker highly appreciated the Vietcombank Visa Signature card for the impressive result in both card issuance and usage.

Since the end of 2012, Vietcombank has been the first bank in the market to provide Mobile banking service for application with the brand of VCB-Mobile B@nking – considered as a mini bank on the phone. Today, VCB-Mobile B@nking continues to be the leading reputable and favorite mobile banking application in Vietnam.

THE LIST: 2020 GLOBAL 2000

SEARCH BY COUNTRY/TERRITORY:

SEARCH BY NAME:

Rank	Company	Country/Territory	Sales	Profits	Assets	Market Value
937	Joint Stock Commercial Bank for Foreign Trade Of Vietnam	Vietnam	\$3.7 B	\$773.8 M	\$48.5 B	\$10.8 B
1448	Commercial Bank For Investment & Development Of Vietnam	Vietnam	\$5.1 B	\$367.7 M	\$64.3 B	\$6.1 B
1534	Vingroup	Vietnam	\$5.6 B	\$323.2 M	\$17.4 B	\$13.3 B
1595	Vietinbank	Vietnam	\$4.1 B	\$407.3 M	\$53.5 B	\$3.2 B



INTERNATIONAL AWARDS

Recognition of overseas banks for Vietcombank in 2020

Banks	Awards
Wells Fargo Bank, N.A.	Excellent International Payment Quality Award 2019-2020
J.P.Morgan Chase Bank, N.A.	<ul style="list-style-type: none"> • Excellent International Payment Quality for MT103 STP of >99% Award • Excellent International Payment Quality for MT202 STP of >98% Award
The Bank of New York Mellon	Excellent International Payment Quality Award
Citibank, N.A.	Excellent International Payment Quality Award 2020
HSBC Bank Plc	Excellent International Payment Quality for STP of >99% Award
Standard Chartered Bank Plc	Excellent International Payment Quality Award 2020





TARGETED MILESTONES

CHAPTER 2

REPORT OF THE BOM AND BOD

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Implementation of projects	54
Assessment on business performance in 2020	60
Business Orientation in 2021	72
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REPORT ON FINANCIAL

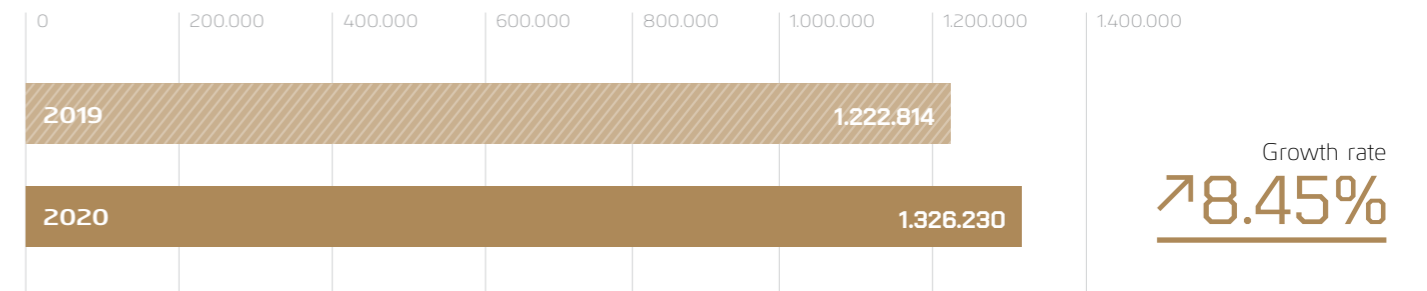
1. TABLE OF VCB'S FINANCIAL INDICATORS

Unit: VND billion

Financial Indicators	2019	2020
A FINANCIAL INDICATORS		
1 Total assets	1,222.814	1,326.230
2 Revenue	88.339	90.936
3 Taxes and other payable items	6.751	6.470
4 Profit before tax	23.212	23.050
5 Profit after tax	18.597	18.473
B KEY FINANCIAL INDICATORS		
1 Capital		
1.1 Charter capital	37.089	37.089
1.2 Total assets	1,222.814	1,326.230
1.3 Capital adequacy ratio	9,34%	9,56%
2 Business results		
2.1 Deposits	17,486,521	18,910,197
2.2 Loans	1,718,858	1,671,143
2.3 Debt collection	1,617,310	1,567,035
2.4 Non-performing loans	5,370	5,230
2.5 Loans/Total deposits in 1 st market (in VND)	78,05%	80,23%
2.6 Non-performing loans/Total outstanding loans in 1 st market	0,72%	0,62%
3 Liquidity		
3.1 Liquidity reserve ratio	22,0%	19,2%
3.2 Liquidity ratio within 30 days by currency		
VND	86,9%	83,8%
Foreign currencies in USD equivalent	96,6%	79,7%

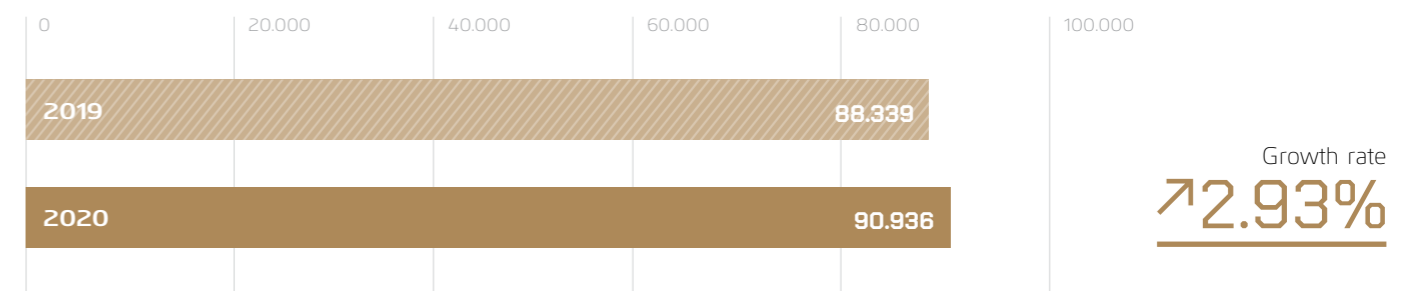
TOTAL ASSETS

Unit: VND billion



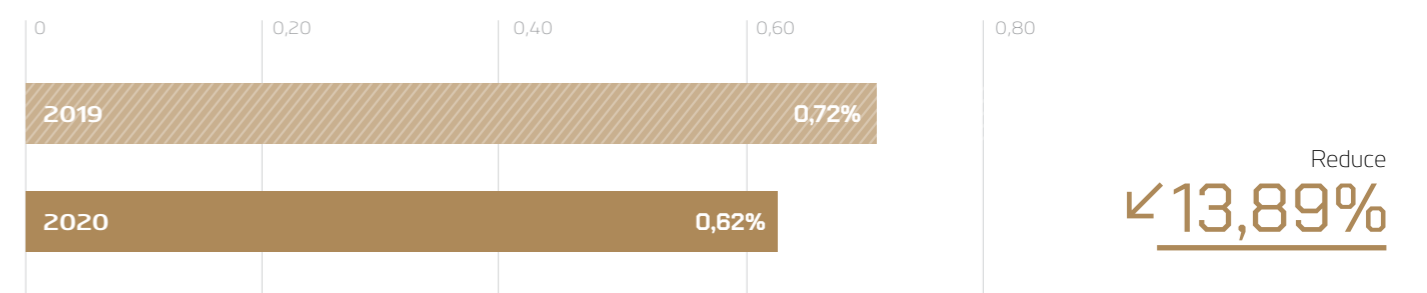
REVENUE

Unit: VND billion



NON-PERFORMING LOANS/TOTAL OUTSTANDING LOANS IN 1ST MARKET

Unit: %



SHAREHOLDER STRUCTURE CHANGES IN SHAREHOLDERS' EQUITY

1. SHAREHOLDERS

TOTAL SHARES

3.708.877.448

Total shares	Type of shares	Number of transferable shares	Number of restricted shares
3.708.877.448	Ordinary shares	378.103.902	3.330.773.546

2. LIST OF SHAREHOLDERS HOLDING RESTRICTED SHARES

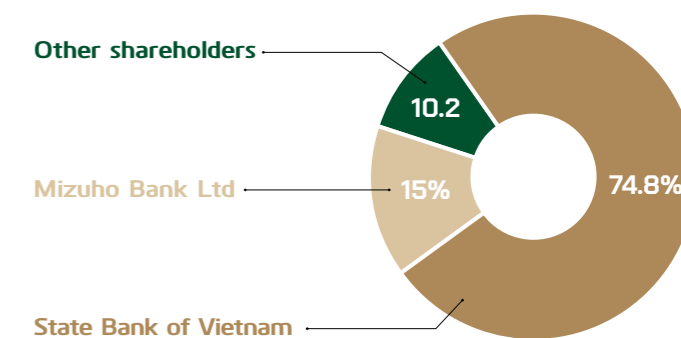
No.	Shareholders	Total shares	Number of restricted shares	Restricted period
1	State Bank of Vietnam (Representative for the Government's shares)	2.774.353.387	2.774.353.387	According to the provisions of Clause 1, Article 56, Law on Credit Institutions No. 47/2010/QH12: "Individuals and institutional shareholders who have representative(s) being member of the Board of Directors, Supervisory Board, CEO (General Director) of the credit institutions shall not be allowed to transfer his/ her shares during his/ her terms".
2	Internal shareholders	80.177	80.177	
	Board of Directors	71.590	71.590	
	Supervisory Board	8.587	8.587	
3	Foreign strategic shareholder: Mizuho Bank, Ltd.	556.334.933	556.334.933	
Total		3.330.773.546	3.330.773.546	

- According to Decision No. 2526/QĐ-NHNN dated December 5th, 2014 issued by the State Bank of Vietnam on the appointment of representatives for the Government's shares at Vietcombank, Mr. Nghiem Xuan Thanh - Chairman of Vietcombank Board of Directors - represents 40% of Government's shares, Mr. Pham Quang Dzong - Member of Board of Directors, CEO of Vietcombank - represents 30% of Government's shares.
- According to Decision No. 909/QĐ-NHNN dated April 26th, 2019 of the State Bank of Vietnam on official transfer, Mr. Do Viet Hung was appointed to represent 30% of Government's shares at Vietcombank.

3. SHAREHOLDER STRUCTURE

NUMBER OF SHAREHOLDERS

24.515



No.	Shareholders	Total shares	Ownership rate	Number of shareholders
I	State Bank of Vietnam (Representative of Government's shares)	2.774.353.387	74,8%	1
II	Foreign strategic shareholder Mizuho Bank, Ltd.	556.334.933	15,00%	1
III	Other shareholders	378.189.128	10,2%	24.513
1	Domestic individual shareholders	26.109.735	0,70%	23.004
2	Domestic organization shareholders	28.116.018	0,76%	151
3	Foreign individual shareholders	2.132.851	0,06%	1130
4	Foreign organization shareholders	321.830.524	8,68%	228
Total		3.708.877.448	100,00%	24.515

4. LIST OF MAJOR SHAREHOLDERS

No.	Shareholders	Address	Total shares	Ownership rate
1	STATE BANK OF VIETNAM	47-49 Ly Thai To Street, Hoan Kiem District, Ha Noi City	2.774.353.387	74.8%
2	MIZUHO BANK. LTD	1-5-5 Otemachi, Chiyoda-ku, Tokyo, Japan	556.334.933	15,00%

(Source: Shareholders list as at December 31st, 2019 provided by Vietnam Securities Depository).

IMPLEMENTATION OF PROJECTS

1. INVESTMENTS/DIVESTMENTS IN 2020

In 2020, VCB wholly divested its investment capital from Vietcombank Cardif Life Insurance Co., Ltd., particularly:

Unit: VND billion

No.	Name of Unit	Investment capital as of 31/12/2020	Investment capital as of 31/12/2019	Divestments
1	Vietcombank Cardif Life Insurance Co., Ltd.,	0	270	270

2. SUBSIDIARIES, JOINT-VENTURES AND ASSOCIATES

General information of subsidiaries

Unit: VND billion

Company name	Abbreviation name	Business license	Sector	Capital investment as of 31/12/2020	Ownership rate
Vietcombank Securities Co., Ltd.	VCBS	Business license No. 09/GPHDKD dated April 24 th , 2002. Latest amendment in accordance with license No. 63/GPDCUBCK dated December 29 th , 2017 issued by State Security Commission of Vietnam.	Securities	700,00	100%
Vietcombank Leasing Co., Ltd.	VCBL	Business license No. 66/GPNHNN dated October 31 st , 2017 issued by State Bank of Vietnam.	Financial leasing	500,00	100%
Vietcombank Remittance Co., Ltd.	VCBR	Enterprise registration certificate No. 0314633162 dated 20 th September 2017 issued by Ho Chi Minh City Department of Planning and Investment.	Remittance payment	30,00	100%
Vietcombank Laos Limited	VCB Laos	Business license No. 88/BOL dated May 25 th , 2018 issued by Bank of the Lao P.D.R.	Bank	1.820,40	100%
Vietnam Finance Co.	VFC	Business license No. 58327 issued by Hong Kong Monetary Authority dated February 10 th , 1978.	Financial services	116,90	100%
VCB Money Inc	VCBM	Business license No. E0321392009_6 issued by Nevada State Government (United States) dated June 15 th , 2009.	Remittance services	204,98	87,5%
Vietcombank Tower 198 Co., Ltd.	VCBT	Business license No. 1578/GP dated May 30 th , 1996. Latest amendment dated January 30 th , 2019 issued by the Ministry of Planning and Investment.	Office leasing	70,00	70%



IMPLEMENTATION OF PROJECTS

Summary of subsidiaries' performance and financial situation

VCBL

Vietcombank Leasing Co., Ltd.

VCBL is a subsidiary, 100% owned by Vietcombank, operating in the field of financial leasing. Profit before tax in 2020 reached VND 123.14 billion, exceeding 7% of the plan. Outstanding financial leasing of VCBL until end of 2020 reached VND 4,436.5 billion.

PROFIT BEFORE TAX

123,14 VND BILLION

VCBS

Vietcomank Securities Co., Ltd.

VCBS is 100% owned by Vietcombank, operating in the securities sector. Despite numerous fluctuations in securities market, the Company continued to maintain good operating results. Profit before tax of the company in 2020 reached VND 323.70 billion, exceeding 13.8% of the assigned plan.

PROFIT BEFORE TAX

323,70 VND BILLION

VCB LAOS

Vietcombank Laos Limited

VCB Laos is a subsidiary 100% owned by Vietcombank, operating in the field of financial & banking services in Laos. The company was officially put into operation from July 2018. In 2020, VCB Laos gained good operational efficiency with the profit before tax of VND 37.87 billion.

PROFIT BEFORE TAX

37,87 VND BILLION

VCBM

VCB Money Inc.

VCBM is a subsidiary with 87.5% of charter capital owned by Vietcombank, providing remittance services in the U.S and transferring money to Vietnam through domestic partners. In 2020, VCBM maintained its stable performance. The Company's profit before tax in 2020 reached VND 11.25 billion, exceeding 111% of the assigned plan.

PROFIT BEFORE TAX

11,25 VND BILLION

VFC

Vietnam Finance Co.

VFC is a subsidiary 100% owned by Vietcombank, operating in the field of financial services in Hong Kong. Its major services include deposit, credit, payment, money transferring. The revenue from major operations reached VND 16.2 billion.

PROFIT BEFORE TAX

16,2 VND BILLION

VCBR

Vietcombank Remittance Co., Ltd.

VCBR is a wholly-owned subsidiary of Vietcombank, operating in the field of receiving remittances from foreign partners and making payments to beneficiaries in Vietnam. The Company's profit before tax in 2020 reached VND 6.92 billion, exceeding 139% of the assigned plan.

PROFIT BEFORE TAX

6,92 VND BILLION

VCBT

Vietcombank Tower 198 Co., Ltd.

Vietcombank and FELS Property Holdings Pte, Ltd. of Singapore. It operates in the field of office leasing at Vietcombank Tower locating at the address of No. 198 Tran Quang Khai, Hoan Kiem, Ha Noi. In 2020, with the advantage of good location and customers, the company maintained stable performance

PROFIT BEFORE TAX

76,72 VND BILLION

with the leasing rate of 100%, its profit before tax reached VND 76.72 billion, exceeding 14% of the assigned plan.

IMPLEMENTATION OF PROJECTS

General information of joint-ventures and associates

Unit: VND billion

Company name	Abbreviation name	Business license	Sector	Capital investment as of 31/12/2020	Ownership rate
Vietcombank – Bonday – Ben Thanh Joint Venture Co., Ltd.	VBB	No. 2458/GP issued by the Ministry of Planning and Investment on February 07 th , 2005 with latest amendment No. 2458/GCND2/41/1 dated December 28 th , 2012.	Office leasing	410,36	52%
Vietcombank Fund Management Co.	VCBF	No. 06/UBCK-GPHĐQLQ issued by State Security Commission of Vietnam dated December 02 nd , 2005; latest amendment No. 17/GPĐC-UBCK dated February 09 th , 2018.	Fund management	135,15	51%
Vietcombank Bonday Co., Ltd.	VCBB	No. 283/GP issued by the Ministry of Planning and Investment on December 5 th , 1991 with latest amendment No. 283/GPĐC4 dated March 4 th , 2002.	Office leasing	11,11	16%



Summary of joint-ventures and associates' performance and financial situation

VCBF

Vietcombank Fund Management Co.

VCBF is a joint venture between Vietcombank and Franklin Templeton with contribution ratio of 51% and 49% respectively. VCBF operates in the field of fund and investment portfolio management.

The profit before tax reached VND 23.92 billion, exceeding 23.9% of the plan.

PROFIT BEFORE TAX
23,92 (VND BILLION)

VCBB

Vietcombank Bonday Co., Ltd.

VCBB is a joint venture between Vietcombank, Sai Gon Real Estate Corporation and Bonday Investments Ltd., Hong Kong. It operates in the business of office leasing – The Harbour View Tower locating at No. 35 Nguyen Hue Str., District 1, Ho Chi Minh City.

In 2020, the Company still maintained its stable performance, its profit before tax reached VND 41.65 billion, fulfilling 99% of the plan.

PROFIT BEFORE TAX
41,65 (VND BILLION)

VBB

Vietcombank – Bonday – Ben Thanh Joint Venture Co., Ltd.

VBB is the joint venture between Vietcombank, Ho Chi Minh Commercial Services JSC. (Setra Corp.) and Bonday Investments Ltd. (Hong Kong) with contribution ratio of 52%, 18% and 30% respectively. It operates in the field of premium (class A) office leasing, locating at No. 5 Me Linh Square, District 1, HCMC. It is also

responsible for providing office space for Vietcombank's branches and subsidiaries in HCMC. In the end of 2019, nearly 100% of the leasable area has been occupied. Its profit before tax in 2020 was VND 194.33 billion, exceeding 30% of the plan.

PROFIT BEFORE TAX
194,33 (VND BILLION)

ASSESSMENT ON BUSINESS PERFORMANCE IN 2020

Given the unpredictable situations of the socioeconomic environment, VCB made every effort to fulfill the “multiple objectives”: Fighting Covid-19 pandemic effectively; Sharing difficulties with customers; and Developing sustainable business.

Pioneering in the effective implementation of Decree No. 42 of the Government and Circular No. 01 of the State Bank of Vietnam

Pioneering in the synchronized and powerful implementation of solutions supporting businesses, individuals affected by the COVID-19 pandemic and natural disasters via packages supporting interest rate, reducing lending interest rate for existing outstanding loans; simultaneously reducing lending interest rate for customers in the Central region affected by floods and storms, reducing payment fees, etc.

The total amount of outstanding loans supported with interest rate reduction was approximately VND 441,768 billion. Total amount of interest supporting customers due to interest rate reduction in 2020 was up to VND 3,700 billion.

Restructuring repayment due and maintaining debt group according to the Circular No. 01 for customers borrowing capital affected by the COVID-19 pandemic.

RESTRUCTURED
OUTSTANDING LOANS AT
DECEMBER 31ST, 2020

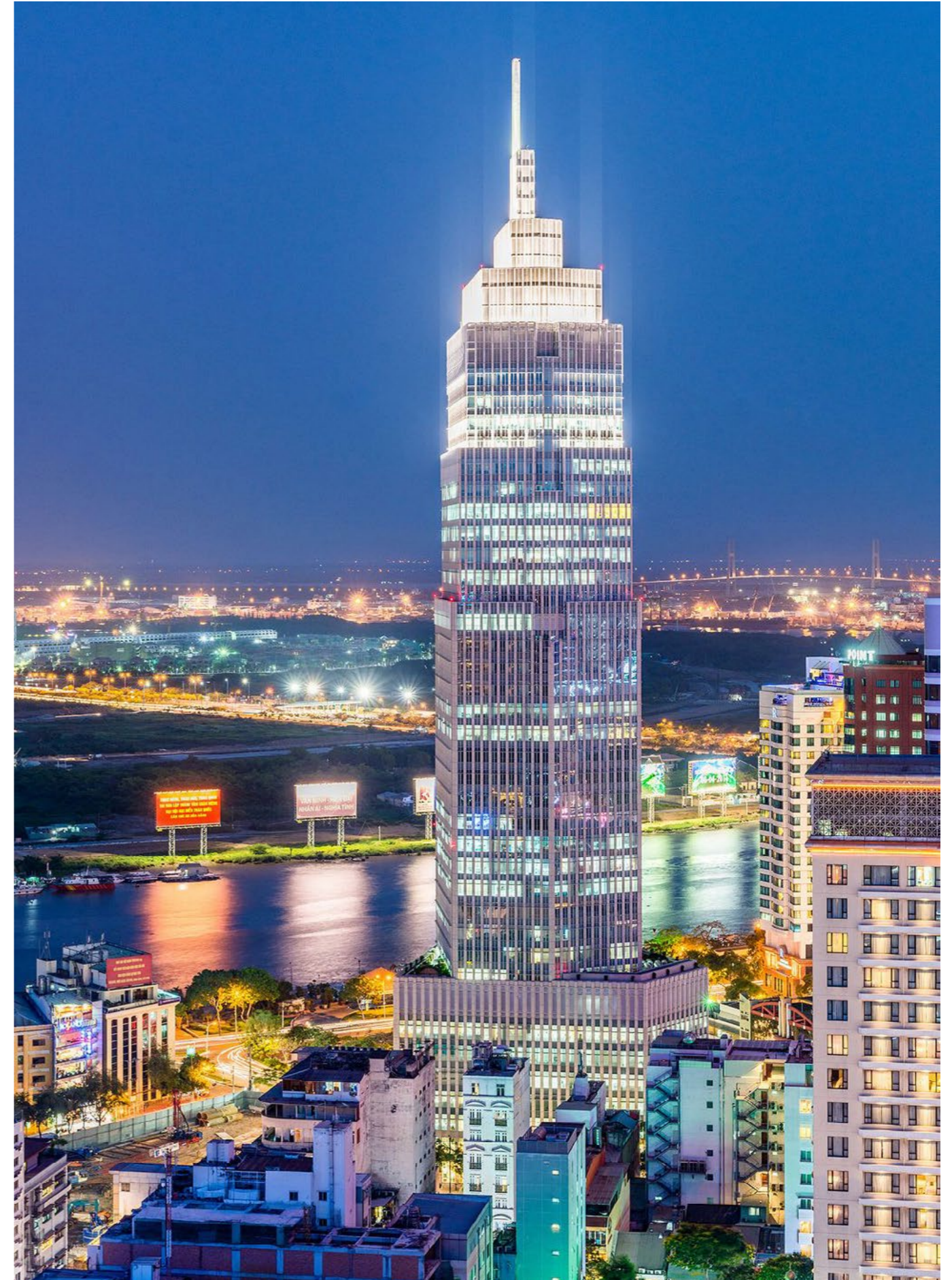
5.156 (VND BILLION)

Regulating the growth rate and structuring the deposit towards optimization

TOTAL DEPOSIT FROM
THE ECONOMIC
(INCLUDING VALUABLE
PAPER ISSUANCE)

1.053.354 (VND BILLION)
INCREASING BY 10.9% COMPARED TO 2019

Demand deposit ratio at the end of term reached 32.1% (30.1% in 2019)



ASSESSMENT ON BUSINESS PERFORMANCE IN 2020

Shifting the credit structure towards safety and efficiency; enhancing the credit growth to support the economy

OUTSTANDING
LOANS REACHED

845.128 (VND BILLION)
INCREASING 14% COMPARED TO 2019

The retail loans accounted for 53.5% of the total outstanding loans (51.8% in 2019)

Credit growth continued to focus on production-business areas, prioritized sectors according to the Government's policy.

Credit quality was tightly controlled; nonperforming and written-off loans was also greatly reduced.

Group 2 Loan reached VND 2,973.6 billion, decreased from 0.41% in 2019 to 0.33% in 2020

Non-performing loans reached VND 5,229.5 billion with the NPL drop from 0.73% in 2019 to 0.62% in 2020.

LOAN LOSS
PROVISION WAS

19.243 (VND BILLION)
LOAN LOSS PROVISION
COVERAGE RATIO (368%)

Recovery of written-off loans reached VND 2,422 billion.

Business operations

The international payment and trade finance's market share was 15.26% and turnover reached USD 83 billion.

Outstanding business performance among credit institutions

PROFIT BEFORE TAX

23.050 (VND BILLION)
EQUIVALENT TO 2019

Net income from non-financial operations accounted for 49.8% of the income from business operations (39.2% in 2019).

Maintaining high ROAA, ROAE ratio equivalent to 1.45% and 21.11% respectively.

Nearly VND 8,689 billion contributed to the State Budget, including VND 6.470 billion for tax

CONTRIBUTION TO
THE STATE BUDGET

8.689 (VND BILLION)



PAYING TAX

6.470 (VND BILLION)



Bank with largest market capitalization among all listed banks in Vietnam

VCB's market capitalization exceeded USD 15.7 USD, remaining leading position in the banking sector.

The consolidated Capital Adequacy Ratio (CAR) (under Circular No. 41) reached 9.56%, increasing 0.22% compared to 2019.

ASSESSMENT ON BUSINESS PERFORMANCE IN 2020

MANAGEMENT PERFORMANCE IN 2020

In 2020, given significant volatilities in the business environment under the influence of the COVID-19, the **"Safety Guidedance"** was embedded by Vietcombank into its action plans and management solutions so as to operate three pillars of the Bank's business model, which are Retail – Service – Investment, with **03 "Focuses"** and **05 "Breakthroughs"**. Accordingly, VCB also managed to maintain its position as the leading bank with highest credit quality in Vietnam with such solutions as actively classifying borrowers into 04 different groups of credit treatment under scientific and systematic criteria; consistent in maintaining credit conditions and requirement for collaterals; regularly reviewing and resolving difficulties in credit approval for each and every loan contract; promoting development of products and services on the digitalization platform; synchronously implement capacity building and transformation projects; expanding the branch network and improving the staff quality, etc.



Proactively implementing the government's and SBV's policies, supporting enterprises for the common goal of national economical development.

Multiple measures were implemented to support domestic enterprises to overcome difficulties, particularly the reduction of loan interest applied to 05 prioritized sectors according to the guidance in Resolution No. 01/NQ-CP of the Prime Minister dated January 1st, 2019 and the management direction of the SBV Governor on supporting the business sector.

Besides, Vietcombank continue to offer various favorable schemes to small and medium enterprises while committing to fix competitive interest rates for the terms of 2 years/3 years/5 years for enterprises to better manage their cost, production and business operation.

Drastically implementing Vietcombank development roadmap to 2020, and related action plans and sub-projects

Development projects, sub-projects, action plans continued to be strongly promoted and implemented, contributing to the operating results of VCB in 2020.

Branches under the Branch Development Roadmap to 2020 basically completed the targets including improving market share and funding in the local areas, controlling credit quality, increasing profit and effectively expanding target customers.

Implementing funding operation to match with credit growth and in accordance with strategic direction

Deposit targets are reduced in line with the projected credit growth rate and in order to improve the efficiency of funding use. Deposit programs were regulated to match with the market condition and the Bank's credit growth rate.

The deposit portfolio continued to be restructured, deposit interest rates were structured towards keeping the average deposit interest rate at low level.

Simultaneously implementing fundamental solutions to improve credit quality, maintain the position as the bank with best credit quality in Vietnam

Borrowers were actively classified into 04 different groups of credit treatment under scientific and systematic criteria: Group A – growth; group B – maintenance; group C – outstanding loan reduction, collateral increase; and group D – high risk, under review for credit relationship termination.

Credit was expanded to highly potential and efficient economic sectors, the performance was regularly evaluated and reviewed.

The frequency for reviewing credit portfolio of 52 sections and customer groups was increased for timely adjustment against changes in business environment and impact of the COVID-19 pandemic.

Credit conditions and collateral requirement was strictly maintained given the unfavorable situation of the market.

Technical problems and obstacles in the process of credit approval for each and every credit contract were regularly reviewed and resolved.

The medium-and long-term credit ratio was appropriately controlled; credit was expanded flexibly in line with market situation.

Tightening credit quality control and promoting recovery of non-performing/written-off loans

Inspecting and monitoring lending activities at all branches.

Increasing monitoring debt recovery at each branch.



ASSESSMENT ON BUSINESS PERFORMANCE IN 2020

Optimizing organization model and expanding branch network in accordance with business strategy

Reorganizing the Retail Division at Head Office according to the new organizational model set out in phase 1 of the Project for Retail banking model transformation (RTOM). The wholesale credit model (CTOM) was adjusted according to the Circular No. 13 of the State Bank. Staff rotation was implemented between Head Office and Branch.

Expanding branch network and migrating training activities to E-learning platform:

- Established and opened 5 new branches and 33 transaction offices in the network. Put the Training School in Ecopark into operation.
- The total number of training sessions delivered was 67,988 sessions, in which the number of E-learning sessions accounted for approximately 37%; the average number of sessions for each staff was 3.6, higher than the rate of 1.1 in 2019.

Simultaneously and effectively implementing projects to enhance management and operation capacity

Proactively implementing projects to improve management and operation capacity. Some projects were gradually applied in practice:

Successfully rolling out the "Signature" Core-Banking system (in January 2020) and continuing to develop applications at business service level.

Completing 13 projects, in which 7 were under the IT Development Roadmap to 2020, 5 under the Basel II Program and 1 being the initiative No. 14 under in CTOM project. 29 out of 103 transformation projects continued to be implemented.

Successfully deploying Phase 1 of Payment Hub and PCM project.

Completing Phase 2 of ERP and MPA projects; continuing to finetune the support system to improve the user-friendliness.

Implementing ICAAP 6 months earlier than requirement of the Circular No. 13.

Implementing the Digital Transformation Project and put the Digital Banking Center into operation.



In 2020, VCB issued a number of internal regulations related to staff management such as Regulation on employment and recruitment; Training regulation; Regulation on recruitment, management and employment of business support staffs.

Tightening inspection, internal control and compliance

Other activities

Issuing important internal rules and regulations regarding credit limits and adequacy ratios in Vietcombank's operations, wholesale credit processes, delegation of authority for fee waiver and reduction for wholesale customers, regulations on liquidity risk management, etc.

In 2020, VCB issued a number of internal regulations related to staff management such as Regulation on employment and recruitment; Training regulation; Regulation on recruitment, management and employment of business support staffs.

Inspecting all branches nationwide, 04 Departments/Divisions/Centers at the Head Office, 02 Subsidiaries, and carrying out 22 special audit and inspection schemes bankwide.

Reviewing operational risks at branch level to timely prevent and report potential risks, propose solutions to operational issues found at branches.

Successfully organized IV Party Congress of Vietcombank Party committee, term of 2020-2025 and series of activities towards XIII National Party Congress.

The communications activities continued to be promoted with many new points, Vietcombank's prestige was enhanced and VCB was praised by many domestic and international organizations.

The social activities received special attentions: in 2020, VCB spent nearly VND 386.5 billion to build houses for poor households, social welfare constructions for education and health, etc.

Implementing inter-regional online meetings for bankwide business review in line with requirements for COVID-19 epidemic prevention.

Re-applying for ISO27001 certificate in the whole network. Reviewing, revising and updating the regulations on information security.

ASSESSMENT ON BUSINESS PERFORMANCE IN 2020

3. REPORT ON SOCIAL AND ENVIRONMENTAL IMPACTS

Compliance with legislation on environmental protection

Knowing that Vietnam is one of the countries that considerably suffers from climate change, Vietcombank strictly implemented Decision No. 403/QĐ-TTg dated March 20th, 2014 of the Prime Minister regarding the approval of national action plan on green growth during the 2014 - 2020 period, Directive No. 03/CT-NHNN dated March 24th, 2015 of Governor of SBV on promoting green credit growth and environmental and social risk management and Circular No. 39/2016/ TT-NHNN dated December 30th, 2016 of the Governor of SBV regarding lending activities of credit institutions, foreign bank's branches for customers as well as other regulations related to environmental protection in credit activities.

When appraising credit grant for projects, Vietcombank assessed environmental and social risks that might affect the effective use of capital and customers' credit solvency. Besides, Vietcombank requested the investors of projects under consideration for credit grant to meet environmental and social protection standards and regularly, periodically inspect, supervise environmental and social risk management for loans granted to customers.

Vietcombank focus on promoting environmental risk management responsibilities of credit institutions in order to gain consent and support from customers.



Human resources policies

Vietcombank has always paid high attention to the development of human resources, facilitate employees to promote their capabilities, create opportunities in career promotion, improve income of employees and strengthen their loyalty. In particular:



Ensuring job stability for employees:

Total employees as of 31/12/2020 were 20,062 people (including the number of employees of two subsidiaries, VCBS and VCBL), increasing by nearly 5.9% compared with 2019. Working time is 8 hours per day and 5 days per week. Vietcombank ensures annual leave, public holidays, and personal leave in compliance with the Labor Code, maternity leave and sick leave in line with the Law on Social Insurance.

All employees are contracted in accordance with the law. Temporary deferment or termination of labor contract is done in accordance with the Labor Code. Requests for early retirement are also granted with favorable conditions.

Vietcombank implemented many activities in order to create the best working environment for employees with remarkable results: All employees had stable jobs with competitive salary and attractive welfares, employees were trained for career development; Appreciation, reward and personal training were given to the right persons for their right achievements at right time; Motivation mechanism for employees is always emphasized, in connection with performance assessment and promotion planning; practicing external recruitment for management positions; employees constantly encouraged to strive and improve their work efficiency, etc.

Vietcombank had applied technology in almost all stages of the recruitment (receiving, selecting applications, organizing online exams, etc.). Recruitment in VCB is complied with regulations, ensuring transparency and objectivity for recruiting staff that have right qualifications for the intended positions and meeting the job requirements. Probation schemes are in compliance with related regulations.

ASSESSMENT ON BUSINESS PERFORMANCE IN 2020

Human resources policies

Developing financial and non-financial remuneration policy to guarantee interest of employees:

In recent years, Vietcombank's salary and remuneration mechanism system have gradually improved in line with the regional and global levels, as follows:

a. Remuneration mechanism regarding finance:

Remuneration mechanism regarding salary and insurance:

Remuneration mechanism regarding salary

Basically, the salary mechanism of Vietcombank has been built on the value of contributions in the bank, to be fair and market competitive. The average income of Vietcombank staff tends to increase year on year and is on a high level compared with average market income.

Salary of employees is divided into two parts: (1) Fixed salary: Determined according to the rank/grade in line with positions and professions. (2) Performance salary: Based on performance measured by KPIs, encouraging employees to strive for good accomplishment of work.

Vietcombank has delegated powers to heads of units in reviewing and arranging salary of employees according to their capacity, quantity and quality of work completion. The salary increase is based on the level of employee performance evaluation. For staff having outstanding achievements and initiatives with realistic application, Vietcombank's BOM and BOD have employee reward schemes by approving early raise of their salary grade.

Vietcombank has established a specialist salary mechanism with a very competitive salary for highly skilled employees in order to recruit a skilled labor into a number of specific fields, launched transformation projects for management and operation capability building.

Health insurance, social insurance regimes:

Vietcombank has covered social insurance for 100% employees who have signed labor contracts of one year or longer tenors with compulsory social insurance treatment such as maternity and sick coverage, etc. for employees. Retiring employees are entitled to an appropriate allowance which is calculated on the basis of their full salary of the working year preceding the retirement.

In addition, Vietcombank also cover labour health insurance and unemployment insurance in accordance with the Government regulations.

Extra remuneration beside salary:

Vietcombank's remuneration regime beside salary has been established, particularly: (ii) For circumstances of retirement, maternity leave, disability, fatal diseases or surgery, Vietcombank also provides employees with additional financial assistance in addition to benefits received from social insurance; (iii) Providing health insurance as well as arranging annual health checks for all employees. In particular, Vietcombank has combined with reputable medical facilities to conduct early screening for cancer for employees since 2017. Vietcombank also paid special attention to female employees through some supportive gender payments.

b. Non-financial incentives

To motivate employees, in addition to the direct financial remuneration mechanisms, Vietcombank has built and implemented domestic and overseas training programs to enhance employees' expertise and engagement.

The Bank pay employees visits and provide allowances for sickness and maternity; presents for retiring employees; employees' parents and parents-in-law of employees on International Day of Older Persons, etc.



BUSINESS ORIENTATION IN 2021

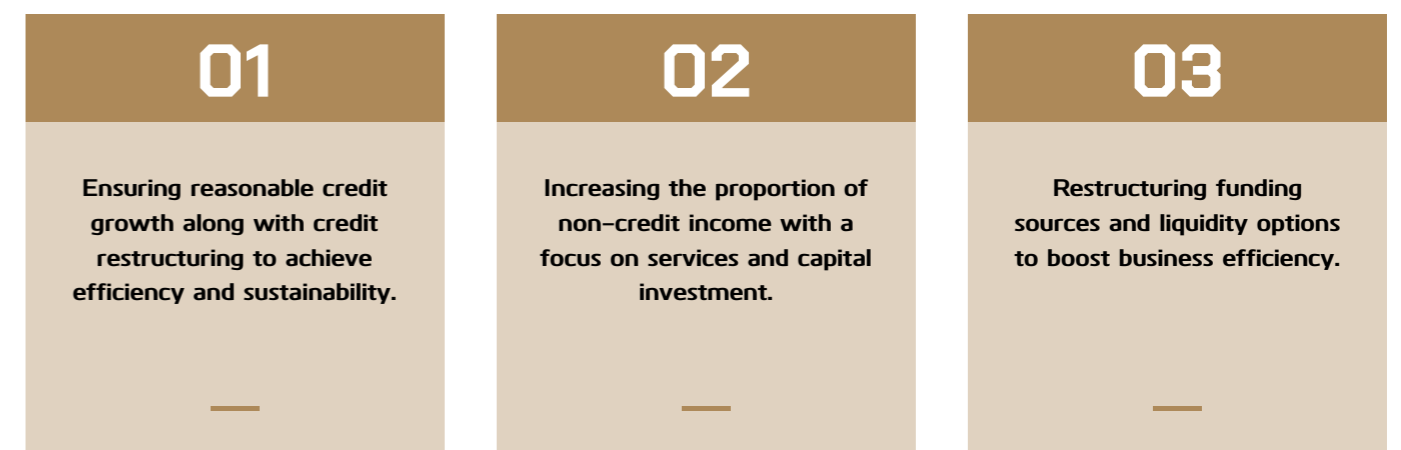
The global economy is forecasted to sharply rebound in 2021, the global GDP growth is forecasted at 6%. However, the appearance of new SARS-CoV-2 virus variants may slow down the growth recovery process. Moreover, the geopolitical instability and competition among large economies are increased sharply, the climate change is expected to be an increasingly complex issue.

In 2021, the Government strives to reach a GDP growth target of 6.5%, continues to prioritize macro stability and curb inflation at below 4%. The disbursement of public investment shall be promoted in 2021 and years after that. The validity of new FTAs and post-pandemic demand increase are predicted to boost Vietnam's import and export activities. FDI inflows to Vietnam is forecasted to have an increase with "China +1" investment trend. Vietnam is facing both a great opportunity and challenge to participate more actively in the global value chain.

Implementing the Resolution No. 01 of the Government and Directive No. 01 of the State Bank of Vietnam, Vietcombank set out the motto of **"Transformation, Efficiency, Sustainability"** in action and the viewpoint of **"Responsibility - Action - Creativity"** in management mindset; continue to implement Five strategic breakthroughs and Three central objectives, towards innovating the growth model in depth, restructuring business operations, improving labor productivity and striving for sustainable growth.



3 OPERATIONAL RESTRUCTURING OBJECTIVES



BUSINESS ORIENTATION IN 2021

KEY TASKS IN 2021

1. Implementing the credit management solutions under directions of the Government at the Resolution No. 01/NQ-CP dated January 1st, 2021 and the Governor of the SBV at the Directive No. 01/CT-NHNN dated January 07th, 2021.

Continue to perform duties and initiate solutions for epidemics prevention, and support the customers affected by Covid 19 epidemic under the directions of the Government, Prime Minister and Governor of the SBV at Directive No. 02/CT-NHNN dated March 31st, 2020, Circular No. 01/2020/TT-NHNN dated March 13th, 2020 and other relevant directives.

2. Shifting business structure and bussiness growth model

Effective sustainable development creditstrategy.

Focusing on development of new customers with strong financial background. Shifting credit portfolio structure towards increasing proportion of customers in group A (Growth group) outstanding balances; gradually reducing the proportion customers in group B (Maintenance group) of outstanding balances; promptly withdrawing and reducing the outstanding balances of groups C and D Customers (Withdrawal groups); speeding up the credit processing processs, etc.

Focusing on growth of both wholesale and retail short-term credits,offering potential FDI customers segment with low credit risk and full package of services , providing credits for Midcom customers and major Customers in the Southern area.

Continue to expand retail credit lending and general credits through transaction offices.

Stimulating e-banking service activities and expanding non-interest income

Adoption of digitalization of banking services. Focusing on products and services development towards improving customer experiences.

Expanding the base of new e-banking customers, e-commerce business customers and improving the loyalty of customers using e-banking services.

Expanding business with companies with large import-export payment turnover, high trading volume with export processing industrial zones, and companies in the value chain of a larger FDI customer.

Increasing the market share of foreign currency trading. Effectively utilizing the combined services of international payment and foreign currency trading.

Promoting sale and cross-sale of non-credit services, linked products, and cash flow services.

Improving deposit growth efficiency and sustainability

Regulating funding growth rate in line with funding use.

Increasing scale of low-cost funding through providing electronic payment utilities for enterprises, increasing individual accounts and customers using payment service and investment banking services, etc.



3. Increasing profitability from capital trading and investment banking

Liquidity management in connection with efficient funding use to support sales units.

Improving the efficiency of investment activities; rolling out investment banking products that meet customer needs.

4. Strengthening control of credit quality, promoting recovery of written-off loans

Continuing to reduce credit exposure with high-risk sectors, customers without collaterals, customers with potential risks, customers with no overall benefits to Vietcombank.

Regularly reviewing debts structured under the Circular 01, developing debt recovery plans and promptly applying necessary solutions.

Implementing the management of retail credit portfolio by advanced methods.

Accelerating the recovery of written-off loans: Developing a work plan and settlement schedule for each bad debt, assigning specific tasks to each officer.

Strictly complying with the laws and Vietcombank's internal regulations on granting credit and prevention of moral hazard and misconducts.

BUSINESS ORIENTATION IN 2021

5. Solutions to promote business efficiency

Business support solutions

Promoting the development of new products, specialized products in line with customer segments, and investment banking products.

Developing and implementing technology-based payment services in key sectors such as collection and payment services with Social Insurance, State Treasury; public transport fare collection, non-stop road toll collection, collection of health care and education fees, etc.

Developing digital products/services/platforms with application of high technology, encouraging transactions on digital banking channels.

Supportive solutions in terms of technology, human resources, and management information

Strengthening infrastructure capacity, meeting business requirements; ensuring safety, security and confidentiality of the IT system; cooperating with Fintech companies to develop a Vietcombank ecosystem.

Optimizing the organization model, functions and roles of units at the Head Office and Branches in order to focus on management and administration based on operational divisions. Establishing and putting into operation Vietcombank Asset Valuation Center and centralizing debt management.

Prioritizing the allocation of sales staff, tech savvy staff; continuing to reform the remuneration policy that links to business efficiency and productivity.

Improving the quality of scientific research and innovations throughout the Bank for effective implementation of Vietcombank's growth and business promotion strategies.



Risk management solutions

Strengthening internal inspection and audit while strictly monitoring the results of implementing remote inspection, auditing and supervision business activities of branches/subsidiaries in Vietcombank system.

Continuing to improve risk management capacity through the implementation of transformation projects and initiatives under the Basel II Program.

Upgrading operational risk management, especially in the context of Covid-19 epidemic.

Other solutions

Increasing charter capital being approved by the competent authorities.

Improving the efficiency of cost management in the bank, managing and closely monitoring the implementation of budget plans, reducing operating costs, controlling the operating expenses/income ratio.

Optimizing the organizational structure and working facilities based on the approved plan for the purpose of better business efficiency for the higher business efficiency.

Implementing various social activities to support localities, alleviating damages of natural disasters, prioritizing education, healthcare, etc. Conducting various social activities to support local activities.

ASSESSMENT BY BOARD OF DIRECTORS

1
ASSESSMENT BY BOARD OF DIRECTORS

With the motto of "Transformation - Safety - Efficiency - Sustainability" in management and the viewpoint of "Responsibility - Action - Creativity", with the aim of innovating the growth model in depth, operational restructuring for sustainable and efficient growth, the Board of Directors drastically directed, and regulated the Bank's 2020 business direction promptly and flexibly in the context of the business environment under many adverse impacts from Covid-19 pandemic.

With great effort, responsibility and determination, Vietcombank successfully completed the following goals: effectively preventing Covid-19 pandemic, sharing difficulties with customers and developing sustainable business. In 2020, VCB achieved many impressive results, exceeding the targets assigned by the General Meeting of Shareholders, continuing to lead the banking system in terms of profit scale and asset quality.

Assessment of accomplishment of business targets set by Shareholders' General Meeting as follows:



Business results

With business going in the right track, In 2020, Vietcombank achieved positive results, especially profits continued to be stand at the highest level in the Vietnamese banking sector.

- Total assets reached VND 1,326,230 billion, increasing by 8.5% compared to 2019 and reaching 101.3% the 2020 goal set by the General Meeting of Shareholders.
- Total outstanding loans reached VND 845,128 billion, increasing by 14% against 2019, in line with the credit growth quota allowed by the State Bank of Vietnam and covering 103.9% the 2020 target set by the General Meeting of Shareholders.
- Total deposits reached VND 1,053,354 billion, up 10.9% over 2019, covering 101.9% the 2020 target assigned by the General Meeting of Shareholders.
- Vietcombank continued to tightly control credit quality and promote the recovery of non-performing loans. Non-performing loan was VND 5,229 billion, non-performing loan ratio was 0.62%, while loan loss provision was VND 19,243 billion. Vietcombank's loan loss coverage ratio was 368%, which was the all-time highest level for the Bank and in the whole banking industry.
- Number of employees at the end of 2020 increased by 5.9% compared to 2019, Salary cost/profit before tax the Salary cost Profit before tax excluding salary reached 26%. All these targets are within the range assigned by the General Meeting of Shareholders.
- 2020 profit before tax was VND 23,050 billion (equivalent to 2019), exceeding the plan set by the State Bank of Vietnam by 116.3%.
- VCB's market capitalization exceeded USD 15.7 billion as of December 31st, 2020, continuing to stand at leading position among all the listed banks.



ASSESSMENT BY BOARD OF DIRECTORS

Governance and management activities

Network development, human resources management and training

- In 2020, 05 new Branches and 33 Transaction Offices were established, increasing the total number of transaction points to 116 Branches and 474 Transaction Offices. Furthermore, Vietcombank got approval from the Prime Minister to establish a branch in Australia.
- Average labor productivity throughout the network continued to be at high level (EBT/person reached VND ~1.22 billion). VCB maintained its leading position for 5 consecutive years as the bank with the best working environment in Vietnam. The scientific research and activities of the Scientific Council were promoted and strictly deployed.

Digital banking transformation

- The activities of digital banking were implemented in line with orientation with many breakthrough innovations: successfully operating the new Core banking system – Core banking Signature, launching a completely new digital banking service – VCB Digibank, becoming a typical digital transformation bank in 2020, implementing products of new digital banking products such as VCB Booking, e-KYC, etc.
- Vietcombank was the first bank to successfully establish connection with the National Public Service Portal and used this portal for social insurance payment. The Bank plans to continue expanding this cooperation, providing online payment solutions for healthcare, education, customs, insurance, etc.
- Continuing to research and deploy the Digital Banking applications and projects as planned in line with the bank's strategy.



Transformation projects

- IT Development Scheme to 2020 achieved many positive results. A series of key projects in the Scheme in order to improve efficiency of system operation and administration and upgrading information technology infrastructure have been completed and deployed, typically Core Banking project, MPA, Centralized Backup Storage, etc.
- By the end of 2020, Basel II Program basically completed most of the recommended initiatives. Some initiatives of Basel II Program regarding advanced components are ready for deployment right when the State Bank of Vietnam gives the green-light.

Other management activities

- The BOD approved reports to summarize and evaluate the implementation of the restructuring plan and the recovery of non-performing loans by 2020 with 4 sub-schemes and 4 action programs of the Scheme.
- The BOD continuously gave direction and periodically urged to review and evaluate the implementation of the Vietcombank's Development Strategy by 2025, a vision by 2030; and sub-schemes, action programs performed by Strategic divisions.

ASSESSMENT BY BOARD OF DIRECTORS

2

ASSESSMENT BY BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

- The Board conducts monthly meetings to assess the business activities and performance of tasks assigned to each Board member. Subsequently, a resolution was promulgated to direct business activities, assign specific tasks to each member of the BOD and supervise the BOM to implement, comply with regulations at the Bank's Charter, Regulations on organization and operation of the BOD, Internal management regulations and relevant regulations of Vietcombank.
- In December 2019, the BOD issued the Resolution No. 686 on business orientation in 2020. While the business market suffered many adverse effects due to the Covid-19 epidemic, in June 2020, the BOD issued the Resolution No. 268 to timely adjust some business orientation, helping VCB's operations safety and maintain growth momentum and efficiency.
- Members of the BOD and the BOM always considered interests of shareholders, the State and the Bank as top goals of implementation, well directed, operated and fulfilled their assigned duties and responsibilities.



3

BUSINESS ORIENTATION IN 2021

Motto: "Transformation, Efficiency, Sustainability" with a focus on growth model in depth, operational restructuring, sustainable growth, high efficiency, and labor productivity improvement.

In 2021, Vietcombank will focus on 5 strategic breakthroughs, namely:

1	Renovating the growth model and restructuring business operations;
2	Promoting customer and product development;
3	Completing mechanisms and policies;
4	Enhancing the quality of human resources and the ability to adapt to the digital banking;
5	Completing and upgrading IT system, deploying digital banking services.

Viewpoint of management: "Responsibility - Action - Creativity".

3 central objectives in operational restructuring:

01

Keeping reasonable credit growth along with credit portfolio restructuring to gain efficiency and sustainability: Increasing the proportion of retail loans and loans provided at transaction offices; increasing the proportion of collateral against the total outstanding loans;

02

Increasing the proportion of non-interest income with a focus on income from services and treasury;

03

Performing capital restructuring to gain efficient increase.



READY FOR CHANGES

CHAPTER 3

ORGANIZATION AND HUMAN RESOURCES

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ORGANIZATION AND HUMAN RESOURCES

HUMAN RESOURCES

As at 31/12/2020, total number of employees was:

20.062 PERSONS

With large and increasingly growing number of employees, Vietcombank's BOD and BOM always focus on human resources development and see it as the key to the success and efficiency of the Bank

- Human resources are managed under best practices in order to build, develop and maintain a high-quality team who supports to implement the Bank's goals to become the leading bank in human resources quality.
- Taking initiative in applying flexibility, creativity, determination, innovation in human resources management. On one hand, arranging and strengthening the organizational structure in the direction of specialization, streamlining, efficiency in accordance with international practices. On the other hand, constantly reforming staff management policies in all phases from recruitment to planning, selection, appointment, rotation, discipline, evaluation, training; renovating staff evaluation methods.
- Employee quality is controlled from the recruitment step with a serious and professional recruitment policy; Accepted staffs are suitable for the intended position.
- HR planning activities are carried out fully and seriously to build a team of leaders who are updated with knowledge and have professional experiences in operation and management.
- Training activities are pushed to improve both quantity and quality of training courses for employees.
- A salary mechanism is developed on the principle of flexibility, connecting remuneration to productivity, quality, and performance to create motivation for the staff.

Vietcombank is actively implementing the Human Resources development and management strategy until 2025 as a prerequisite to successfully implement Vietcombank's Development Strategy by 2025, vision by 2030.

CHANGES OF MEMBERS OF BOD AND BOM

The composition of the BOD and BOM had some changes as follows:

RESIGNATION

Ms. Truong Le Hien,
Head of Supervisory Board, entitled to retirement from 01/11/2020;

Mr. Thomas William Tobin,
Retail Banking Group Director, terminated his Service contract from 01/12/2020).

APPOINTMENT

Mr. Lai Huu Phuoc,
Head of Internal Inspection Board, appointed as Member of Supervisory Board, term 2018-2023 from 26/06/2020 by 2020 General Meeting of Shareholders;

Mr. Lai Huu Phuoc,
Member of Supervisory Board, appointed as Head of Supervisory Board from 04/11/2020.

NETWORK AND ORGANIZATION OF VIETCOMBANK

As at December 31st, 2020, Vietcombank's network included:

- Head office.
- 116 Branches;
- 474 Transaction offices
- 04 Subsidiaries in Vietnam.
- 01 Representative Office in Singapore, 01 Representative Office in the United States, 01 Representative Office at Ho Chi Minh City.
- 03 overseas subsidiaries
- 03 Non-business units (Cash Treatment Center in Ha Noi, Cash Treatment Center in HCMC, Human Resources Development and Training School).
- 03 other joint ventures and associates



BOARD OF DIRECTORS



Mr. NGHIEM XUAN THANH
Chairman of the Board of Directors

Education:

- Ph.D. in Economics, Banking Academy
- Master of Economics, Banking Academy

Mr. NGUYEN MANH HUNG
Member of the Board of Directors

Education:

- Master of Economics, Vietnam – The Netherlands Master Program
- Bachelor of Economics, National Economics University



Mr. PHAM QUANG DZUNG
Member of the BOD cum Chief Executive Officer

Education:

- Master of Banking and Finance, Birmingham University, (UK)
- Bachelor of Economics, National Economics University



Mr. NGUYEN MY HAO
Member of the Board of Directors

Education:

- Master of Economics, Banking Academy
- Bachelor of Economics, Banking Academy



Mr. DO VIET HUNG
Member of the Board of Directors

Education:

- Master of Business Administration, Chulalongkorn University (Thailand)
- Bachelor of Economics, Vietnam Maritime University



Mr. EIJI SASAKI
Member of the Board of Directors cum Deputy CEO

Education:

- Bachelor of Economics, Nihon University (Japan)
- Bachelor of Economics, The State University of New York at Buffalo



BOARD OF DIRECTORS

Mr. PHAM ANH TUAN
Member of the Board of Directors

Education:

- Master of Business Administration, South Columbia University
- Bachelor of Economics, University of Economics Ho Chi Minh City



Mr. HONG QUANG
Member of the Board of Directors cum Head of Human Resources Division

Education:

- Master of Business Administration – Foreign Trade University in collaboration
- Bachelor of Economics, National Economics University
- Bachelor of Laws, Ha Noi Law University



Mr. TRUONG GIA BINH
Independent member of the BOD

Education:

- Associate Professor in Mechanics – By State Council for Academic Appraisal and Title of Vietnam
- Ph.D. in Mathematics and Physics – Lomonosov University (Russia)
- Bachelor of Economics, Lomonosov University (Russia)



BOARD OF MANAGEMENT AND DIVISION HEADS

Mr. PHAM QUANG DZUNG
Member of the BOD cum Chief Executive Officer

Education:

- Master of Banking and Finance, Birmingham University, (UK)
- Bachelor of Economics, National Economics University



Mr. DAO MINH TUAN
Deputy CEO

Education:

- Master of Economics, Banking Academy
- Applied Mathematics Engineering, Ha Noi University of Science and Technology
- Bachelor of Economics, National Economics University



Mr. PHAM MANH THANG
Deputy CEO

Education:

- Ph.D. in Economics, Banking Academy
- Master of Economics, Banking Academy
- Bachelor of Economics, Banking Academy



BOARD OF MANAGEMENT AND DIVISION HEADS

Ms. NGUYEN THI KIM OANH
Deputy CEO

Education:

- Master of Banking and Finance, New South Wales University
- Bachelor of Economics, National Economics University



Ms. DINH THI THAI
Deputy CEO

Education:

- Master of Economics, National Economics University
- Bachelor of Economics, Foreign Trade University



Mr. EIJI SASAKI
Member of the Board of Directors cum Deputy CEO

Education:

- Bachelor of Economics, Nihon University (Japan)
- Bachelor of Economics, The State University of New York at Buffalo



BOARD OF MANAGEMENT AND DIVISION HEADS

Ms. PHUNG NGUYEN HAI YEN
Deputy CEO

Education:

- Master of Economics, Banking Academy – CPA Australia
- Bachelor of Economics, Banking Academy



Mr. LE QUANG VINH
Deputy CEO

Education:

- Master of Economics, New South Wales University, Australia
- Bachelor of Economics, National Economics University



Mr. NGUYEN THANH TUNG
Deputy CEO

Education:

- Master of Economics, Paris Dauphine University
- Bachelor of Economics, Foreign Trade University



Mr. DANG HOAI DUC
Deputy CEO

Education:

- Bachelor of Economics, Training and Scientific Research Center for Banking (now Banking University of Ho Chi Minh City)



SUPERVISORY BOARD

Mr. LAI HUU PHUOC Head of Supervisory Board

Education:

- Master of Business Administration – Griggs University in collaboration with Vietnam National University, Hanoi
- Bachelor of Economics, Finance Academy



Ms. LA THI HONG MINH Member of Supervisory Board

Education:

- Master of Economics, National Economics University
- Bachelor of Economics, Banking Academy



Ms. DO THI MAI HUONG Member of Supervisory Board

Education:

- Master of Economics, Foreign Trade University
- Bachelor of Economics, Foreign Trade University



GROUP DIRECTOR

Mr. HONG QUANG Head of Human Resources Division

Education:

- Master of Business Administration – Foreign Trade University in collaboration with Meiho University (Taiwan).
- Bachelor of Economics, National Economics University
- Bachelor of Laws, Ha Noi Law University



CHIEF ACCOUNTANT

Mr. LE HOANG TUNG Chief Accountant

Education:

- Master of Economics, Academy of Finance
- Bachelor of Economics, Academy of Finance





SYSTEM UPGRADE

CHAPTER 4

CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS

STRUCTURE OF BOARD OF DIRECTORS

No.	Full Name	Position	Vietcombank shares owned		Remarks
			Number of shares	Ownership	
1	Nghiem Xuan Thanh	Chairman of BOD	59.025	0,00159%	Elected as member of BOD by Shareholders' General Meeting from April 25 th , 2013. Elected as Chairman by the BOD from November 1 st , 2014. Non-executive member.
2	Pham Quang Dzung	Member of BOD, CEO	3.281	0,00009%	Elected as member of BOD by Shareholders' General Meeting from April 25 th , 2013. Appointed as CEO by the BOD from November 1 st , 2014.
3	Do Viet Hung	Member of BOD	0	0,00000%	Elected as a Member of BOD by Shareholders' General Meeting from April 26 th , 2019.
4	Eiji Sasaki	Member of BOD, Deputy CEO	0	0,00000%	Elected as member of BOD by Shareholders' General Meeting from April 28 th , 2017.
5	Nguyen Manh Hung	Member of BOD	2.270	0,00006%	Elected as member of BOD at the Extraordinary General Meeting of Shareholders from December 26 th , 2014. Non-executive member.
6	Pham Anh Tuan	Member of BOD	0	0,00000%	Elected as member of BOD by Shareholders' General Meeting from April 28 th , 2017. Non-executive member.
7	Nguyen My Hao	Member of BOD	7012	0,00019%	Elected as member of BOD by Shareholders' General Meeting from April 28 th , 2017. Non-executive member.
8	Hong Quang	Member of BOD	2	0	Elected as a Member of BOD by Shareholders' General Meeting from April 27 th , 2018.
9	Truong Gia Binh	Member of BOD	0	0	Elected as a Member of BOD by Shareholders' General Meeting from April 27 th , 2018. Independent member.

ACTIVITIES OF BOARD OF DIRECTORS

The attendance rates of the Board members in 2020 are as below:

No.	Full name	Position	Date being member of BOD	Number of meetings attended	Number of meetings on the basis of voting	Attendance rate	Reason for absence
1	Nghiem Xuan Thanh	Chairman of the BOD	25/04/2013	71/71	36/36	100%	
2	Pham Quang Dzung	Member of BOD, CEO	25/04/2013	71/71	36/36	100%	
3	Do Viet Hung	Member of BOD	27/04/2018	71/71	36/36	100%	
4	Eiji Sasaki	Member of BOD, Deputy CEO	28/04/2017	13/13	0/0	100%	(1)
5	Nguyen Manh Hung	Member of BOD	26/12/2014	71/71	36/36	100%	
6	Pham Anh Tuan	Member of BOD	28/04/2017	71/71	36/36	100%	
7	Nguyen My Hao	Member of BOD	28/04/2017	71/71	36/36	100%	
8	Truong Gia Binh	Member of BOD	27/04/2018	13/13	0/0	100%	(2)
9	Hong Quang	Member of BOD	26/04/2019	71/71	36/36	100%	

In 2020, the Board of Directors of Vietcombank organized 71 meeting sessions (in which 13 plenary sessions of BOD) and 36 collections of written opinions for the purpose of directing Vietcombank's operation periodically, making decisions on matters that require BOD's approval and discussing some other specific topics.

Notes:

¹ Mr. Eiji Sasaki is a concurrent member of BOD; thus only attendance in plenary sessions was counted.

² Mr. Truong Gia Binh is an independent member of BOD; thus only attendance in plenary sessions was counted.

COMMITTEES UNDER BOARD OF DIRECTORS

RISK MANAGEMENT COMMITTEE



Risk Management Committee assisted the BOD in approving appropriate policies and directions with regard to various types of risks in each period, including defining ratios, limits/restrictions and risk appetite of the Bank.

In 2020, Risk Management Committee organized 04 regular meeting sessions, coordinated with relevant divisions to build and complete Vietcombank’s regulations/ model, assessed current and future risks, advised the BOD with risk management strategies, policies and preventive measures covering numerous aspects of Vietcombank’s operation. The Committee also played an active role in promoting the deployment of ideas under Basel II Program, assisting VCB early to apply ICAAP under the Circular No. 13/TT-NHNN on internal capital.

In 2020, Risk Management Committee conducted business continuity activities on the following areas: Coping with the Covid-19 pandemic: Implementing many measures to cope with the pandemic situation such as: communication, self-assessment of safety level, development of prevention plans, enhanced measures to cope with the epidemic; Responsive actions to floods and storms in the Central region: Timely issuing documents to guide Branches regarding emergency plans to ensure business continuity, safety of lives and property.

HUMAN RESOURCES COMMITTEE



Human Resources Committee consulted the BOD regarding scale and structure, the Manager in line with Vietcombank’s operation scale and development strategy; advised the BOD to review, assess and propose the election, appointment, dismissal, the planning of managers under the BOD’s appointment authority and remuneration mechanism system to ensure the suitability with Vietcombank’s operation and business orientation and plans in each period.

In 2020, Human Resources Committee proactively advised to evaluate, propose the planning of staff appointment and management under authorization, ensured the publicity, right person, right action, optimized the system of documents and policies in staff management, enhancing capacity and quality. During the past time, the appointment and re-appointment of management positions at Head office and business units were approved by Human Resources Committee, contributing to the improved efficiency of staff management.

STRATEGY COMMITTEE



Strategy Committee consulted the BOD to develop business development strategy of the Bank, including assessment of current situation, overall targets, long-term vision, strategic orientation, business criteria for each period, implementation solutions and roadmap. Right after deployment of transformation schemes by 2020, the Committee supervised the implementation of Divisions, periodically reported the implementation situation to the BOD. Every 6 months, the Strategy Committee made a report to review the Restructuring Scheme and submitted to the BOD for consideration and reported to the SBV in accordance with regulations.

ALL MEMBERS OF BOARD OF DIRECTORS WENT THROUGH TRAINING PROGRAMS ON MANAGEMENT.



CORPORATE GOVERNANCE

2. SUPERVISORY BOARD

MEMBERS AND STRUCTURE OF SUPERVISORY BOARD

The 13th Annual General Meeting of Shareholders of Joint Stock Commercial Bank for Foreign Trade of Vietnam on 26/06/2020 approved the additional appointment of Mr. Luu Huu Phuoc to the Supervisory Board, term 2018 - 2023. Vietcombank approved the Application for resignation from the Member cum Head of Supervisory Board, term 2018-2023 of Ms. Truong Le Hien to

entire the retirement regime from 01/11/2020 under the Decision of the Governor of the State Bank of Vietnam. On November 04th, 2020, the Supervisory Board organized a meeting and approved the re-appointment of Mr. Lai Huu Phuoc as the Head of Supervisory Board instead of Ms. Truong Le Hien. By December 31st, 2020, the Supervisory Board had 03 members.

In 2020, member attending Supervisory Board were:

No.	Full name	Position	Date being member of SB	Number of meetings attended	Attendance rate	Reason for absence
1	Mr. Lai Huu Phuoc	Head of SB	26/06/2020	7/9	100%	-
2	Ms. Truong Le Hien (*)	Former Member of SB	26/04/2008	6/9	100%	Resigned from November 04 th , 2020 to entire the retirement regime
3	Ms. La Thi Hong Minh	Member of SB	26/04/2008	9/9	100%	-
4	Ms. Do Thi Mai Huong	Member of SB	26/04/2008	9/9	100%	-

Remark: Ms. Truong Le Hien resigned from November 01st, 2020 to entire the retirement regime



ACTIVITIES OF SUPERVISORY BOARD

Assessment on activities of Supervisory Board

Supervision on BOD, BOM and shareholders by Supervisory Board:

Supervisory Board supervised BOD and BOM in the implementation of business orientations and objectives in 2020 of Vietcombank, which were approved by Shareholders' General Meeting, supervising the compliance with the laws and the Bank's Charter in management and governance. In 2020, in the context of the business environment suffering from many adverse impacts due to Covid-19 epidemic, BOD and BOM proactively and timely issued the appropriate response policies and solutions and drastically deployed the measures to successfully implement the "multi-targets": effectively preventing Covid-19 pandemic,

sharing difficulties with customers and developing sustainable business. In general, management and governance activities of BOD and BOM complied with the provisions of the Law on Credit Institutions and the Bank's Charter.

Implementing the provisions in the Law on Credit Institutions, Supervisory Board has followed up/updated changes in the list of founders, major shareholders, and members of BOD, members of Supervisory Board, CEO and related persons of members of BOD, members of Supervisory Board, CEO.

Coordination between the Supervisory Board and BOD, BOM and other managers:

Performing Regulations on internal governance of Vietcombank, Supervisory Board attends regular/ periodic meetings of BOD and monthly meetings of BOM. Supervisory Board is also fully provided with information and documents about management, governance and business activities of the Bank to serve its supervisory activity.

and audit, etc.) to ensure the compliance with the provisions of Circular No. 13/2018-TT-NHNN dated May 18th, 2018 and Circular No. 40/2018/TTNHNN dated December 28th, 2018 on the internal governance system of commercial banks and their foreign branches and new regulations taking effect since January 01st, 2021.

The Supervisory Board, in coordination with BOD and BOM, reviewed the regulations on internal governance (Vietcombank's Charter on organization and operation, the BOD's Regulations on organization and operation, the Regulations on internal governance), reviewed and issued Supervisory Board's internal regulations (the Supervisory Board's Regulations on organization and operation, Regulations on Professional ethical standards of Supervisory Board's Members, Regulations on internal control

The Supervisory Board worked closely with BOD and BOM in carrying out the assigned functions and tasks and supervising audit activities of the Bank. Through its activities, the Supervisory Board has proposed opinions and suggestions to BOD and BOM for risk management enhancement, risk minimization, and compliance with the law, the Company's Charter, and internal regulations, in order to improve the operational quality and efficiency of the Bank.

Other activities of Supervisory Board:

In 2020, the Supervisory Board directed relevant departments to evaluate the financial statements for the first 6 months and for the fiscal year 2019; completed the internal control report, anti-money laundering report and independent review report of internal control system in 2019 of Vietcombank; implemented 22 audits (including 07 audit and inspection schemes at systemwide scale, 08 audits of departments at Head office, 02 comprehensive audits on operations of subsidiaries and representative office in the US, 02 audits at the branches, 01 audit of PD RSME quantitative model, 01 audit of capital adequacy ratio (CAR) and internal capital adequacy assessment process (ICAAP)); acted as the center for deploying Circular No. 13/2018/TT-NHNN at Vietcombank; deployed the automation of internal audit activities on Vietcombank's internal audit and

inspection software; and monitoring limit management and adequacy ratios; as well as supervising the implementation of Vietcombank Restructuring Plan to 2020.

Members of the Supervisory Board participated in professional trainings and seminars for better understanding of governance and participated in transformation projects; proactively monitored, urged and coordinated with Departments/Divisions/Centers at the Head Office and branches to perform proposals of the Supervisory Board, internal audits, and recommendations from external inspection units.

CORPORATE GOVERNANCE

3. TRANSACTIONS OF INTERNAL SHAREHOLDERS AND RELATED PERSONS

In 2019, there was transactions of internal shareholders and related persons as follows:

No.	Full name	Position	Number of shares before transaction		Number of shares after transaction		Reasons for increase/decrease	Transaction result report time
			Number of shares	Holding ratio (%)	Number of shares	Holding ratio (%)		
1	Mr. Le Hoang Tung	Chief Accountant	10.000	0,00027	20.000	0,00056	Buy	26/04/2020
2	Mr. Le Hoang Tung	Chief Accountant	20.000	0,00056	5.000	0,00013	Sell	25/12/2020
3	Ms. Nguyen Thi Minh Tam	Mother of Supervisory Board's Member – Ms. Do Thi Mai Huong	2.523	0,00007	0	0	Sell	29/12/2020

4. INVESTOR RELATIONS

In 2020, COVID-19 pandemic negatively affected the economy of the world and Vietnam, enterprises and the whole banking industry. In that context, with the motto of "Transformation – Safety – Efficiency – Sustainability", Vietcombank timely adjusted its business strategies, reorganized operations and speed up the process of digital transformation, at the same time, pioneered in sharing difficulties with enterprises, especially in debt restructuring, waiver or reduction of interest. As the role of the link between the Bank and the investor community, Vietcombank's investor relations activities in 2020 had also evolved, keeping up with the general trend in the context of the pandemic and achieved the recognition of shareholders, investment funds, securities companies as well as most of domestic and international investors.

INVESTOR MEETINGS

In previous years, Vietcombank was always known as one of the enterprises with active investor relations, participating in many domestic and international investment conferences. The COVID-19 pandemic as well as process of social distancing influenced the Bank's Investor Relations Unit to proactively and creatively integrate digital transformation trend into operations to maintain an interaction channel with the investors' community. The Bank's financial release and information were always updated and publicized timely on the Bank's website. In addition, The Investor Relations Unit also actively organized many online sessions with customers being shareholders, investment funds, securities companies and actively took part in online investment conferences. By the end of 2020, Vietcombank organized 120 online sessions with potential investors, took part in 9 online investment conferences organized by domestic and international reputable securities companies. Thanks to these efforts, Vietcombank's brand value in investor community continued to be reinforced.

STOCK MARKET RELEASES

Aware of the importance of transparent and timely information on financial health and performance of the Bank for investors in the context of COVID-19 pandemic, the release of the Bank's public information in 2020 also got much attention. Throughout 12 months in year, Vietcombank accurately, timely and fully disclosed financial statements, management reports, annual reports and more than 50 ad-hoc information disclosures on banking operations, thus, the investors and shareholders could understand the operation situation as well as Vietcombank's plans and strategies to "weather the storm" during this rough water.

With constant efforts, Vietcombank's investor relations in 2020 achieved the remarkable results, contributing to enhance its value: (i) Maintaining the leading position among Vietnam commercial banks evaluated and rated by all 3 reputable credit rating agencies, namely Fitch, Moody's and S&P, affirming the position of the leading bank in Vietnam (ii) Vietcombank shares consecutively had the highest trading price among listed banking shares in Vietnam market, leading the market in terms of market capitalization and become a key contributor to the active growth of VN-Index (iii) Continuing to strengthen the relationship with Mizuho – strategic shareholder with a view to bringing the strategic cooperation relationship between the two financial institutions to a new height.



RISK MANAGEMENT

In order to become a bank with the best risk management in Vietnam, Vietcombank always proactively enhances the risk management culture, pioneers in researching and applying modern credit risk management measures and models in conformity with international standards, orientations of regulatory authorities, as well as internal management needs.



RISK MANAGEMENT

1. GENERAL INFORMATION

In terms of organization and risk management, Vietcombank regularly reviews and consolidates its risk management apparatus in line with 3 lines of defense: (i) the first line is to identify, control and mitigate risks; (ii) the second line is to develop risk management policy, internal regulations on risk management, measurement, monitoring in compliance with the law and (iii) the third line is for internal auditing. At the same time, the Bank also strengthens and enhances the role and performance of risk-related Committees, Councils and Departments, such as Risk Management Committee, Risk Council, Risk Management Department, Compliance Department and Internal Audit Department. Thereby, this improves the efficiency of risk control, while proactively supporting business operations to achieve the optimal efficiency.

Vietcombank's documents, regulations, guidelines on risk management are periodically reviewed and updated to meet requirements and comply with orientations of regulatory authorities as well as operational status of Vietcombank.

Vietcombank also focuses on investment in developing risk measurement tools and models utilizing advanced methods. Credit risk quantification model was developed, covering most of the bank portfolio. Besides, the information technology systems were also regularly upgraded to best meet the corporate governance

requirements. Reviewing and improving data quality at Vietcombank are increasingly focused and maintained regularly and continuously to meet requirements on quality control as well as data completeness. Vietcombank has determined that data quality is the top priority in this circumstance to maintain and enhance the Bank's competitiveness.

In the context of complicated developments of the COVID-19 pandemic affecting the domestic and world economies, Vietcombank has proactively implemented synchronous risk management solutions and constantly improved and enhanced the Bank's risk management system. In 2020, Vietcombank continued to maintain the capital adequacy ratio higher than the required level; at the same time, actively consolidated initiatives to apply Pillar 2 - Internal Capital Adequacy Assessment Process (ICAAP) under Basel II standard in order to comply with requirements for all 03 Pillars of Basel II according to the standard method earlier than the deadline required by the State Bank of Vietnam. Not only implementing Basel II according to the standard method, over the past time, Vietcombank has continued to review and perfect necessary conditions to meet Basel II under an advanced method; thereby, ready to review and respond positively to requirements of the State Bank of Vietnam as soon as the regulations and instructions related to the implementation of Basel II under the advanced method are available.



2. MANAGEMENT OF SIGNIFICANT RISKS AT VIETCOMBANK IN 2020

CREDIT RISK MANAGEMENT

Credit risk includes: i) Credit risk is the risk generated when customers do not fulfill or are unable to fulfill part or all repayment obligations under contracts or agreements with VCB; (ii) Counterparty risk is the risk generated when the counterparty does not fulfill or is unable to fulfill part or all repayment obligations before or at the maturity of trading transactions; repo transactions; reverse repo transactions; transactions of derivative products for hedging purpose; transactions of foreign currency and financial assets for the needs of customers and partners.

Vietcombank's credit risk management framework includes organizational structure, policies, processes, models, limits and reports. Several results of credit risk management lately:

- Effectively operating the early warning system ("EWS") for early identification of corporate customers with potential risk, thereby improving the quality of the Bank's credit portfolio by regularly evaluating customers after loan disbursement, promptly providing preventive and remedial measures to minimize loss to the Bank. Customer identification was based on the quantitative analysis of data in the core banking system, credit rating system and the qualitative questionnaires to assess the customers' prestige, business performance, and repayment capacity.
- Regularly reviewing and timely adjusting the system of documents, policies on risk management including: (i) credit risk management policy; (ii) regulation on credit limit for a customer/group of customers; (iii) regulation on credit approval authority; (iv) regulation on credit guarantee; (v) regulation on lending/guarantee/corporate bond purchase/factoring; (vi) sets of credit procedures for each customer, etc. in accordance with regulations of laws, risk appetite as well as meeting business requirements of the Bank.
- Building and completing models to quantify credit risks according to Basel II; step by step putting these models into application for credit risk and business operation management policies.
- Continuing to improve the quality and timeliness of: (i) reporting on the management of wholesale and retail credit portfolios; (ii) preparing sectoral reports as a basis for identifying industrial risks to have orientation for exposure to each industry corresponding to the risk level; (iii) providing

information about related groups of customers for delegation of credit granting authority, ensuring that the credit limit for customer groups with significant influence are reviewed and granted at a higher authority.

- Building, monitoring, and managing credit risk limits, including: (i) Credit limit by customer, industry, economic sector on the basis of customers' ability to repay debts, credit risk of economic sectors and fields; (ii) Credit limit by product, form of guarantee on the basis of corresponding credit risk of the product, form of security.

In 2020, with the negative impact of the COVID-19 epidemic on the entire economy and business activities of enterprises and people, Vietcombank consistently maintained solutions related to policy and regulation together with advanced technology systems, and regularly assessed the quality of its credit portfolio. Vietcombank's performance results in 2020 have affirmed its position as a financially healthy bank with a safe and efficient credit portfolio.



RISK MANAGEMENT

OPERATIONAL RISK

Operational risk is the risk generated due to incomplete or erroneous internal processes, human errors, incidents of system or external factors which causes financial losses, negative non-financial impacts on the Bank (including legal risks). Operational risk does not include reputation risk and strategic risk.

Vietcombank has established and fully implemented operational risk management framework, including the model, the organizational structure, the system of policies, procedures for operational risk, risk appetite and limit management in compliance with the State Bank of Vietnam's regulations in Circular 13/2018/TT-NHNN and under advanced Basel II standards.

In 2020, Vietcombank continued to focus and strengthen operational risk management with the aim of minimizing operational risk losses to protect the Bank, its shareholders and customers. Operational risk management was effectively implemented throughout the system through operational risk management tools such as incident reporting, risk self-assessment and control points, and the development and monitoring of key risk indicators (KRIs), risk assessment for all new policies, regulations, products and services, thereby effectively supporting the identification, measurement, monitoring and control of operational risk in all operations of the Bank.

Vietcombank also continued to promote specific processes and actions to manage specific operational risks such as comprehensive implementation of the fraud risk management framework, information technology risk and operational risk management framework for outsourcing activities. In addition to measures to prevent, detect and mitigate operational risks, Vietcombank continued to hedge operational risk through operational risk insurance packages on its assets as an additional measure of operational risk management to help protect the Bank in case of serious losses. In addition to technical tools, Vietcombank also constantly focused on improving the operational risk management culture through training and communication, ensuring compliance with the Code of Conduct and professional ethics and building a cohesive working environment to prevent risks.

Especially in 2020, in the complicated situation of the COVID-19 pandemic, Vietcombank developed and implemented timely and effectively a business plan in the context of continuously preventing COVID-19 with response measures suitable to the pandemic developments, in compliance with the regulations of the Government, the State Bank of Vietnam and regulatory agencies and ensuring safety for employees and customers of Vietcombank, and the Bank also well maintained business continuity systemwide and met the business development targets.

MARKET RISK

Market risk is the risk generated due to negative changes in interest rates, exchange rates, gold price, securities and goods to values of Vietcombank's financial assets. Market risk includes: Interest rate risk, stock price risk on the trading book and foreign exchange risk, commodity price risk on the trading and banking books.

The market risk management framework is a close combination of organizational structure, policies, processes, models, limits and reports of market risks, towards the world's advanced standards. Market risk management is carried out at each business unit and operational unit based on each risk profile in particular and Vietcombank's risk appetite in general. Based on its synchronous market risk management framework, Vietcombank can actively prevent risks to limit the impact of market fluctuations.

In 2020, Vietcombank continued to periodically review and update policies, procedures, methodologies while supplementing and upgrading systems, models, measurement and market risk management programs to meet the State Bank of Vietnam's regulations as well as international practices.

LIQUIDITY RISK

Liquidity risk is the risk generated when: (i) The bank fails to fulfill its repayment obligations at due date; or (ii) The bank is able to fulfill its repayment obligations at due date but has to pay a higher cost than the average market price according to Vietcombank's internal regulations.

Vietcombank's liquidity risk management framework has been fully set up with models, organizational management structures, set of documents and policies, processes, regulations and overall limits to identify, measure, supervise and report risks according to international practices and innovative Basel standards, and strictly comply with the State Bank of Vietnam's regulations on solvency and liquidity ratios in banking operations. Regulations, processes, limits, liquidity risk management tools, etc. are reviewed and updated annually to promptly amend in order to meet the requirements of the regulatory agencies and implementation within the Bank.

In 2020, in addition to strict daily monitoring and control of liquidity risk, Vietcombank promptly identified and early alerted liquidity risk due to the impact of COVID-19 and tested a unexpected liquidity back-up plan. Furthermore, Vietcombank

also concentrated its resources in the ALM/FTP project to automate management reporting in order to meet international practices on liquidity risk management. In 2020, the Bank's liquidity was always guaranteed.



RISK MANAGEMENT

INTEREST RATE RISK

Interest rate risk is the risk generated by negative changes of interest rate on income, asset value, value of liabilities and value of off-balance sheet due to: (i) Difference in period to apply new interest rates or to re-define interest rates; (ii) Change of relationship among interest rates from different financial tools with the same maturity; (iii) Change of relationship among interest rates at different maturities; (iv) Impact from products with interest rate option.

For interest rate risk management, Vietcombank has established a comprehensive system of policies, processes and limits to identify, measure, supervise and report risks according to international practices such as Basel in accordance with SBV's regulations at Circular No. 13/2018/TT-NHNN.

Vietcombank is one of the first banks to apply interest rate risk management tools and limits to daily management activities

(management of the difference in reprising gap between rate-sensitive assets and rate-sensitive liabilities, the sensitive of net interest income (NII sensitivity) and the sensitive of economic value of equity (EVE sensitivity)). In addition, Vietcombank also uses appropriate derivative products to minimize the negative impact of interest rate fluctuations.

In 2020, Vietcombank continued implementing ALM/FTP software system to improve the automation and efficiency of interest rate risk management.



CONCENTRATION RISK

Concentration risk occurs when a bank's business focuses on only one customer (including related persons), partner, product, transaction, industry, economic sector, and currency with significant impact on income, risk status according to internal regulations of the Bank. Concentration risks include those related to the Bank's credit portfolio and trading book.

Vietcombank has established a comprehensive concentration risk management framework, composed of organizational model and structure, comprehensive system of policies, processes, regulations, and limits to identify, measure, supervise and report risks for compliance with the State Bank of Vietnam's regulations as well as Vietcombank's internal regulations.

In the concentration credit risk management, Vietcombank diversified its credit portfolio according to the following principles: (i) defining credit limits of interest rate risk concentration risks for credit products, customers, industries and economic sectors, collateral assets; (ii) identifying the relevant person of

the customer according to regulations of laws and identification of the Bank; (iii) defining the level of diversity and interaction of credit products, industries and economic sectors. In 2020, Vietcombank constantly supervised and monitored credit limits of concentration risks to ensure the credit limits to be maintained within the established limits. In addition, Vietcombank completed the capital stress testing framework for credit risks and credit concentration risks; thereby, contributing to early meeting the deadline for completion of Pillar 2 under Basel II by June 2020.

For concentration risks in the trading book, Vietcombank officially deployed management tools based on criteria to identify trading portfolio for limit setting in order to ensure the diversity and interactivity; the limits were set based on the maximum proportion of the trading volume, the currency and the counterparty compared with the total trading balance.

BUSINESS NETWORK

LIST OF BRANCHES AND TRANSACTION OFFICES BY DECEMBER 31ST, 2020

By December 31st, 2020: Vietcombank has 116 Branches and 474 Transaction Offices. On December 31st, 2020, Vietcombank was approved by the SBV to establish 05 Branches and 02 Transaction Offices. These Transaction Offices are expected to launch in 2021.

BRANCH	ADDRESS	TEL	FAX
An Giang	30-32 Hai Ba Trung Street, My Long Ward, Long Xuyen City, An Giang Province	02963.898999 02963.841075 02963.841816	02963.841591
Ba Dinh	521 Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District, Hanoi City	024.37665318	024.37665313
Ba Ria	03 Truong Chinh Street, Phuoc Trung Ward, Ba Ria City, Ba Ria - Vung Tau Province	0254.3716275 0254.3716988 0254.3716989	0254.3716276
Bao Loc	452 Tran Phu Street, Ward 2, Bao Loc City, Lam Dong Province	02633.726.886	02633.727.778
North Binh Duong	Lot D1-4-TT, NA3 Street, My Phuoc 2 IP, My Phuoc Ward, Ben Cat Town, Binh Duong Province	0274.3697979	0274.3618787
Bac Giang	278 Hoang Van Thu Street, Dinh Ke Ward, Bac Giang City, Bac Giang Province	0204.3855.576	0204.3855.575
North Ha Tinh	52 Tran Phu Street, Hong Linh Town, Ha Tinh Province	0239.6262555	0239.6269555
Bac Lieu	14-15 Lot B, Ba Trieu Street, Ward 3, Bac Lieu City, Bac Lieu Province	0291.3955055	0291.3955055
Bac Ninh	6-way intersection Street, Dai Phuc Ward, Bac Ninh City, Bac Ninh Province	0222.3811.282	0222.3811848
North Gia Lai	737 Pham Van Dong Street, Yen The Ward, Pleiku City, Gia Lai Province	02693 867927	02693 867929
North Sai Gon	Administrative Area, Road 7, Vinh Loc IP, Binh Hung Hoa Ward, Binh Tan District, HCMC	028.37654666	028.37651327
Ben Tre	55B3, Dong Khoi Boulevard, Phu Khuong Ward, Ben Tre City, Ben Tre Province	0275.6255888	0275.6253666
Bien Hoa	22, 3A Street, Bien Hoa 2 IP, Bien Hoa City, Dong Nai Province	0251.3991944	0251.3991947
Binh Dinh	66C Le Duan Street, Ly Thuong Kiet Ward, Quy Nhon City, Binh Dinh Province	0256.3526666- 0256.3526526	0256.3523181
Binh Duong	314 Binh Duong Boulevard, Phu Hoa Ward, Thu Dau Mot City, Binh Duong Province	0274.3831227	0274.3838675
Binh Phuoc	744 Phu Rieng Do Street, Tan Xuan Ward, Dong Xoai Town, Binh Phuoc Province	0271.3558888	0271.3867575
Binh Tay	129-129A Hau Giang Street, Ward 5, District 6, HCMC	028.39600477 - 028.39600478	028.39606217

BRANCH	ADDRESS	TEL	FAX
Binh Thuan	50 Nguyen Tat Thanh Boulevard, Hung Long Ward, Phan Thiet City, Binh Thuan Province	0252.3739064 - 0252.3739065	0252.3739290
Ca Mau	07 An Duong Vuong Street, Ward 7, Ca Mau City, Ca Mau Province	0290.3575857 0290.3835207	0290.3833466
Can Tho	03-05-07 Hoa Binh Street, Tan An Ward, Ninh Kieu District, Can Tho City	0292.3820445	0292.3817299
Chau Doc	S20 Le Loi Street, Chau Phu B Ward, Chau Doc City, An Giang Province	0296.3565603 0296.3561702	0296.3561703
Chi Linh	1 Thai Hoc Street, Sao Do Ward, Chi Linh Town, Hai Duong Province	02203.885522	02203.588000
Chuong Duong	564 Nguyen Van Cu Street, Gia Thuy Ward, Long Bien District, Hanoi City	024.3652.3333	024.36522949
Da Nang	140-142 Le Loi Street, Hai Chau Ward, Hai Chau District, Da Nang City	0236.3822110	0236.3826062
Dak Lak	06 Tran Hung Dao Street, Thang Loi Ward, Buon Ma Thuot City, Dak Lak Province	02623.818444 0262.2240777 0262.3857899	02623.855038
Dong Anh	Nghia Lai Village, Uy No Commune, Dong Anh District, Hanoi City	024.38835999	024.38835888
East Binh Duong	26 Le Duan Street, Zone 2, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province	0274.3589999	0274.3582222
Dong Nai	53-55, Vo Thi Sau Street, Quyet Thang Ward, Bien Hoa City, Dong Nai Province	0251.3823666	0251.3824191
East Saigon	22F-24 Phan Dang Luu Street, Ward 06, Binh Thanh District, HCMC	028.38407924	028.38407925
Dong Thap	66, 30/4 Street, Ward 1, Cao Lanh City, Dong Thap Province	0277.3872110 0277.3872114	0277.3872119
Dung Quat	East Dung Quat IP, Dung Quat Economic Zone, Binh Son District, Quang Ngai Province	0255.3632333 0255.3632212 0255.3632797	0255.3632336 0255.3610806 0255.3616688
Gia Dinh	415 Le Van Viet Street, Tang Nhon Phu A Ward, District 9, HCMC	028.37307799	028.37361199
Gia Lai	33 Quang Trung Street, Hoi Thuong Ward, Pleiku City, Gia Lai Province	0269.3875566	0269.3828592
Ha Long	166 Ha Long Street, Bai Chay Ward, Ha Long City, Quang Ninh Province	0203.3811808 0203.3811911	0203.3844746
Ha Nam	Le Hoan Street, Hai Ba Trung Ward, Phu Ly City, Ha Nam Province	0226.361 6666	0226.361 6567
Hanoi	Floor 1-5, 11B Cat Linh Street, Quoc Tu Giam Ward, Dong Da District, Hanoi City	024.39746666	024.39747065
Ha Thanh	344 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi City	024.36503333	024.32252222

BRANCH	ADDRESS	TEL	FAX
Ha Tinh	02 Nguyen Thi Minh Khai Street, Tran Phu Ward, Ha Tinh City, Ha Tinh Province	0239.3857003 0239.3777886	0239.3857002
Hai Duong	66 Nguyen Luong Bang Street, Binh Han Ward, Hai Duong City, Hai Duong Province	03203.891259	03203.891807
Hai Phong	275 Lach Tray Street, Dang Giang Ward, Ngo Quyen District, Hai Phong City	0225.3842658	0225.3841117
Ho Chi Minh	VBB Tower, 05 Me Linh Square, Ben Nghe Ward, District 1, HCMC	028.38297245 028.39141777	028.38297228
Hoan Kiem	23 Phan Chu Trinh Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi City	024.39335566	024.39335580
Hoang Mai	Floor 1-2, Tower 1, Times City, 458 Minh Khai, Vinh Tuy Ward, Hai Ba Trung District, Hanoi City	024.38383383	024.32115555
Hue	78 Hung Vuong Street, Phu Nhuan Ward, Hue City, Thua Thien Hue Province	0234.3811900	0234.3824631
Hung Vuong	664 Su Van Hanh Street, Ward 12, District 10, HCMC	028.38663983 028.38663984 028.38624810	028.38624804 028.38624806
Hung Yen	02 Nguyen Cong Hoan Street, Ban Yen Nhan Ward, My Hao Town, Hung Yen Province	0221.3941886	0221.3941044
Khanh Hoa	17 Quang Trung Street, Van Thanh Ward, Nha Trang City, Khanh Hoa Province	0258.3568899	0258.3823806
Kien Giang	89, 3/2 Street, Vinh Bao Ward, Rach Gia City, Kien Giang Province	0297.3862749	0297.3866243
Kinh Bac	Long Phuong Building, 370 - 372 Tran Phu Street, Dong Ngan Ward, Tu Son Town, Bac Ninh Province	0222.3818828	0222.3906910
Kon Tum	01 Phan Dinh Phung Street, Quyet Thang Ward, Kon Tum City, Kon Tum Province	0260.3703337	0260.3913516
Ky Dong	13-13 Bis Ky Dong Street, Ward 9, District 3, HCMC	028.39318968	028.39318953
Lam Dong	33 Nguyen Van Cu Street, Ward 1, Da Lat City, Lam Dong Province	0263.3511811	0263.3533666
Lang Son	39 Le Loi Street, Vinh Trai Ward, Lang Son City, Lang Son Province	0205.3859859	0205.3866555
Lao Cai	79 Hoang Lien Street, Coc Leu Ward, Lao Cai City, Lao Cai Province	0214.3828396 0214.3828265	0214.3828261 0214.3828326
Long An	2A Pham Van Ngu Street, Quarter 5, Ben Luc Town, Ben Luc District, Long An Province	0272.3633683	0272.3633687
East Dong Nai	No.163 National Highway 1A, Hoi Nai 3 Commune, Trang Bom District, Dong Nai Province	02513.646151	02513.646157
Mong Cai	05 Hung Vuong Street, Tran Phu Ward, Mong Cai City, Quang Ninh Province	0203.3757575	0203.3881676 0203.372886
South Binh Duong	121, DT 743B Street, Thong Nhat 1 Quarter, Di An Ward, Di An Town, Binh Duong Province	0274.7307777	0274.3710725

BRANCH	ADDRESS	TEL	FAX
South Da Nang	537 Tran Hung Dao Street, An Hai Tay Ward, Son Tra District, Da Nang City	0236.3932999	0236.3932009
Nam Dinh	629 Tran Hung Dao Street, Loc Vuong Ward, Nam Dinh City, Nam Dinh Province	0228.3558666	0228.3558333
South Hanoi	Floor 1-2-3, Cau Tien Apartments, 1277 Giai Phong Street, Thinh Liet Ward, Hoang Mai District, Hanoi City	024.38699696	024.36281000
South Hai Phong	11 Hoang Dieu, Minh Khai Ward, Hong Bang District, Hai Phong City	0225.3552299 0225.3841080	0225.3569611
South Saigon	Floor 1, 2, 3, 4 V6 Tower, Lot V, Himlam New Urban Area, 23 Nguyen Huu Tho, Tan Hung Ward, District 7, HCMC	028.37701634	028.37701635
Nghe An	21 Quang Trung Street, Vinh City, Nghe An Province	0238.3842033 0238.8685678	0238.3842192
Nghi Son	Nam Yen Village, Hai Yen Commune, Tinh Gia District, Thanh Hoa Province	0237.3613999	0237.3616869
Nha Trang	21 Le Thanh Phuong Street, Van Thang Ward, Nha Trang City, Khanh Hoa Province	0258.3826279 0258.829689	0258.3829682
Nhon Trach	Nguyen Huu Canh Street, Xom Ho Hamlet, Phu Noi Commune, Nhon Trach District, Dong Nai Province	0251.3521888 0251.3561628	0251.3521999
Ninh Binh	1069 Tran Hung Dao Street, Quarter 14, Van Giang Ward, Ninh Binh City, Ninh Binh Province	0229.3894444	0229.3894446
Ninh Thuan	47, 16/4 Street, Kinh Dinh Ward, Phan Rang - Thap Cham City, Ninh Thuan Province	0259.3922755	0259.3922756
Pho Hien	186 Chu Manh Trinh Street, Hien Nam Ward, Hung Yen City, Hung Yen Province	0221.3596666	0221.3796666
Phu Nhuan	285 Nguyen Van Troi, Ward 10, Phu Nhuan District, Ho Chi Minh City	028.38479966	028.38476226
Phu Quoc	1A, Hung Vuong Street, Quarter 1, Duong Dong Town, Phu Quoc District, Kien Giang Province	0297.3981037	0297.3626265
Phuc Yen	Hoai Nam Building, No.06 Group 8 Hai Ba Trung Street, Hung Vuong Ward, Phuc Yen Town, Vinh Phuc Province	02113.636666	02113.856866
Quy Nhon	433 Lac Long Quan Street, Tran Quang Dieu Ward, Quy Nhon City, Binh Dinh Province	0256.3541377	0256.3741007
Phu Tho	1606A Hung Vuong Boulevard, Gia Cam Ward, Viet Tri City, Phu Tho Province	0210.3766666	0210.3766667
Phu Yen	145 Hung Vuong Street, Ward 6, Tuy Hoa City, Phu Yen Province	0257.3811709	0257.3818186
Quang Binh	01C, Tran Hung Dao Street, Dong My Ward, Dong Hoi City, Quang Binh Province	0232.3840380	0232.3828347
Quang Nam	35 Tran Hung Dao, Tam Ky City, Quang Nam Province	0235.3813062	0235.3813235
Quang Ngai	345 Hung Vuong Street, Tran Phu Ward, Quang Ngai City, Quang Ngai Province	0255.3828578	0255.3711482

BRANCH	ADDRESS	TEL	FAX
Quang Ninh	25/4 Street, Bach Dang Ward, Ha Long City, Quang Ninh Province	0203.3629213 0203.3627972	0203.3827206
Quang Tri	51 Tran Hung Dao Street, Dong Ha City, Quang Tri Province	0233.3555727	0233.3555726
Sai Gon	69 Bui Thi Xuan Street, Pham Ngu Lao Ward, District 1, HCMC	028.38359323 028.38359262	028.38325041
Sai Thanh	2A-2B-2C Ly Thuong Kiet Street, Ward 12, District 5, HCMC	028.39573378	028.39573380
Operation center	11 Lang Ha Street, Thanh Cong Ward, Ba Dinh District, Hanoi City	024.39368547	024.39363354 024.38241395
Soc Son	51, Highway 3, Group 12, Soc Son Town, Soc Son District, Hanoi City	024.35950000	024.35950505
Soc Trang	3 Tran Hung Dao Street, Cluster 6, Ward 3, Soc Trang City, Soc Trang Province	02993.883888 02993.883889	02993.610137
New Binh Duong	16 Le Trong Tan Street, Binh Duong 2 Quarter, An Binh Ward, Di An Town, Binh Duong Province	0274.3792158 028.37241627	0274.3790134 028.37241498
Tan Binh	108 Tay Thanh Street, Tay Thanh Ward, Tan Phu District, HCMC	028.38157777	028.38106838
Tan Dinh	72 Pham Ngoc Thach Street, Ward 6, District 3, HCMC	028.38208762	028.38206846
New Saigon	1943-1945 Huynh Tan Phat Street, Quarter 5, Nha Be Town, Nha Be District, HCMC	028.38738686	028.37810081
Tan Son Nhat	366A33 Phan Van Tri Street, Ward 5, Go Vap District, HCMC	028.39856868	028.39856869
West Can Tho	Lot 30A7A, Tra Noc 1 IP, Tra Noc Ward, Binh Thuy District, Can Tho City	0292.3844272	0292.3843056
West Hanoi	Lot HH-03, To Huu Street, Van Phuc Ward, Ha Dong District, Hanoi City	024.33554545	024.33554444
Tay Ho	565 Lac Long Quan Street, Xuan La Ward, Tay Ho District, Hanoi City	024.37581111	024.37585399 024.37585388
Tay Ninh	313, 30/4 Street, Quarter 1, Ward 1, Tay Ninh City, Tay Ninh Province	0276.3818996 0276.3818997 0276.3818992	0276.3818998
West Saigon	321-323-325 Pham Hung Street, Him Lam Residential Area, Hamlet 4A, Binh Hung Commune, Binh Chanh District, HCMC	028.37589297	028.37589298
Thai Binh	Thai Binh Financial and Commercial Center, 79A Le Loi Street, De Tham Ward, Thai Binh City, Thai Binh Province	02273.839724	02273.845994
Thai Nguyen	10 Cach Mang Thang Tam Street, Phan Dinh Phung Ward, Thai Nguyen City, Thai Nguyen Province	0208.3658200	0208.3658219
Thang Long	Phu Tho PVOIL Building, 148 Hoang Quoc Viet Street, Nghia Tan Ward, Cau Giay District, Hanoi City	024.37557194	024.37569006
Thanh Cong	01 Thai Ha Street, Trung Liet Ward, Dong Da District, Hanoi City	024.62578686	024.37761747
Thanh Hoa	05 Phan Chu Trinh Street, Dien Bien Ward, Thanh Hoa City, Thanh Hoa Province	0237.3728286	02373.728386

BRANCH	ADDRESS	TEL	FAX
Thanh Xuan	448-450 Nguyen Trai Street, Thanh Xuan Trung Ward, Thanh Xuan District, Hanoi City	024.35578589	024.35579138
Thu Duc	50A, Dang Van Bi Street, Quarter 4, Binh Tho Ward, Thu Duc District, HCMC	028.38966806	028.38974176
Thu Thiem	55-56, Song Hanh Street, An Phu Ward, District 2, HCMC	028.73079668	028.73079530
Tien Giang	152 Dinh Bo Linh Street, Ward 2, My Tho City, Tien Giang Province	0273.3976999	0273.3975878
Tra Vinh	05 Le Thanh Ton Street, Ward 2, Tra Vinh City, Tra Vinh Province	0294.3868780	0294.3868791
Tuyen Quang	Group 8, Tan Quang Ward, Tuyen Quang City, Tuyen Quang Province	0207.3999666	0207.3999555
Vinh	9 Nguyen Sy Sach Street, Ha Huy Tap Ward, Vinh City, Nghe An Province	0238.8699567	0238.8699568
Vinh Long	5C Hung Dao Vuong Street, Ward 1, Vinh Long City, Vinh Long Province	0270.3888288	0270.836479
Vinh Phuc	392A Me Linh Street, Khai Quang Ward, Vinh Yen City, Vinh Phuc Province	0211.3720920	0211.3720921
Vung Tau	27 Le Loi, Ward 4, Vung Tau City, Ba Ria - Vung Tau Province	0254.3852309 0254.3859874 0254.3859168	0254.3859859
Hoa Binh	810 Cu Chinh Lan Street, Phuong Lam Ward, Hoa Binh City, Hoa Binh Province	0218.3858383	0218.3888989
Yen Bai	Dien Bien Ward, Group 8, Minh Tan Ward, Yen Bai City, Yen Bai Province	0216.3858999	0216.3859666
East Quang Ninh	584 Tran Phu Street, Cam Tay Ward, Cam Pha City, Quang Ninh Province	0203.3551551	0203.3548548
Hoi An	2 Tran Cao Van, Cam Kho Ward, Hoi An City, Quang Nam Province	02353.916619	02353.916234
Dak Nong	74 Huynh Thuc Khang Street, Gia Nghia City, Dak Nong Province	0261.3582635	0261.3582635
East Hai Phong	9 Lot 22B, Le Hong Phong Street, Ngo Quyen District, Hai Phong City	Approved for establishment by the State Bank of Vietnam on December 31 st , 2020	
North Da Nang	249A Nguyen Luong Bang Street, Hoa Khanh Bac Ward, Lien Chieu District, Da Nang City	Approved for establishment by the State Bank of Vietnam on December 31 st , 2020	
North Dak Lak	149 Tran Hung Dao, Buon Ho Town, Dak Lak Province	Approved for establishment by the State Bank of Vietnam on December 31 st , 2020	
Son La	Truong Chinh Street, Son La City, Son La Province	Approved for establishment by the State Bank of Vietnam on December 31 st , 2020	
Hau Giang	Vo Nguyen Giap Street, Vi Thanh City, Hau Giang Province	Approved for establishment by the State Bank of Vietnam on December 31 st , 2020	

BUSINESS NETWORK

SUBSIDIARIES, JOINT-VENTURES AND ASSOCIATES IN VIETNAM

Vietcombank Leasing Co., Ltd (VCBL)

Floor 4, 25T1 N05 Building, Hoang Dao Thuy Street, Trung Hoa Ward, Cau Giay District, Hanoi City
Tel: 024.39289289
Fax: 024.39289150

Vietcombank Securities Company, Ltd (VCBS)

Floor 12&17, Vietcombank Tower, 198 Tran Quang Khai, Hoan Kiem District, Hanoi City
Tel: 024.39369990, 024.39366991, 024.39366992
Fax: 024.39360262, 024.39360263

Vietcombank Remittance Co., Ltd

Floor 4, VCB Ky Dong Tower, 13 - 13 Bis, Ky Dong Street, Ward 9, District 3, HCMC
Tel: 028.35260888
Fax: 028.35260808

Vietcombank Tower 198 Co., Ltd

Floor 14, Room 1406 - Vietcombank Tower, 198 Tran Quang Khai, Hoan Kiem District, Hanoi City
Tel: 024.39340919
Fax: 024.39340918

Vietcombank - Bonday - Ben Thanh Joint Venture Co., Ltd. (VBB)

05 Me Linh square, Ben Nghe Ward, District 1, HCMC
Tel: 028.39153360

Vietcombank Fund Management Co. (VCBF)

Floor 15, VCB Tower, 198 Tran Quang Khai Street, Hoan Kiem, Hanoi City
Tel: 024.39364540
Fax: 024.39364542

Vietcombank Bonday Co., Ltd

35 Nguyen Hue Street, Ben Nghe Ward, District 1, HCMC
Tel: 028.38213321, 028.38213345
Fax: 028.38213366, 028.38213366

OVERSEAS SUBSIDIARIES AND REPRESENTATIVE OFFICES

Representative office in Singapore

1 Raffles Place, #26-03 OUB Centre, Singapore 048616
Tel: 65 6323 7558
Fax: 65 6323 7559

Representative Office in the US

Suite 1427-1428, 14th floor, One Rockefeller Plaza, New York, NY 10020
Tel: (1) 646 937 1999

Vietnam Finance Co. (Vinafico)

16/F, Golden Star Building, 20-24, Lockhart Road, Wanchai, Hong Kong
Tel: +852-28653905
Fax: +852-28660007

VCB Money Inc

12112 Brookhurst Street, Suite 11, Garden Grove, CA 92840 United States
Tel: (+1)-714-979-1055
Fax: (+1)- 714-979-1278

Vietcombank Laos Limited

No. 12, Unit 15, Lanexang Avenue, Hatsady Village, Chanthabouly District, Vientiane Capital, Lao PDR
Tel: +85621253838

REPRESENTATIVE OFFICE IN VIETNAM

Representative office in the South

Floor 33-34 VBB Tower, 05 Me Linh Square, Ben Nghe Ward, District 1, HCMC
Tel: 028.39826468
Fax: 028.39393948





SUSTAINABLE DEVELOPMENT FOR THE COMMUNITY

CHAPTER 5

SUSTAINABLE DEVELOPMENT REPORT

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OVERVIEW OF SUSTAINABLE DEVELOPMENT

In the early years of the 21st century, along with the rapid socio-economic development, people are increasingly aware of the dangers of accompanying environmental impacts. In 2004, former United Nations Secretary-General Kofi Annan sent a message to 50 CEOs of major global financial institutions to launch the initiative of incorporating ESG (environment-social-governance) factors into the capital market, laying the foundation for a sustainable development trend in the financial industry. In 2015, the Ho Chi Minh Stock Exchange (HOSE) officially became a partner of the Sustainable Stock Exchanges Initiative (SSE Initiative) of the United Nations with the goal of enhancing transparency in corporate governance, creating conditions for parties to discuss and commit to corporate responsibility for the environment and society.

The legal framework for sustainable development of the banking system in Vietnam is also being gradually built and improved, creating motivation for the entire banking industry to practice sustainable development:

Decision No.986/QĐ-TTg on the Development Strategy of Vietnam Banking Sector to 2025, with Orientations to 2030 sets forth the goal of developing a system of financial institutions operating in a transparent, competitive, secure, sustainable and effective manner; with diverse structures of ownership, scale and type; based on advanced technology and banking governance in line with operational standards of international practices, towards the development level of the group of four leading economies in ASEAN by 2025; adapting to the process of liberalization and globalization;

Decision No. 1604/QĐ-NHNN approving the green banking development scheme in Vietnam, with the aim of increasing awareness and social responsibility of the banking system for environmental protection and anti-climate change, gradually greening banking operations, directing credit capital into financing environmentally friendly projects, promoting green manufacturing, services and consumption, clean and renewable energy; actively contributing to promoting green growth and sustainable development;

In 2020, the world witnessed the emergence and spreading of the Covid-19 pandemic, causing negative impacts on all aspects of economic and social life at a global scale. In addition, Vietnam also suffered from the severe consequences of the worst floods and landslides in decades, resulting in serious damage to the local ecosystem and environment. Once again, the issue of sustainable development became extremely urgent, in which the core was to create economic growth accompanied by conservation and restoration of nature, promoting positive social impacts.

With the mission and vision to become the No.1 bank in Vietnam, one of the 100 largest banks in Asia, one of the 300 largest financial banking groups in the world, one of the 1,000 largest listed companies in the world with great contributions to the development of Vietnam, Vietcombank has set a strategic goal to become the leading bank in terms of customer experience, quality of human resources, risk management, digital banking, profitability, retail and investment banking, etc.

Scope of the report

Vietcombank's sustainable development report was prepared within the scope of the Bank's operations including Head Office in Hanoi, branches, subsidiaries, representative offices and transaction offices nationwide. Information and data used to information release were updated according to the Bank's financial year starting from January 1st, 2020 to the end of December 31st, 2020.



OVERVIEW OF SUSTAINABLE DEVELOPMENT

Participation of stakeholders

Interaction method of stakeholders	Interaction frequency
SHAREHOLDERS/INVESTORS	
Shareholders' General Meeting	Annually or regularly occurred
Periodic information update via IR website, in person, phone, email	Quarterly or regularly occurred
Analyst meetings	Regularly occurred
CUSTOMERS	
Customer care center and hotline 24/7	24/7
Satisfaction surveys	Quarterly
Social media and feedback on social media	Daily
EMPLOYEES	
Satisfaction survey	Annual
Annual employee meeting	Annual
Internal publications, internal newsletters	Daily
Exchanges with Trade union	Annual
Environment for engagement, training, exchange	Daily
REGULATORY AUTHORITIES	
Regular dialogue	Monthly
Meeting and discussions at forums	Occurred
Special speeches and reports	Occurred
Contribution of ideas to draft policies	Occurred
COMMUNITY	
Coordination with local authorities	Annually
Social security programs in coordination with local authorities	Quarterly
PRESS AGENCIES	
Press conferences	Quarterly
Periodic press releases/operating result reports	Quarterly
Expert's replies to press	Occurred
SERVICE PROVIDERS	
Additional direct meetings, discussions in the bidding process, cooperation with providers	Occurred
Competition maintenance	Regular in the process
Transparency in bidding	Regular in the process
Service quality, clear origin of goods	Regular in the process



CONTENT OF SUSTAINABLE DEVELOPMENT

SUSTAINABLE DEVELOPMENT

ECONOMIC STANDARD (GRI 200)

Economic efficiency and contribution to the state budget

In 2020, the world, the region and Vietnam both faced complicated and unpredictable developments with the outbreak of the Covid-19 pandemic, climate change, natural disasters, floods, landslides, thunderstorms, epidemic, etc. in many locations. In an exceedingly difficult context, the Party, National Assembly and Government actively and flexibly managed monetary policy and banking industry to stabilize the macroeconomy, control inflation and promptly implemented many policies to overcome difficulties and reduce damage caused by the pandemic and natural disasters.

As a key State-owned commercial bank in the banking industry, Vietcombank has synchronously implemented many solutions to achieve the "dual goal": Preventing and closely controlling the pandemic impacts to the Bank's network and customers, accompanying, sharing and removing difficulties for customers affected by the Covid-19 pandemic, while ensuring safe, highly effective business operations.

In 2020, Vietcombank's total assets exceeded 1 million billion VND and at the same time became the listed company with the largest market capitalization on the Vietnamese stock market. Deposit growth posted at 10.9% with deposit structure shifting

positively towards increasing the proportion of low-cost funding. Outstanding loans in 2020 increased by 14%, higher than the industry average and focused on key sectors and areas of the economy such as infrastructure development, export promotion, and agriculture and rural development, cutting edge industries, small and medium-sized enterprises. Credit quality was closely controlled; non-performing loans decreased sharply over the years. By 2020, the non-performing loan ratio was 0.62% - exceeding the strategic target schedule and Vietcombank was the bank with the lowest non-performing loan ratio in the group of large credit institutions in the market. The problem loan coverage was 368% of total non-performing loans, the highest in the Bank's history and in the market. Service activities changed strongly, non-interest income accounted for over 35% of the income structure, of which the proportion of income from service activities reached over 28%. The market share of international payment and trade finance, FX transaction, card services continued to maintain the leading position. Vietcombank's profit before tax in 2020 reached VND 23,050 billion, the only bank to reach a profit of USD billion. With impressive operating results, Vietcombank has become the largest tax payer among all banks in Vietnam and one of the two largest that are listed. In 2020, Vietcombank paid VND 8,689 billion as corporate income tax, being one of the largest tax paying companies. This result reflected Vietcombank's important contribution to the State budget.

Pioneering in giving a helping hand to enterprises and people in difficulties

Adhering closely to the direction of the Party, the Government and the direction of the State Bank, with the spirit of actively, positively joining hands to support people and enterprises directly and indirectly affected by the COVID-19 pandemic and the impact of the storms and floods in the Central region, Vietcombank has implemented solutions to support customers such as: waiver and reduction of interest and fees; restructuring the repayment term; renewing loans to support customers to restore production and business activities; rolling out credit packages with reasonable interest rates to support customers such as: Promptly promulgating guidelines for the implementation of Circular No. 01, Directive No. 02, and Official Letter No. 03 of the State Bank of Vietnam on the whole system. Implementing 5 rounds of interest rate reduction for existing loans up to 1.5% for production and business enterprises and individuals in the areas heavily affected by the COVID-19 pandemic and customers affected by the storms and floods in the Central region. For new loans, Vietcombank continued to maintain credit supply to customers meeting Vietcombank's loan conditions with a loan term suitable for the new business cycle and applied preferential interest rates with the maximum reduction of up to 1%/year for customers in sectors affected by the pandemic. The total amount of interest rate reduction for existing and new loans in 2020 was about VND 4,000 billion. In addition, with the spirit of urgency and seriousness, Vietcombank has drastically implemented debt restructuring efforts according to Circular No. 01 throughout the system since March 2020 to support customers and prevent policy abuse. Customers whose debts have been restructured by Vietcombank are basically returning to stable operations.

With the big effort, responsibility and determination of the entire Vietcombank system, the solutions implemented to support customers affected by the Covid-19 epidemic have brought into great effect: Vietcombank has supported more than 300 thousand customers affected by the pandemic with outstanding loans of VND 660 trillion by lowering interest rates/applying preferential interest rates, accounting for more than 80% of the total outstanding loans of the whole system. The accumulated new loan volume for customers affected by the pandemic reaches nearly VND 900 trillion with more than 167 thousand customers enjoying preferential treatment. Vietcombank has restructured the repayment terms, sustaining loan category according to Circular No. 01 for nearly VND 50 trillion worth of loans.

Continuing and promoting the tradition of being a Green bank - For the community, in 2020, a series of social security activities,

community development programs, especially joining hands to support fighting against COVID-19 pandemic and supporting people affected by the floods in the Central region, etc was deployed by Vietcombank. Thereby, Vietcombank has contributed to joining hands with the whole country in repelling the pandemic, supporting people to recover from natural disasters, the pandemic, actively participated in the cause of education, health care and poverty reduction, etc. throughout the nation.

Procurement practices

Vietcombank's procurement activities are carried out centrally, ensuring synchronous use, achieving an efficient procurement scale, saving costs and time. All types of regularly procured goods are regulated according to commodity standards in each period, included in the annual procurement demand and subject to principle contracts with key suppliers at the beginning of each financial year. The procurement must always be effective, rational and cost-effective.

Annually, Vietcombank assesses, selects and adds suppliers that meet the capital capacity, implementation experience and gives priority to the suppliers who commit to protect environment, ensure the quality of input materials and not to violate regulations on employment.

Anti-corruption

Anti-corruption is the responsibility of the whole political system under the leadership of the Party, promoting the synergy of industries and levels, emphasizing the responsibility of heads of agencies, organizations and units, upholding the role of society, organizations, unions and the masses. At Vietcombank, the anti-corruption work has always been focused, directed and implemented drastically. The Bank's Management identifies anti-corruption work as one of the key and regular tasks in direction and administration; combines prevention and combating, both actively preventing and strictly handling corruption acts. In 2020, no corruption cases were recorded and reported in the whole Vietcombank system.



CONTENT OF SUSTAINABLE DEVELOPMENT

Environmental standards

Emissions (GRI 305)

Exhaust gases

For means of transport: Vietcombank always use modern means of transport that meet emission standards and registered according to the regulations of the State. In addition, the Bank performs periodic maintenance/repair of transport vehicles to ensure safety and fuel economy. Annually, Vietcombank also reviews and evaluates the quality of vehicles throughout the system to promptly replace old, sub-standard vehicles.

For emissions from air conditioning systems, generators: The bank always uses modern, environmentally friendly equipment that meets the highest emission and noise standards. The bank performs maintenance according to the supplier's schedule and techniques to ensure high performance, save energy, minimize emissions and promptly repairs and replaces old or damaged equipment.

Wastewater

The Bank encourages employees to save water at the office with water consumption closely monitored. Since 2019, the entire Vietcombank system has stopped using bottled water products, switched to using purified water preserved in glass bottles to multiple reuse, ensuring environmental friendliness and saving water resources.

Waste

Solid waste is classified, collected and treated by staff according to the process. Ink cartridges, printers, printing paper, ballpoint pen cores are regularly reused instead of being replaced to minimize emission to the environment. No hazardous waste is discharged to the surrounding environment.

Noise

No noise



Environment (GRI 307)

Vietcombank always pays attention to environmental protection, towards a green banking model and creating a friendly working environment for employees. Besides, Vietcombank always upholds building a green corporate culture, focuses on saving

electricity, water, paper and office materials; is conscious of keeping the green-clean-beautiful working environment.

Social standards (GRI 400)

Employment (GRI 401 – 402)

Vietcombank's development strategy to 2025 and vision to 2030 is to become the No. 1 Bank in Vietnam, one of the 100 largest banks in Asia, and one of the 300 largest financial banking groups in the world, one of the 1000 largest listed enterprises globally contributing to the development of Vietnam and the leading bank in terms of human resources quality. To accomplish those goals, Vietcombank has always placed an importance on and prioritized resources in building, fostering and developing the human factor.

In fact, for 5 consecutive years, Vietcombank has maintained its position as the bank with the best working environment in Vietnam according to the survey results of "Top 100 Best Workplaces in Vietnam" announced annually by Anphabe and Intage of Japan (Vietcombank was voted to rank 1st in the banking industry, 2nd in the whole Vietnamese market). At the same time, Vietcombank was also honored to be awarded the certificate of merit "Typical Enterprise for Employees" by the Prime Minister for 2 consecutive times. In 2020, Vietcombank was in the top 50 most attractive employer brands in Vietnam (according to Anphabe's report).

Employment

Recruitment, human resources development and training are carried out in an open and transparent manner in order to create equal opportunity for all employees.

Total employees as of 31/12/2020 were 20,062 persons (including employees of VCBS and VCBL), increasing by ~ 5,9% compared with those of 2019.

Transparent, professional working environment where all voices are listened and all good work recognized

In order to create the leading working environment in the banking industry for 5 consecutive years (According to Anphabe's survey), Vietcombank has focused on comprehensively innovating human resources management. Vietcombank has implemented many activities to create the best working environment for all employees, including: Evaluation, rewarding, training and development of staffs, encouraging advance-making individuals, typical examples have been carried out to the right persons, the right achievements and at the right time; Motivation mechanism has always been given high attention, associated with work performance evaluation, salary payment, planning, appointment and encouragement of staff to constantly try and improve work performance; The quantity and quality of training courses have been improved, and the examination/skill examination has been seriously implemented; Since 2017, Vietcombank has carried out annual Employee Satisfaction Surveys conducted by an independent 3rd party who is the leading survey company in Vietnam to collect and assess results and recommend

appropriate solutions to improve working environment elements. In addition, Vietcombank's Trade Union and Youth Union regularly coordinate to organize activities to strengthen employee engagement such as: organizing activities for children of the staff on International Children's Day of June 1, mid-autumn festival (giving movie tickets, amusement park tickets, book camp tickets, etc.), giving gifts for the parents, parents-in-law of the employees on the occasion of the International Day of Older Persons, organizing activities such as Family Day, "Let's run" Tournament for children, etc.

Competitive, attractive remuneration mechanism, welfare

Non-salary remuneration mechanism of Vietcombank is in various forms: birthday, mourning, wedding gifts, vacation, travel expense support for Tet, periodic health check, health insurance, critical illness insurance, preferential credit products for employees, etc. Vietcombank has also paid special attention to female employees through expense subsidy to female employees, babysitting/kindergarten cost support and gifts on March 8 and October 20.

With the current remuneration mechanism, Vietcombank not only retains employees, especially talents but also attracts high-quality human resources in the market.

The relationship between the employees and the employer

Vietcombank's management (the employer) has always listened to and considered employees' opinions before making changes that directly affect the employees.

Occupational health and safety

Employees at Vietcombank are entitled to annual health checks and participate in fire prevention and fighting training courses.

For employees with treasury profession, Vietcombank provides additional training in toxic, money counting, loading and unloading, etc.

Training is diverse and comprehensive in both expertises and skills and capacities

Clear training roadmap:

The training programs organized by Vietcombank are core training programs built according to the roadmap associated with each job position. Based on the training roadmap of each job position, the staff will be arranged to be trained in groups of specialized programs, meeting the necessary requirements of the job through many forms of training (in-class, video conference, E-learning or other online forms, etc). Accordingly, the training roadmap has been fully developed for 100% of leadership and management positions at the branches to help to synchronously train incumbent staff as well as potential staff.

CONTENT OF SUSTAINABLE DEVELOPMENT

The training contents are diverse and abundance, closely following the strategic goals of the professional divisions and practical:

The contents are selected to develop the annual program, closely following the actual business needs through the implementation of training needs analysis, ensuring at least 70% of the time spent on practice and sharing practical solutions.

Developing specialized and advanced training programs with vocational certificates:

In the annual training list, Vietcombank plans to send staff to participate in or organize intensive and advanced training courses in professional skills, especially professional certification courses of prestigious domestic and international organizations such as: Moody's Analytics & Omega Performance's International Standard Banking Credit Program with globally recognized certificates; IRCA Certified Lead Auditor, Certified Internal Auditor (CIA), HR Professional Certificates or some specialized training programs such as Intensive financial due diligence, Operational risk management, Credit risk management for managers/leaders.

Focusing on improving leadership capacity at all levels:

Training for management is provided to all manager positions, including: Management, Head/Deputy at the Head Office, Branch Managers/Deputy Managers, Branch Heads/Deputy Heads. In 2017-2019 period, there were 26 rounds of the Management members participating in 18 high-level training programs around the world. Since 2012, Vietcombank has cooperated with leading partners in the educational sector to implement the program "Training for Branch Managers' Qualification" for the department heads at the Head Office and Branch Managers/Deputy Managers. Annually, Vietcombank conducts many title-specific training classes for the branch managers/deputy managers and in-depth skill training courses for senior managers (Working effectively with the press, Building a personal image, etc).

Recruitment policy, salary & career roadmap

Effective recruitment policy to attract high-quality human resources: In recent years, Vietcombank has constantly innovated and perfected its recruitment policy to improve efficiency and attract high-quality human resources in the market to implement the Bank's business strategy. Specifically:

Vietcombank has a flexible and appropriate recruitment policy, and market attractive. For each subject, especially experienced, highly qualified workers/experts, Vietcombank will have specific recruitment policies/mechanisms. This helps Vietcombank attract good candidates and recruit high-quality employees.

Forms and methods of recruitment are diversified: online, in-class recruitment, examination, etc. Vietcombank has improved and innovated its recruitment method by investing in digital transformation, upgrading and perfecting the centralized online recruitment software system at the Head Office. Therefore, Vietcombank has ensured effective recruitment from receiving applications, examination, scoring, ensured public and transparent results, reducing costs and most importantly, ensuring the quality of human resources.

The Bank has promoted cooperation with prestigious universities to research, exchange and implement sponsorship programs to attract talented students and access quality human resources. Vietcombank has signed cooperation agreements with leading universities in Vietnam: National Economics University, Foreign Trade University, Banking Academy, Academy of Finance and will continue to expand cooperation with other leading universities in the future.



Vietcombank has implemented an "expert" remuneration mechanism for highly qualified workers, especially capable/scarc workers in the market who can handle difficult and complicated jobs, etc., directly responsible for the high risk tasks or developing important and steering policies.

The average income of employees at Vietcombank has continuously increased over the years, always standing in the top of the banking industry and reaching a high level compared to the market average.

Vietcombank has implemented an "expert" remuneration mechanism for highly qualified workers, especially capable/scarc workers in the market who can handle difficult and complicated jobs, etc., directly responsible for the high risk tasks or developing important and steering policies.

Career roadmap: Vietcombank has built career development roadmaps for a number of work positions and is developing roadmaps for the remaining positions.

Regarding human rights

Non-discrimination

All decisions related to employees of Vietcombank are based on clear criteria, with absolutely no bias against religion, gender, etc.

No child labor

Vietcombank does not use child labor.

No forced or compulsory labor

Vietcombank has always complied with the provisions of the labor code. Forced and compulsory labor is not accepted at Vietcombank.

Responsibility for the community and society.

Green bank

Towards the goal of becoming a Green bank with sustainable development for the community, Vietcombank has accompanied the program "For A Green Vietnam" with the aim of raising awareness, responsibility and promoting its proactive, creative role, etc of union officials, union members and young people all over the country in participating in planting, caring and protecting trees, contributing to environmental protection, climate change response and sustainable development of the country. In 2019, Vietcombank was also the first bank to be granted a USD 200 million credit by the Japan Bank for International Cooperation (JBIC) to support renewable energy, green energy and environmental protection projects in Vietnam.

Social security activities

Vietcombank's social security activities are constantly being promoted with many practical and meaningful programs, contributing to the overall development of the community and society. A series of social security activities have been implemented by Vietcombank for many years with active participation from head office to branches across the country aimed at sharing difficulties and improving the quality of life



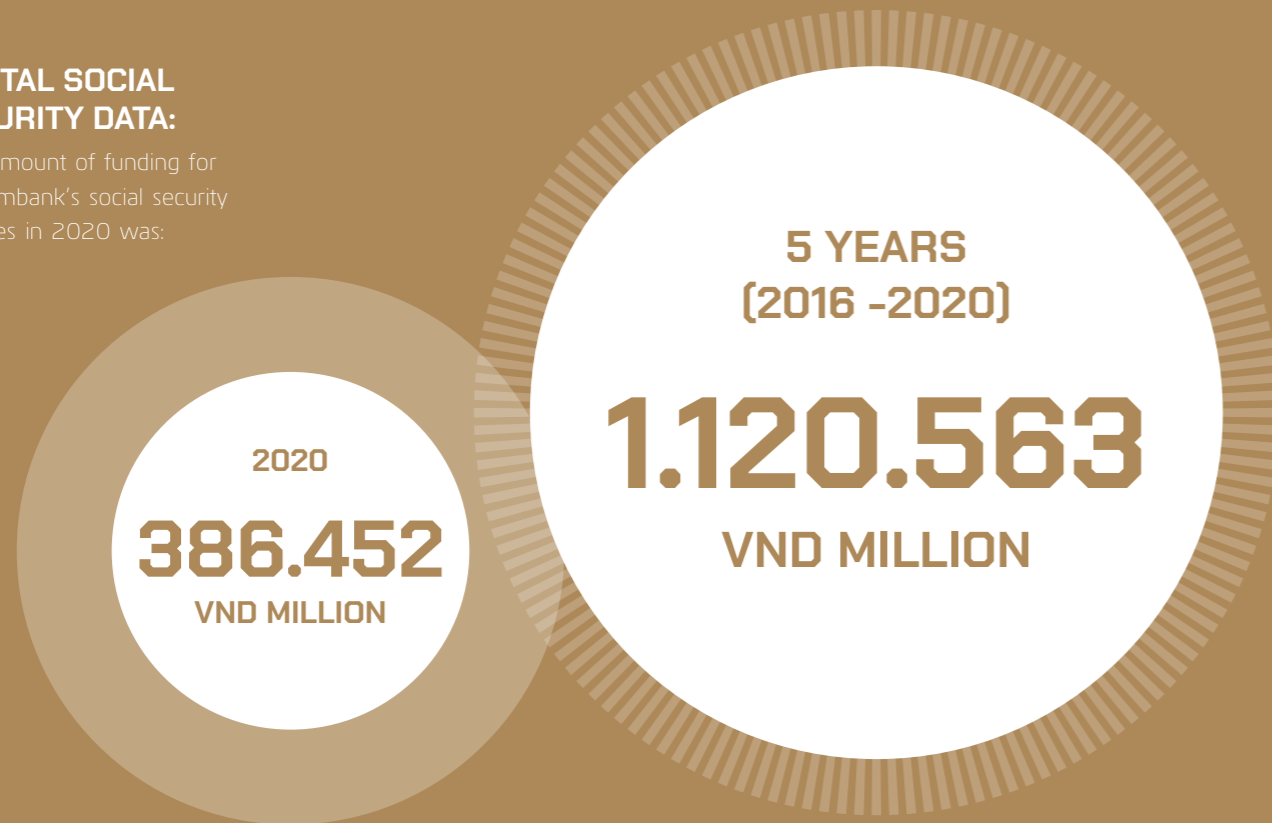
of the poor in difficult areas across the country. With the good tradition of the banking industry, implementing the Party and State's policies on promoting social security to create a driving force for sustainable development, Vietcombank's social security activities have constantly been promoted. In 2020, Vietcombank has committed/implemented social security support for the community with the amount of nearly VND 350 billion, nearly VND 42 billion of which supports the prevention and control of Covid-19 pandemic, making efforts to assist Government in repelling pandemic and supporting people's lives. Vietcombank's social security activities are focused on housing for the poor, construction of schools, medical facilities and infrastructure works in disadvantaged areas, rural, remote and isolated areas, etc., flood relief and fund for the poor, among which education and health are two key areas that Vietcombank pays special attention to and widely implements programs in many localities across the country, contributing to making popular Vietcombank's brand.

SOCIAL SECURITY ACTIVITIES

DATA ON SOCIAL COMMUNITY ACTIVITIES IN 2020 AND IN 2016-2020 PERIOD

1. TOTAL SOCIAL SECURITY DATA:

Total amount of funding for Vietcombank's social security activities in 2020 was:



2. REGION:

No.	Region	2020 (Unit: VND million)
1	Northwest region	111.779
2	Central Highlands	10.890
3	Southwest region	34.853
4	Other provinces/cities	228.930

3. AREAS:

No.	Funding Purposes	Value realized in 2020 (Unit: VND million)
1	Education	159.190
2	Healthcare	20.342
3	COVID-19	37.663
4	Build houses for the poor/solidarity houses	57.270
5	Overcome disaster consequences	29.620
6	Other areas	82.367

4. TYPICAL SOCIAL SECURITY PROGRAMS/WORKS IMPLEMENTED BY VIETCOMBANK IN 2020:

No.	Name of Program	Total (Unit: VND billion)
1	Building Ly Nam De secondary school, Hong Minh, Hung Ha, Thai Binh province	10
2	Building houses for the poor in Dak Lak province	4
3	Building Dinh Long commune secondary school, Yen Dinh district, Thanh Hoa province	6
4	Building Nguyen Van Dinh primary school, Moc Hoa district, Long An province	5
5	Building Tran Kim Xuyen secondary school; Huong Son district, Ha Tinh province	7
6	Building Cam Doai commune medical station - Cam Giang district, Hai Duong province	3

SOCIAL ACTIVITIES OF VIETCOMBANK

With the throughout goal toward a green bank and sustainable development for the community, Vietcombank's social activities are increasingly promoted with many practical and meaningful programs, contributing to the general development of the community and society.

The social activities have been performed by Vietcombank for many years with active participation from head office and all branches. The activities aim to alleviate difficulties and improve living conditions for the poor in disadvantaged regions in the country.

In 2020, Vietcombank spent more than VND 386.5 billion for social security activities. During 2016 - 2020 period, the amount for this activity was nearly VND 1,121 billion.



TYPICAL SOCIAL SECURITY CAMPAIGNS IN 2016-2020 PERIOD

FOR A GREEN VIETNAM

"For A Green Vietnam" was a program organized by the Secretariat of the Central Committee of the Ho Chi Minh Communist Youth Union in collaboration with the Executive Boards of provinces/cities in 63 provinces and cities nationwide with the goal to enhance awareness, responsibility and promote the role and creativity of union members and adolescents in planting, caring and protecting trees, contributing to environmental protection, climate change response and sustainable development of the country; the program aimed to fulfil targets of Resolution of the 11th National Assembly to plant 30 million new trees.

With the practical sense of environmental protection, the program received special attention of leaders of the Party, State, Government, the National Assembly and ministries, sectors, localities as well as artists, movie actors and actresses, scientists, prestigious industry experts who accompanied and encouraged people and fans to advocate the program.

As a commercial bank with leading business efficiency in Vietnam's banking system, with the goal of being a Green Bank for sustainable development that benefits the community, Vietcombank was honored to sponsor the program "For a Green Vietnam" to help build 63 "by the youth" roads and gardens in 63 provinces and cities nationwide.



GIVING HELPING HAND TO THE POOR, NO ONE LEFT BEHIND

To implement the national program on sustainable poverty reduction and to respond to the movement "Join hands for the Poor - no one is left behind", in 2019, 2020, Vietcombank's Labor Union encouraged its officers to join hands to support the poor and received 100% response from officers and employees in the whole system. They voluntarily contributed at least their one-day salary, and donated nearly VND 12 billion to bring a better life to the poor in disadvantaged areas across the country.

This was a meaningful program organized by the Central Committee of the Vietnam Fatherland Front in coordination with the Steering Committee of the National Target Program that spread widely to all walks of life and received great support from domestic and foreign organizations and individuals. The amount contributed by Vietcombank's labor union members and employees was a significant resource along with the State's resources to care for the Poor and reduce poverty, especially for poor households in disadvantaged areas and ethnic minorities in order to achieve the noble and humane goal "no one left behind".



TYPICAL SOCIAL SECURITY CAMPAIGNS IN 2016-2020 PERIOD

SPONSORING VIETNAMESE NATIONAL TALENT AWARD

Vietnamese National Talent Award is annually co organized by Vietnam Association for Promoting Education and Dan Tri News, which initially aimed to encourage and honor talents in IT - Communication. Over the years, Vietnamese National Talent Award has been increasingly expanded with many other fields such as Science and Technology, Medicine, Environment and Talent encouragement. Vietcombank has accompanied this award for years with a desire to join hands with the organizers to arouse creativity and researchability of individuals and organizations to bring practical solutions to the community and promote the economic and social development in many fields.



SUPPORTING “LIGHT UP VIETNAMESE CHILDREN’S DREAMS” PROGRAM

“Light up Vietnamese children’s dreams” is an annual activity (which was initially organized in 2008), co-organized by Ho Chi Minh Communist Youth Union and Ho Chi Minh Young Pioneer Organization for poor and studious children, street children, and children in difficult circumstances. For years of implementing and organizing in many provinces and cities such as Ha Noi, Nghe An, Ho Chi Minh City, Can Tho, and Da Nang, etc., the program has received special attention from Government and Party leaders and valuable supports from the organizations and individuals, for the purposes of joining hands with the community to help children in difficult circumstances, lighting up belief and determination for those children to overcome difficulties. Vietcombank has accompanied the program since 2008 as a co-organizer.



GREENNESS FOR LIFE

“Greenness for life” is a project aiming to enhance awareness of primary students about the importance of environmental protection, which was deployed by Vietcombank in some primary schools in Ha Noi in late 2016 and early 2017. The largest desire of the organizers of this project is to develop awareness of students in community responsibility through meaningful activities.

With familiar contents, the volunteers of “Greenness for life” program have skillfully inspired awareness of environmental protection for the children in Ha Noi via attractive and interesting interactive games. Participating in the program, the primary students not only engage in interesting activities but are also guided to identify organic and inorganic waste and put waste into light green and dark green bins provided by Vietcombank.

Through each specific activity, the students more clearly understand the necessity of waste sorting, biodegradable waste and non-biodegradable waste that must be properly handled to be recycled before being discharged into the environment. This helpful practical knowledge needs to be kept in mind by youngsters to frequently apply in their daily activities. In addition, the children also participate in meaningful games such as puzzles related to environmental protection.

These experiences have brought the students comfortable moments when they join hands to broadcast the message of protecting green - clean - beautiful environment. This is also the effort of Vietcombank to increasingly build the image of a Green Bank for sustainable development that benefits the community.



TYPICAL SOCIAL SECURITY CAMPAIGNS IN 2016-2020 PERIOD

TOWARD THE HOMELAND'S SEA AND ISLANDS

Deeply understanding the importance of preserving national sea sovereignty, during more than half a century accompanying the national history of striving, building and defending the Homeland as well as develop economy and society, with the heart toward the homeland's sea and islands, Vietcombank has conducted many meaningful activities such as: Launching the campaign "For beloved Truong Sa" to get donation up to VND 5 billion from the employees of Vietcombank among VND 50 billion of donation from the banking industry, improving living conditions of people, officers and soldiers on Truong Sa Islands, giving them more resources and willpower for their mission of protecting and defending national sea sovereignty; Donating for the programs "Gratitude net for Hoang Sa and Truong Sa fishermen", "Stones to build Truong Sa"; Funding the project of connecting Co To island to national electricity grid; Giving a special loudspeaker system with value of more than VND 3 billion to Vietnam Coastal Guards; Giving 03 CQ lifeboats valued at VND 10.5 billion to Vietnam's Navy High Command.



GIVING COWS TO PEOPLE LIVING IN MOUNTAINOUS AREAS BORDERING THE CENTRAL HIGHLANDS, HELPING THEM OUT OF POVERTY

In 2016, Vietcombank developed the project to sponsor thousands of cows to the poor households in districts in Central Highlands and bordering Central Highlands. The program was highly appreciated by the Central Highlands Steering Committee by its practicality and effectiveness in improving economic and living conditions for the people in mountainous areas, helping them develop stable household economy and getting sustainably out of poverty.



SUPPORTING ENTERPRISES AND COMMUNITY TO REPEL COVID-19 PANDEMIC

In 2020, following the regulations of the Government, the Ministry of Health, the State Bank of Vietnam, Vietcombank proactively developed a plan to respond to emergency situations before the serious impact of the COVID-19 epidemic, ensuring the health and safety of employees and customers and maintaining the bank's business continuity. Vietcombank implemented many practical solutions and actions by pioneering to support enterprises and people to get loans through 5 times reducing the interest rate for customers directly or indirectly affected by the COVID-19 epidemic. Total amount of sharing profit by reducing interest rate reached a record of VND 3,700 billion. Vietcombank promoted social security to support the community with many meaningful activities across localities, contributing amount of nearly VND 40 billion to the prevention and control of the COVID-19 epidemic.



TYPICAL SOCIAL SECURITY CAMPAIGNS IN 2016-2020 PERIOD

SUPPORTING PEOPLE IN THE CENTRAL REGION AFFECTED BY NATURAL DISASTERS, FLOODS

In 2020, natural disasters, storms and floods severely affected the central provinces, making the lives of the people here very difficult. Vietcombank widely launched to organizations, unions and employees to implement the spirit of "sharing of rice and clothes", "the intact leaves cover the tattered ones", join hands to help, share difficulties and encourage people, officers and soldiers of the central provinces to overcome the harsh circumstances of floods and storms. Vietcombank organized many delegations into the heavily hit locations to directly meet and encourage people and affected households; teachers and poor students; officers and soldiers performing rescue and salvage tasks, etc.; relevant units such as Trade Union and Youth Union also carried out many campaigns, donated clothes, books, school supplies, etc. to support and encourage people, soldiers and pupils in the central provinces to overcome the harsh circumstances of storms and floods. The amount of donation for natural disaster recovery in 2020 was nearly VND 30 billion.

Besides, many other practical and meaningful activities such as regional development programs in Northwest, Central highlands, and Southwest; educational and healthcare development; building gratitude houses; supporting disaster fund in central region; and other programs of caring for families under preferential treatment and helping the poor, the disabled, poor children, and the old under special circumstances are always given special attention and well implemented by Vietcombank.

Education and healthcare are two important areas that Vietcombank always pays special attention to. Social welfare activities in these areas have been carried out by Vietcombank in many locations across the countries over the past time.



EDUCATION

Not only building new schools, Vietcombank also takes lead in sponsoring learning and teaching equipment and upgrading facilities for schools nationwide. Furniture, library, computer rooms or fresh water tanks, garages, sports grounds, etc. are simple but very practical for schools in difficult situations. These activities significantly contribute to improving and enhancing teaching and learning quality for both teachers and students. In addition, empowering the poor students to ease their worry on their way to schools is also taken care of by Vietcombank through donation of over 10,000 life jacket briefcases for poor students in flooded lands and wetlands; and many bicycles to poor pupils and students in other hardship areas.

Every year, Vietcombank also rewards scholarships to pupils and students with outstanding academic achievements or having great learning efforts despite difficult situations through the Scholarship Funds, Study Encouragement Funds, etc. Through these activities, Vietcombank desires to contribute to lighting up the confidence of the children who are less fortunate and lighting up passion and traditional learning spirit of the Vietnamese younger generation.



HEALTHCARE

Not only funding construction of hospitals, healthcare centers, and buying necessary equipment for diagnosis and treatment, Vietcombank also put emphasis on sharing difficulties with patients such as supporting their surgery costs and giving aids to patients, especially poor children in difficult circumstances. The activities to provide meals to hospital patients in many localities are also regularly undertaken by Vietcombank's union group. Besides the programs that Vietcombank coordinated with local authorities and agencies, each Vietcombank's staff is fully aware of daily contribution to many practical and meaningful programs to share the responsibility of building a more civilized and beautiful society.



EMBRACE THE ACCOMPLISHMENTS

CHAPTER 6

FINANCIAL STATEMENTS

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JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

Consolidated Financial Statements
for the year ended 31 December 2020

BANK INFORMATION

ESTABLISHMENT AND OPERATION LICENCE

Establishment and Operation Licence No. 138/GP-NHNN dated 23 May 2008 issued by the State Bank of Vietnam, Decision No. 2719/QD-NHNN dated 27 December 2011, Decision No. 523/QD-NHNN dated 22 March 2012, Decision No. 1547/QD-NHNN dated 6 August 2014, Decision No. 2182/QD-NHNN dated 26 October 2015, Decision No. 95/QD-NHNN dated 18 January 2017, Decision No. 891/QD-NHNN dated 8 May 2017, Decision No. 2293/QD-NHNN dated 31 October 2017, Decision No. 300/QD-NHNN dated 21 February 2019 and Decision No. 2447/QD-NHNN dated 25 November 2019 promulgated by the State Bank of Vietnam amending and supplementing the operations of Joint Stock Commercial Bank for Foreign Trade of Vietnam.

BUSINESS REGISTRATION CERTIFICATE

Business Registration Certificate No. 0103024468 dated 2 June 2008 issued by Hanoi Authority for Planning and Investment, Enterprise Code No. 0100112437 was reissued for the thirteenth time on 16 January 2019.

MEMBERS OF THE BOARD OF DIRECTORS DURING THE YEAR AND UNTIL THE ISSUING DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS

Mr. Nghiem Xuan Thanh	Chairman	Reappointed on 27 April 2018
Mr. Pham Quang Dzung	Member	Reappointed on 27 April 2018
Mr. Nguyen Manh Hung	Member	Reappointed on 27 April 2018
Mr. Nguyen My Hao	Member	Reappointed on 27 April 2018
Mr. Eiji Sasaki	Member	Reappointed on 27 April 2018
Mr. Pham Anh Tuan	Member	Reappointed on 27 April 2018
Mr. Hong Quang	Member	Appointed on 27 April 2018
Mr. Truong Gia Binh	Independent Member	Appointed on 27 April 2018
Mr. Do Viet Hung	Member	Appointed on 26 April 2019

MEMBERS OF THE BOARD OF MANAGEMENT DURING THE YEAR AND UNTIL THE ISSUING DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS

Mr. Pham Quang Dzung	Chief Executive Officer ("CEO")	Reappointed on 1 November 2019
Mr. Dao Minh Tuan	Deputy CEO	Reappointed on 15 June 2017
Mr. Pham Manh Thang	Deputy CEO	Reappointed on 10 March 2019
Ms. Nguyen Thi Kim Oanh	Deputy CEO	Reappointed on 26 December 2019
Ms. Dinh Thi Thai	Deputy CEO	Reappointed on 9 June 2020
Mr. Eiji Sasaki	Deputy CEO	Appointed on 15 December 2017
Ms. Phung Nguyen Hai Yen	Deputy CEO	Appointed on 15 December 2017
Mr. Le Quang Vinh	Deputy CEO	Appointed on 15 December 2017
Mr. Nguyen Thanh Tung	Deputy CEO	Appointed on 1 April 2019
Mr. Dang Hoai Duc	Deputy CEO	Appointed on 1 April 2019

BANK INFORMATION

MEMBERS OF THE SUPERVISORY BOARD DURING THE YEAR AND UNTIL THE ISSUING DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS

Mr. Lai Huu Phuoc	Chair of the Board	Appointed on 4 November 2020
Ms. Truong Le Hien	Chair of the Board	Retired on 4 November 2020
Ms. La Thi Hong Minh	Member	Reappointed on 27 April 2018
Ms. Do Thi Mai Huong	Member	Reappointed on 27 April 2018



CHIEF ACCOUNTANT

Mr. **Le Hoang Tung**
Appointed on 15 December 2017



LEGAL REPRESENTATIVE

Since 1 November 2014
Mr. **Nghiem Xuan Thanh**
Title: Chairman of the Board of Directors



AUTHORISED SIGNATURE ON FINANCIAL STATEMENTS

(According to Letter of Authorisation No. 64/UQ-VCB-CSTCKT dated 4 March 2020)

Since 4 March 2020
Ms. **Phung Nguyen Hai Yen**
Title: Deputy CEO



THE BANK'S HEAD OFFICE

198 Tran Quang Khai Street
Hoan Kiem District, Hanoi, Vietnam



AUDITOR

KPMG Limited
Vietnam

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Joint Stock Commercial Bank for Foreign Trade of Vietnam ("the Bank") presents this report and the accompanying consolidated financial statements of the Bank and its subsidiaries for year ended 31 December 2020.

THE BANK'S BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management is responsible for the consolidated financial statements which give a true and fair view of the consolidated financial position of the Bank and its subsidiaries, and of their consolidated results of operations and consolidated cash flows for the year. In preparing the consolidated financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed or not, subject to any material departures disclosed and explained in the consolidated financial statements; and
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank and its subsidiaries will continue their business.

The Bank's Board of Management is responsible for ensuring that proper accounting records are kept to disclose, with reasonable accuracy at any time, the financial position of the Bank and its subsidiaries and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Bank and its subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Bank's Board of Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY THE BANK'S BOARD OF MANAGEMENT

The Bank's Board of Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2020, and of the consolidated results of operations and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System applicable to credit institutions issued by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting.

For and on behalf of the Board of Management:



Ms. **Phung Nguyen Hai Yen**
Deputy CEO
Hanoi, 31 March 2021

INDEPENDENT AUDITOR'S REPORT

To: The Shareholders
JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE
OF VIETNAM

We have audited the accompanying consolidated financial statements of Joint Stock Commercial Bank for Foreign Trade of Vietnam ("the Bank") and its subsidiaries, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated statement of income and the consolidated statement of cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Management on 31 March 2021, as set out on pages 6 to 78.

THE BANK'S BOARD OF MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

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

AUDITOR'S OPINION

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2020 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System applicable to credit institutions issued by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting.



KPMG Limited
Vietnam
Audit Report
No.: 19-02-00681-21-4

Wang Toon Kim
Practicing Auditor Registration
Certificate No. 0557-2018-007-1
Deputy General Director
Hanoi, 31 March 2021

Pham Huy Cuong
Practicing Auditor Registration
Certificate No. 2675-2019-007-1

CONSOLIDATED BALANCE SHEET

as at 31 December 2020

Form B02/TCTD-HN
(Issued in accordance with
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

No.	ITEMS	NOTE	31/12/2020 VND million	31/12/2019 VND million
A	ASSETS			
I	Cash on hand, gold, silver and gemstones	4	15,095,394	13,778,358
II	Balances with the State Banks	5	33,139,373	34,684,091
III	Balances with and loans to other credit institutions	6	267,969,645	249,470,372
1	Balances with other credit institutions		204,713,783	190,100,329
2	Loans to other credit institutions		64,255,862	62,370,043
3	Allowance for balances with and loans to other credit institutions		(1,000,000)	(3,000,000)
IV	Trading securities	7	1,954,061	1,801,126
1	Trading securities		1,991,861	1,889,628
2	Allowance for trading securities		(37,800)	(88,502)
V	Derivative financial instruments and other financial assets	8	-	98,312
VI	Loans to customers		820,545,467	724,473,254
1	Loans to customers	9	839,788,261	734,706,891
2	Allowance for loans to customers	10	(19,242,794)	(10,233,637)
VIII	Investment securities	11	156,931,097	167,529,689
1	Available-for-sale securities		42,148,831	35,699,090
2	Held-to-maturity securities		115,382,544	132,271,302
3	Allowance for investment securities		(600,278)	(440,703)
IX	Capital contributions, long-term investments		2,239,006	2,464,493
2	Investments in joint-ventures	12(a)	714,935	940,807
3	Investments in associates	12(b)	11,248	10,863
4	Other long-term investments	12(c)	1,587,823	1,587,823
5	Allowance for long-term investments	12(c)	(75,000)	(75,000)
X	Fixed assets		8,539,362	6,706,503
1	Tangible fixed assets	13	5,411,139	4,445,709
a	Cost		12,866,189	11,162,170
b	Accumulated depreciation		(7,455,050)	(6,716,461)
3	Intangible fixed assets	14	3,128,223	2,260,794
a	Cost		4,211,880	3,050,669
b	Accumulated amortisation		(1,083,657)	(789,875)
XII	Other assets		19,816,687	21,807,494
1	Receivables	15(a)	6,668,595	8,830,390
2	Accrued interest and fee receivables	15(b)	7,206,125	8,064,808
3	Deferred tax assets	15(c)	909,263	405,543
4	Other assets	15(d)	5,036,638	4,510,592
5	Allowance for other assets	15(d)	(3,934)	(3,839)
	TOTAL ASSETS		1,326,230,092	1,222,813,692

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

CONSOLIDATED BALANCE SHEET

as at 31 December 2020

Form B02/TCTD-HN
(Issued in accordance with
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

No.	ITEMS	NOTE	31/12/2020 VND million	31/12/2019 VND million
B	LIABILITIES AND SHAREHOLDERS' EQUITY			
I	Amounts due to the Government and the State Banks	16	41,176,995	92,365,806
II	Deposits and borrowings from other credit institutions	17	103,583,833	73,617,085
1	Deposits from other credit institutions		100,916,433	71,046,512
2	Borrowings from other credit institutions		2,667,400	2,570,573
III	Deposits from customers	18	1,032,113,567	928,450,869
IV	Derivative financial instruments and other financial liabilities	8	52,031	-
V	Funds for finance, entrusted investments and entrusted loans	19	14,679	20,431
VI	Valuable papers issued	20	21,240,197	21,383,932
VII	Other liabilities		33,953,811	26,021,232
1	Accrued interest and fee payables	21(a)	9,797,834	10,363,285
2	Deferred tax liabilities		-	22,023
3	Other liabilities	21(b)	24,155,977	15,635,924
	TOTAL LIABILITIES		1,232,135,113	1,141,859,355
VIII	Shareholders' equity			
1	Capital		42,428,821	42,428,821
a	Charter capital		37,088,774	37,088,774
c	Share premium		4,995,389	4,995,389
g	Other capital		344,658	344,658
2	Reserves		14,925,803	12,186,141
3	Foreign exchange differences		5,103	16,361
4	Differences upon asset revaluation		-	113,011
5	Retained profits		36,650,228	26,126,544
a	Previous year's retained profits		22,803,530	12,188,552
b	Current year's retained profits		13,846,698	13,937,992
6	Non-controlling interest		85,024	83,459
	TOTAL SHAREHOLDERS' EQUITY	22(a)	94,094,979	80,954,337
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,326,230,092	1,222,813,692

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

CONSOLIDATED BALANCE SHEET

as at 31 December 2020

Form B02/TCTD-HN
(Issued in accordance with
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

No.	ITEMS	31/12/2020 VND million	31/12/2019 VND million
OFF-BALANCE SHEET ITEMS			
1	Credit guarantees	654,296	292,563
2	Foreign exchange commitments	116,656,912	91,594,629
	<i>Forward buying commitments</i>	<i>53,984,032</i>	<i>25,775,812</i>
	<i>Forward selling commitments</i>	<i>62,672,880</i>	<i>65,818,817</i>
4	Letters of credit	45,980,494	57,345,298
5	Other guarantees	50,892,327	53,115,849
6	Other commitments	680,372	349,311

Hanoi, 31 March 2021

Prepared by:

Approved by:

Ms. **Nguyen Thi Thu Huong**

Mr. **Le Hoang Tung**

Ms. **Phung Nguyen Hai Yen**

Deputy Director of
Financial and Accounting
Policy Department

Chief Accountant

Deputy CEO

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2020

Form B03/TCTD-HN
(Issued in accordance with
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

No.	ITEMS	NOTE	2020 VND million	2019 VND million
1	Interest and similar income	24	69,205,134	67,665,496
2	Interest and similar expenses	25	(32,919,659)	(33,127,768)
I	Net interest income		36,285,475	34,537,728
3	Fee and commission income	26	10,588,163	9,005,109
4	Fee and commission expenses	26	(3,980,846)	(4,695,663)
II	Net fee and commission income	26	6,607,317	4,309,446
III	Net gain from trading of foreign currencies	27	3,906,399	3,378,274
IV	Net gain from trading securities	28	1,810	145,982
V	Net (loss)/gain from investment securities	29	(98)	7,040
5	Other income	30	2,544,714	3,427,795
6	Other expenses	30	(744,461)	(357,970)
VI	Net other income	30	1,800,253	3,069,825
VII	Income from capital contributions and equity investments	31	461,385	245,096
	TOTAL OPERATING INCOME		49,062,541	45,693,391
VIII	TOTAL OPERATING EXPENSES	32	(16,038,250)	(15,874,542)
IX	Net operating profit before allowance for credit losses		33,024,291	29,818,849
X	Allowance for credit losses	33	(9,974,730)	(6,607,278)
XI	PROFIT BEFORE TAX		23,049,561	23,211,571
7	Current corporate income tax expenses	34(a)	(5,081,068)	(5,010,302)
8	Deferred corporate income tax expenses	34(b)	504,025	396,075
XII	Corporate income tax expenses		(4,577,043)	(4,614,227)
XIII	NET PROFIT AFTER TAX		18,472,518	18,597,344
XIV	Non-controlling interest		(21,207)	(15,090)
XVI	Net profit for the year		18,451,311	18,582,254
XV	Basic earnings per share (VND/share)	35	4,470	4,406

Hanoi, 31 March 2021

Prepared by:

Approved by:

Ms. **Nguyen Thi Thu Huong**

Mr. **Le Hoang Tung**

Ms. **Phung Nguyen Hai Yen**

Deputy Director of
Financial and Accounting
Policy Department

Chief Accountant

Deputy CEO

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020 (Direct method)

Form B04/TCTD-HN
(Issued in accordance with
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

No.	ITEMS	2020 VND million	2019 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Interest and similar income received	70,063,617	66,956,606
02	Interest and similar expenses paid	(33,194,191)	(31,567,168)
03	Net fee and commission income received	6,607,317	4,306,844
04	Net receipts and payments from trading activities (foreign currencies, gold and securities)	3,464,399	3,068,655
05	Other expenses paid	(628,988)	(115,005)
06	Receipts from recovery of bad debts previously written off	2,421,725	3,179,526
07	Payments to employees and for other operating activities	(14,525,026)	(14,532,712)
08	Corporate income tax paid during the year	(4,680,317)	(4,827,328)
Net cash flows from operating activities before changes in operating assets and liabilities		29,528,536	26,469,418
(Increase)/decrease in operating assets			
09	Balances with and loans to other credit institutions	4,040,576	2,189,341
10	Trading securities	10,336,784	(17,562,680)
11	Derivative financial instruments and other financial assets	98,312	177,671
12	Loans to customers	(105,081,370)	(102,840,133)
13	Utilisation of allowance for credit losses	(2,805,965)	(4,502,397)
14	Other operating assets	1,613,500	(3,354,149)
Increase/(decrease) in operating liabilities			
15	Amounts due to the Government and the State Banks	(51,188,811)	1,680,491
16	Deposits and borrowings from other credit institutions	29,966,748	(2,906,994)
17	Deposits from customers	103,662,698	126,521,754
18	Valuable papers issued	(144,015)	(77,572)
19	Funds for finance, entrusted investments and entrusted loans	(5,752)	(5,372)
20	Derivative financial instruments and other financial liabilities	52,031	-
21	Other operating liabilities	7,396,305	720,675
22	Payments from reserves	(1,866,142)	(1,434,221)
I	Net cash flows from operating activities	25,603,435	25,075,832

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020 (Direct method)

Form B04/TCTD-HN
(Issued in accordance with
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

No.	ITEMS	2020 VND million	2019 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
01	Payments for purchases of fixed assets	(3,001,902)	(1,005,065)
02	Proceeds from disposals of fixed assets	10,569	11,589
03	Payments for disposals of fixed assets	(3,053)	(6,315)
04	Collections on investments in other entities	605,274	95,773
05	Dividends and interest received from long-term investments and capital contributions	83,959	154,582
06	Dividends of prior years received in the year	-	42,989
II	Net cash flows used to investing activities	(2,305,153)	(706,447)
CASH FLOWS FROM FINANCING ACTIVITIES			
01	Proceeds from share issuance	-	1,111,088
02	Share premium from share issuance	-	4,995,389
03	Dividends paid to shareholders and profits distributed	(2,986,115)	(2,219,483)
III	Net cash flows (used to)/generated from financing activities	(2,986,115)	3,886,994
IV	Net cash flows during the year	20,312,167	28,256,379
V	Cash and cash equivalents at the beginning of the year	272,270,535	244,014,156
VII	Cash and cash equivalents at the end of the year (Note 36)	292,582,702	272,270,535

Hanoi, 31 March 2021

Prepared by:

Ms. **Nguyen Thi Thu Huong**Mr. **Le Hoang Tung**

Approved by:

Ms. **Phung Nguyen Hai Yen**

Deputy Director of
Financial and Accounting
Policy Department


Chief Accountant




Deputy CEO

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020

Form B05/TCTD-HN
(Issued in accordance with
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

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

1. REPORTING ENTITY

a. Establishment and operations

Joint Stock Commercial Bank for Foreign Trade of Vietnam ("the Bank") was established upon the transformation from a state-owned commercial bank following the approval of the Prime Minister on the equitisation plan of the Bank for Foreign Trade of Vietnam and in accordance with other relevant regulations. The Bank was granted Establishment and Operation Licence No. 138/GP-NHNN dated 23 May 2008 by the State Bank of Vietnam ("the SBV") for a period of 99 years, Business Registration Certificate No. 0103024468 dated 2 June 2008 by Hanoi Authority for Planning and Investment and Enterprise Code No. 0100112437 was reissued for the thirteenth time on 16 January 2019.

The principal activities of the Bank in accordance with Decision No. 2719/QD-NHNN dated 27 December 2011, Decision No. 2182/QD-NHNN dated 26 October 2015, Decision No. 891/QD-NHNN dated 8 May 2017, Decision No. 2293/QD-NHNN

b. Charter capital

Under Establishment and Operation Licence No. 138/GP-NHNN dated 23 May 2008 issued by the SBV and Business Registration Certificate No. 0103024468 dated 2 June 2008 issued by Hanoi Authority for Planning and Investment, the Bank's charter capital was VND 12,100,860,260,000. Under Business Registration Certificate with Enterprise Code No. 0100112437 was reissued for the thirteenth time on 16 January

dated 31 October 2017, Decision No. 300/QD-NHNN dated 21 February 2019 and Decision No. 2447/QD-NHNN dated 25 November 2019 amending and supplementing to Establishment and Operation Licence No. 138/GP-NHNN on the contents of the Bank's operations are to mobilise and receive short, medium and long-term deposits from organisations and individuals; lend to organisations and individuals up to the nature and capability of the Bank's capital resources; conduct settlement and cash services; provide other banking services as approved by the SBV; invest in associates, joint-ventures and other companies; invest in stocks and bonds and real-estate business in accordance with the relevant regulations; trade in and supply interest rates derivatives and commodity price derivatives in accordance with the relevant regulations; purchase debts; trade in and provide foreign exchange services in the domestic and international markets in accordance with the relevant regulations of the SBV.

2019 and the amendment of Establishment and Operation Licence No. 138/GP-NHNN of Joint Stock Commercial Bank for Foreign Trade of Vietnam under Decision No. 300/QD-NHNN dated 21 February 2019 of the SBV, the Bank's charter capital was VND 37,088,774,480,000. The par value per share is VND 10,000.

	31/12/2020 and 31/12/2019	
	Number of shares	%
Shares owned by the Government of Vietnam	2,774,353,387	74.80%
Shares owned by foreign strategic shareholder (Mizuho Bank Ltd., Japan)	556,334,933	15.00%
Shares owned by other owners	378,189,128	10.20%
	3,708,877,448	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020

Form B05/TCTD-HN
(Issued in accordance with
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

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

1. REPORTING ENTITY *Continued*

c. Location and network

The Bank's Head Office is located at 198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam. As at 31 December 2020, the Bank had one (1) Head Office, one (1) Human Resources Training and Development College, two (2) Cash Processing Centers, one hundred sixteen (116) branches nationwide, four (4) local subsidiaries, three (3) overseas subsidiaries, two (2) joint-ventures, one (1) associate, one (1) representative office located in the United States of America, one (1) representative office located in Singapore and one (1) representative office located in Ho Chi Minh City (as at 31 December 2019, the Bank

had one (1) Head Office, one (1) Human Resources Training and Development College, two (2) Cash Processing Centers, one hundred eleven (111) branches nationwide, four (4) local subsidiaries, three (3) overseas subsidiaries, three (3) joint-ventures, one (1) associate, one (1) representative office located in the United States of America, one (1) representative office located in Singapore and one (1) representative office located in Ho Chi Minh City).

d. Subsidiaries, joint-ventures and associates

Subsidiaries

As at 31 December 2020 and 31 December 2019:

Subsidiaries	Operating Licence	Business sector	Ownership percentage of the Bank
Vietcombank Financial Leasing Company Limited	Operating Licence No. 66/GP-NHNN dated 31 October 2017 granted by the SBV	Financial leasing	100%
Vietcombank Securities Company Limited	Operating Licence No. 09/GPHDKD dated 24 April 2002, the most recent amendment is Operating Licence No. 63/GPDC-UBCK dated 29 December 2017 granted by the State Securities Commission ("SSC")	Securities	100%
Vietnam Finance Company Limited in Hong Kong ("Vinafico")	Business Registration No. 58327 dated 10 February 1978 issued by Hong Kong Monetary Authority	Financial services	100%
Vietcombank Remittance Company Limited	Enterprise Registration Certificate No. 0314633162 dated 20 September 2017 granted by Ho Chi Minh City Department of Investment and Planning	Receipt of foreign exchange	100%
Vietcombank Laos Limited	Operating Licence No. 88/BOL dated 25 May 2018 granted by Bank of the Lao P.D.R	Banking	100%
Vietcombank Money Inc.	Business Registration No. E0321392009-6 dated 15 June 2009 granted by the Authority of the State of Nevada, United States	Foreign exchange remittance	87.5%
Vietcombank Tower 198 Ltd	Investment Licences No. 1578/GP dated 30 May 1996 and the most recent amendment dated 1 March 2019 granted by the Ministry of Planning and Investment	Office leasing	70%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

for the year ended 31 December 2020

Form B05/TCTD-HN
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Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

Joint-ventures

As at 31 December 2020:

Joint-ventures	Operating Licence	Business sector	Ownership percentage of the Bank
Vietcombank – Bonday – Ben Thanh Joint-venture Company Limited	Investment Licence No. 2458/GP dated 7 February 2005 granted by the Ministry of Planning and Investment, the most recent amendment No. 2458/GCND2/41/1 dated 28 December 2012	Office leasing	52%
Vietcombank Fund Management	Establishment and Operating Licence No. 06/UBCK-GPHDQLQ dated 2 December 2005 granted by the State Securities Commission; the most recent amendment No. 17/GPDC-UBCK dated 9 February 2018	Investment fund management	51%

As at 31 December 2019:

Joint-ventures	Operating Licence	Business sector	Ownership percentage of the Bank
Vietcombank-Bonday-Benthanh Joint-venture Company Limited	Investment Licence No. 2458/GP dated 7 February 2005 granted by the Ministry of Planning and Investment, the most recent amendment No. 2458/GCND2/41/1 dated 28 December 2012	Office leasing	52%
Vietcombank Fund Management	Establishment and Operating Licence No. 06/UBCK-GPHDQLQ dated 2 December 2005 granted by the State Securities Commission; the most recent amendment No. 17/GPDC-UBCK dated 9 February 2018	Investment fund management	51%
Vietcombank – Cardiff Life Insurance Company Limited	Investment Licence No. 55/GP/KDBH dated 23 October 2008 granted by the Ministry of Finance, the most recent amendment No. 55/GPDC1/KDBH dated 28 December 2018	Life insurance	45%

Associates

As at 31 December 2020 and 31 December 2019:

Associates	Operating Licence	Business sector	Ownership percentage of the Bank
Vietcombank – Bonday Joint-venture Company Limited	Operating Licence No. 283/GP dated 5 December 1991 granted by the Department of Planning and Investment, the most recent amendment No. 283/GPDC4 dated 4 March 2002	Office leasing	16%

e. Number of employees

As at 31 December 2020, Vietcombank had 20,062 employees (31 December 2019: 18,948 employees).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

for the year ended 31 December 2020

Form B05/TCTD-HN
(Issued in accordance with
Circular No. 49/2014/TT-NHNN
dated 31 December 2014)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Purpose of preparing the consolidated financial statements

The Bank has subsidiaries as disclosed in Note 1(d). The Bank prepared these consolidated financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC dated 6 October 2015 of the Ministry of Finance on disclosure of information on the securities market ("Circular 155"). In addition, as required by Circular 155, the Bank has prepared the separate financial statements of the Bank for the year ended 31 December 2020 ("the separate financial statements") which was issued on 31 March 2021.

b. Basis of financial statement preparation

The consolidated financial statements, presented in Vietnam Dong ("VND") and rounded to the nearest million VND ("VND million"), have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions ("CIs") issued by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting.

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

c. Annual accounting period

Vietcombank's annual accounting period is from 1 January to 31 December.

d. Foreign currency transactions

All transactions are recorded in their original currencies. Monetary items denominated in currencies other than VND are translated into VND at the exchange rates prevailing at the end of the annual accounting period. Non-monetary items denominated in foreign currencies are translated into VND at the exchange

rate as at the date of the transaction. Income and expenses in foreign currencies are translated into VND in the consolidated statement of income at spot exchange rates as at the date of transaction.

Foreign exchange differences arising from foreign currencies trading activities in the year were recorded in the consolidated statement of income at the end of the annual accounting period.

In order to prepare the consolidated financial statements, for the subsidiaries using the consolidation method and for the associates and joint-ventures using the equity method, which have accounting currencies other than VND, assets, liabilities and equity of these companies are converted into VND at spot rates on the consolidated balance sheet date, and the income and expenses in the statement of income are converted into VND at the average exchange rate for the annual accounting period. Exchange differences arising from the conversion are taken into equity in the consolidated balance sheet.

e. Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Bank. The control exists when the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing the control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that the control commences until the date that the control ceases.

Inter-company balances, transactions and profit/loss on transactions between those subsidiaries and the Bank are eliminated in full in the consolidated financial statements. The accounting policies of subsidiaries have been changed if necessary to ensure the consistency with the policies adopted by the Bank.

Non-controlling interest is the portion of the profit or loss and net assets of a subsidiary attributable to equity interest that are not owned, directly or indirectly through subsidiaries, by the Bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

for the year ended 31 December 2020

Associates and joint-ventures

Associates are those entities to which the Bank has significant influence, but not control, over their financial and operating policies.

Joint-ventures are those entities to which the Bank has joint control, established by contractual agreements and require unanimous consent of all joint-venture investors for the entity's strategic financial and operating decisions.

The Bank uses the equity method for consolidating its investments in associates and joint ventures in the consolidated financial statements. The Bank's share of post acquisition profits or losses of its associates and joint-ventures is recognised in the consolidated statement of income. When the Bank's share of losses in associates and joint-ventures equals or exceeds the cost of its investments in the associates and joint-ventures, the Bank does not recognise further losses in its consolidated financial statements, unless it has obligations to pay on behalf of the associates and joint-ventures. Accounting policies of associates and joint-ventures have been changed where necessary to ensure consistency with the policies adopted by the Bank.

f. Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with the SBV, treasury bills and other short-term valuable papers which are eligible for discounting with the SBV, balances with and loans to other CIs with original terms to maturity not exceeding three months from the original date of placements or granting; investments in securities with recoverability or maturity not exceeding three months that are readily convertible into known amounts of cash, and that are subjected to an insignificant risk of change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

g. Balances with and loans to other credit institutions

Balances with other credit institutions, except for current deposits, are term deposits at other credit institutions and foreign bank branches with terms of not exceeding three months.

Loans to other credit institutions are loans with original terms to maturity of not exceeding twelve months.

Form B05/TCTD-HN
(Issued in accordance with Circular No. 49/2014/TT-NHNN dated 31 December 2014)

Current deposits at other credit institutions are stated at the amount of the outstanding principal.

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

Credit risk classification of term deposits with and loans to other credit institutions and allowance for credit risk thereof is made in accordance with Circular No. 02/2013/TT-NHNN dated 21 January 2013 of the State Bank of Vietnam on classification of assets, level and method of allowance making, and use of allowance against credit risks in banking activities of credit institutions and foreign bank branches ("Circular 02") and Circular No. 09/2014/TT-NHNN dated 18 March 2014 of the SBV on amending and supplementing a number of articles of Circular 02 ("Circular 09"). Accordingly, the Bank has made specific allowance for term deposits with and loans to other credit institutions in accordance with the method described in Note 2(h)(ii).

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

h. Loans to customers

Loans to customers

Loans to customers are stated in the consolidated balance sheet at the principal amounts outstanding as at the reporting date.

Allowance for credit risk of loans to customers is recorded and stated in a separate line in the consolidated balance sheet. Allowance for credit risk comprises specific allowance for credit risk and general allowance for credit risk.

Loan classification of loans to customers is implemented using the method presented at Note 2(h)(ii) and allowance for credit risk of loans to customers thereof is made in accordance with Circular 02 and Circular 09.

Specific allowance for credit risk

Since 1 January 2010, the Bank has applied Article 7, Decision No. 493/2005/QĐ-NHNN dated 22 April 2005 issued by the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

for the year ended 31 December 2020

SBV to make debt classification based on the qualitative method as approved by the SBV. However, according to Circular 02, the Bank is required to classify debts and off-balance sheet commitments in accordance with both Article 10 and Clause 1 of Article 11, Circular 02. In that case, should classifications of a debt in accordance with Article 10 and Clause 1 of Article 11, Circular 02 differ, the debt is to be classified into the group of higher risk.

Since 1 January 2015, the Bank uses the information from Credit Information Center ("CIC") about the debt group of customers at the time of debt classification to adjust the debt group, off-balance sheet items. If a customer's debts and off-balance sheet commitments are classified in a debt group that has a lower risk than the debt groups provided in CIC's list, the Bank shall adjust its classification of debts and off-balance commitments following the debt groups provided by CIC.

Specific allowance is calculated based on the following allowance rates specified for the debt principal less the discounted value of collateral assets:

	Allowance rate
Group 1 – Current debt	0%
Group 2 – Special mentioned debt	5%
Group 3 – Sub-standard debt	20%
Group 4 – Doubtful debt	50%
Group 5 – Loss debt	100%

Bad debts are debts within groups 3, 4 and 5.

Since 13 March 2020, the Bank has applied Circular No. 01/2020/TT-NHNN ("Circular 01") issued by the SBV regulating credit institutions and foreign bank branches to reschedule the debt repayment term, exempting, reducing interests and fees, retention of debt debt group in order to support customers affected by Covid-19 pandemic. Accordingly, for customers with debts arising the principal and/or interest repayment obligation during the period from 23 January 2020 to the day after 3 months from the day the Prime Minister declares the end of Covid-19 pandemic and the borrowers are unable to repay loan principal and/or interest on schedule specified in the contract, original signed agreement due to decreases in revenue, profit caused by the effect of the Covid-19 pandemic, the Bank is allowed to reschedule the repayment period for these debts while maintaining the same debt group as classified at the nearest time before 23 January 2020.

Form B05/TCTD-HN
(Issued in accordance with Circular No. 49/2014/TT-NHNN dated 31 December 2014)

General allowance for credit risk

The Bank is required to make a general allowance of 0.75% of total outstanding debt balance of which are classified into Groups 1 to 4 as at the last working day of a quarter. For the fourth quarter of the year, a general allowance is made at 0.75% of total outstanding balance of loans which are classified into Groups 1 to 4 as at the last working day of November.

Bad debts written-off

According to Circular 02, the Bank writes off bad debts in the following cases:

- Borrowers who are dissolved, bankrupted under legal regulations (in case of legal entities); or are deceased or missing (in case of individuals);
- Debts are classified into Group 5.

i. Investments

Trading securities

Trading securities are debt securities, equity securities and other securities which are bought and held for the purpose of reselling within one year to earn capital gains.

Trading securities are initially recognised at the cost of acquisition. They are subsequently measured at the lower of book value and market price. Gains or losses from the sales of trading securities are recognised in the consolidated statement of income.

Investment securities

Investment securities are classified into two categories: available-for-sale and held-to-maturity investment securities. Vietcombank classifies investment securities on their purchase dates. In accordance with Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, Vietcombank is allowed to reclassify investment securities once, at maximum, after the purchase date.

Available-for-sale investment securities

Available-for-sale investment securities are debt securities, equity securities or other securities, which are acquired for an indefinite period and may be sold at any time. For equity securities, the investee is not a subsidiary, associate or joint-venture of Vietcombank and Vietcombank is neither a founding shareholder nor a strategic partner; nor has the impact on the

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enterprise's planning and determining of financial and operating policies under agreements to appoint personnel to the Members' Council/Board of Directors/Board of Management.

Held-to-maturity investment securities

Held-to-maturity investment securities are debt securities, with fixed or determinable payments and maturities where Vietcombank's management has the positive intention and ability to hold until maturity.

Investment securities are initially recognised at cost of acquisition, including transaction costs and other directly attributable costs. They are subsequently measured at the book value after amortisation less allowance for investment securities. Premiums and discounts arising from purchases of debt securities are amortised in the consolidated statement of income using the straight-line method over the period from the acquisition dates to the maturity dates.

In addition, according to Circular 02 and Circular 09, investment securities which are unlisted corporate bonds (including bonds issued by other local credit institutions on the secondary market) are subject to classification and allowance in a manner similar to loans to customers described in Note 2(h). For other held-to-maturity investment securities, allowance for diminution in value is made when there is indication of impairment over a long time or there is certain evidences that it is hard for Vietcombank to fully recover the investment.

Other capital contributions, long-term investments

Other long-term investments represent Vietcombank's capital investments in other enterprises where Vietcombank owns less than 11% of voting rights and is either a founding shareholder or a strategic partner; or has influences on the enterprise's planning and determining of financial and operating policies under agreements to appoint personnel to the Members' Council/Board of Directors/Board of Management but Vietcombank does not have control or significant influence over the investees. Other long-term investments include equity securities and other long-term capital contributions which are intended to hold for more than one year (except for capital contributions and investments into joint-ventures, associates and subsidiaries).

Other long-term investments are initially recognised at cost less allowance for diminution in value of the investments.

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For investments in unlisted securities, the allowance for diminution in the value of long-term investments is made for the local economic entity owned by the Bank at the end of the annual accounting period which has signs of decrease in value compared to the Bank's investment value in accordance with Circular No. 48/2019/TT-BTC dated 8 August 2019 issued by the Ministry of Finance ("Circular 48"). Accordingly, the allowance amount for the investment is the difference between the parties' actual investment capital at the economic entity receiving capital contribution and actual equity capital of economic entity at the time of provisioning multiplied (x) by the actual rate of chartered capital of the Bank at the economic entity at the time of provisioning. For an investment in listed securities or investments which market price can be determined reliably, allowance is made based on the securities' market price when their carrying amounts are higher than their market prices.

j. Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specific date in the future (repos) are still recognised in the consolidated financial statements. The corresponding cash received from these agreements is recognised in the consolidated balance sheet as a liability. The difference between the sale price and repurchase price is amortised in the consolidated statement of income over the term of the agreement using the straight-line method based on the interest rate stipulated in the contract.

Securities purchased under agreements to resell at a specific date in the future are not recognised in the consolidated financial statements. The corresponding cash paid under these agreements is recognised in the consolidated balance sheet in "Loans to customers". The difference between the purchase price and resale price is amortised over the term of the agreement using the straight-line method based on the interest rate stipulated in the contract and recognised in the consolidated statement of income.

k. Tangible fixed assets

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, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use on the site where it is located.

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In accordance with Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by the Ministry of Finance ("Circular 45") guiding the framework of management, use and depreciation of fixed assets, assets shall be considered as fixed assets if they meet all of the following three criteria:

- It is certain to gain future economic benefits from the use of such assets;
- The useful life of assets is above one year;
- Historical costs of the assets must be determinable reliably, with a minimum value of VND 30,000,000.

Expenditures incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to the consolidated statement of income for the year in which the costs are incurred. In case it can be clearly demonstrated that these expenditures have resulted in an increase in the expected future economic benefits obtained from the use of these tangible fixed assets beyond their originally assessed standard level of performance, the expenditures will be capitalised as an additional cost of tangible fixed assets.

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	25 years
Machinery and equipment	3 – 5 years
Motor vehicles and means of transmission	6 years
Other tangible fixed assets	4 years

l. Intangible fixed assets

Land use rights

According to Circular 45, intangible fixed assets recognised as land use rights comprise:

- The land use rights allocated by the State with land use fee or receiving the transfer of legal land use rights (including definite and indefinite land use rights);
- The rights to use the leased land before the effective date of the Land Law 2003 but the rent has been paid for the leasing time or paid in advance for many years and the

remaining paid land lease term is at least five years and granted with certificate of land use rights by the competent authority.

The initial cost of land use rights is determined as the total amount paid to have the land use rights plus costs of site clearance, ground levelling, registration fee (excluding costs of construction on that land) or the value of land use rights with contributed capital.

Land use rights not recognised as intangible assets comprise:

- Land use rights allocated by the State without land use fee;
- Land lease rent paid one time for the entire lease term (the land lease time after the effective date of the Land Law 2003 without certificate of land use rights granted), the rent is amortised into the business expenses by the number of lease periods;
- Land lease rent paid annually, the rent is recorded into the business expenses in the year in proportion to the rent annually paid.

According to Circular 45, intangible fixed assets which are long-term land use rights with land use fee or receiving the legal long-term land use rights are not amortised.

For the intangible fixed assets which are the value of land use rights with term or the leased land use rights, the period of depreciation is the period permitted for land use of Vietcombank.

Copyrights, patents and other intangible fixed assets

Copyrights, patents and other intangible fixed assets are stated at cost less accumulated amortisation. These intangible fixed assets are amortised on a straight-line basis over a period from 3 to 4 years.

m. Other assets

Except for receivables from uncollectible income as presented in Note 2(t)(iv), allowance for overdue other assets which are not classified as assets bearing credit risk are made in accordance with Circular 48 and Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200"). Accordingly, allowance for these assets is based on their overdue period or estimated irrevocable loss for debts that are not due but Vietcombank has collected evidence to identify that debtor has become bankrupt, filing for bankruptcy or has absconded; or

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being prosecuted, detained or tried by law enforcement bodies or serving a sentence; or suffering from a serious illness (certified by the hospital); deceased; or those remains irrecoverable after the enterprise filing a lawsuit due to its debtor had fled from his/her residence; the debt which has been sued for debt collection by Vietcombank but the case has been suspended.

Overdue period	Allowance rate
From six (6) months to less than one (1) year	30%
From one (1) year to less than two (2) years	50%
From two (2) years to less than three (3) years	70%
From three (3) years and above	100%

For other assets that are classified as assets with credit risk, Vietcombank conducts debt classification and makes allowance similarly to those of loans to customers described in Note 2(h).

n. Deposits and borrowings from other credit institutions

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

o. Deposits from customers

Deposits from customers are stated at cost.

p. Valuable papers issued

Valuable papers issued are stated at cost and accumulated amortised premiums or discounts. Cost of valuable papers issued includes the proceeds from the issuance less directly attributable costs.

q. Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for Vietcombank for 12 months or more ("the eligible employees") voluntarily terminates his/her labour contract, Vietcombank is required to pay the eligible employee severance allowance calculated based on years of service until 31 December 2008 and employee's average monthly salary of the latest six-month period until termination. Before 2012, provision for severance allowance has been provided based on employees' years of service and their current salary level.

On 24 October 2012, the Ministry of Finance issued Circular No. 180/2012/TT-BTC ("Circular 180") guiding the financial

treatment for redundancy allowance to employees of enterprises. This circular provides that, in preparation of financial statements for the year 2012, if an enterprise's provision for severance allowance still has the outstanding balance, the enterprise must reverse the balance to other income for the year 2012 and must not carry forward the balance to the following year. Accordingly, Vietcombank reversed the outstanding balance of provision for severance allowance. This change in accounting policy has been applied prospectively from 2012.

r. Bonus and welfare funds

Bonus and welfare funds are allocated from profit after tax in accordance with the Resolution of the General Meeting of Shareholders and recorded as liabilities in the consolidated balance sheet. The bonus and welfare funds are used for the purposes specified in Decree No. 93/2017/ND-CP dated 7 August 2017 issued by the Government ("Decree 93").

s. Capital and reserves

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from share premium in equity.

Share premium

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

Treasury shares

When Vietcombank repurchases its ordinary shares, the total paid amount including directly attributable costs, net off any tax effects, is recognised as a deduction from equity and referred to as treasury shares.

Reserves

Reserves are for specific purposes and appropriated from net profit after tax of the Bank and Vietcombank Finance Leasing Company Limited ("VCBL") at prescribed rates as below:

- Supplementary charter capital reserve: 5% of net profit after tax of each entity. According to Decree 93, the maximum

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rate for this reserve does not exceed charter capital of the Bank/VCBL.

- Financial reserve: 10% of net profit after tax of each entity. The maximum rate for this reserve is not specified in Decree 93.
- Investment and development reserve and other reserves: are to be made upon the resolutions of the General Meeting of Shareholders/Board of Directors and in accordance with the relevant statutory requirements.

The remaining net profit after tax, after appropriation to reserves and dividends payment, is recorded as retained profits of Vietcombank.

Vietcombank Securities Company Limited ("VCBS") appropriates of profits to reserves in accordance with Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014 as follows:

- Supplementary charter capital reserve: 5% of net profit after tax and does not exceed 10% of VCBS's charter capital.
- Financial reserve: 5% of net profit after tax and does not exceed 10% of VCBS's charter capital.

Foreign exchange difference

Foreign exchange differences are differences arise when financial statements in foreign currencies of overseas subsidiaries converted into VND for consolidation purpose.

t. Income and expenses

Interest income and interest expenses

Interest income of outstanding unearned debts classified in Group 1 – Current debt as defined in Note 2(h) is recognised on an accrual basis. Interest arising from maintaining Group 1 – Current debts in accordance with Circular 01 or government regulations and unearned interest on debts classified in Group 2 to Group 5 is recognised in the consolidated statement of income upon receipt.

Interest expenses are recorded on an accrual basis.

Fee and commission and dividend income

Fee and commission income is recognised on an accrual basis. Cash dividends from investment activities are recognised in the consolidated statement of income when Vietcombank's right to receive payment is established.

Share dividends

In accordance with Circular 200, dividends and other distribution received in the form of bonus shares and share dividends and amounts distributed in the form of shares coming from retained profits, share premium and reserves in equity of joint stock companies, are not recorded in the consolidated statement of income. Instead, the additional shares obtained are reflected in the number of shares held by Vietcombank.

Uncollectible income

According to Circular No. 16/2018/TT-BTC dated 7 February 2018 issued by the Ministry of Finance, income receivables that are recognised as income but uncollectible at the due date are reversed as a reduction of income if the due date is within the same annual accounting period, or recorded as an expense if the due date is not within the annual accounting period, and must be monitored on the off-balance sheet for following-up on collection. When the receivable is collected, Vietcombank will record it as an operating income.

u. Lease

Lessee

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease.

Lessor

Vietcombank recognises finance leased assets as "Loans to customers" in the consolidated balance sheet at the net value of the investment defined in the lease contract. Income from finance leases are recognised as "Income from interest and similar income". Instalment income is amortised over the lease term using interest rate over the net investment of the leased assets. The classification of finance lease receivables has been made in accordance with the quantitative method as stipulated in Article 10 of Circular 02.

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Vietcombank recognises operating lease assets in the consolidated balance sheet. Rental income is recognised on a straight-line basis over the lease term whatever payment method is. Expenses occurred during the leasing period, including depreciation expenses are recognised as operating expenses for the year.

v. Taxation

Corporate income tax comprises of current and deferred tax. Corporate income tax is recognised in the consolidated statement of income except that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current income 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 payables in respect of the previous years.

Deferred income tax is calculated by using the balance sheet method, providing for the 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 income tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using 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.

w. Related parties

Related parties of Vietcombank include:

- Individuals or organisations which have the authority to appoint managers or members of the Supervisory Board of the parent company of the Bank;
- Management or members of the Supervisory Board of Vietcombank;
- Companies or organisations which have the authority to appoint managers, or members of the Supervisory Board of Vietcombank;

- Wives, husbands, parents, children (including foster parents, foster children, parents-in-law, son-in-law, daughter-in-law, step parents, step children), siblings (including half siblings), brothers-in-law, sisters-in-law 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 Vietcombank;
- Individuals or organisations that hold at least 5% of charter capital or share capital with voting rights of Vietcombank; and
- Representatives for Vietcombank's paid-in capital and shares.

The Government of Vietnam, through the State Bank of Vietnam, is a shareholder of Vietcombank. Therefore, in these consolidated financial statements, some Government agencies, including the Ministry of Finance and the State Bank of Vietnam are considered as related parties of Vietcombank.

x. Segment reporting

A segment is a distinguishable component of Vietcombank engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

y. Off-balance sheet items

Foreign exchange contracts

Vietcombank enters into foreign exchange forward and swap contracts which enable customers to transfer, modify or reduce their foreign exchange risk or other market risks and also are used for Vietcombank's business purpose.

Forward contracts are commitments to either purchase or sell a designated currency at a specific future date for a specific exchange rate and cash settlement. Forward contracts are recorded at nominal values at transaction dates and are subsequently revaluated at the end of the accounting period. Differences on revaluation are recognised under "Foreign exchange differences" in the equity and is recorded in the consolidated statement of income at the end of the annual accounting period. Differences between the amount in VND of the foreign currency amounts which are committed to buy/sell

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at forward rate and spot rate are recognised in the consolidated statement of income on a straight-line basis over the term of the contracts.

Currency swap contracts are commitments to settle in cash at a future date based on differences between specified exchange rates, calculated on the notional principal amount. 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 as an asset if they are positive or as a liability if they are negative in the consolidated balance sheet. This difference is amortised to the consolidated statement of income on a straight-line basis over the term of the swap contracts.

Interest 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 value of commitment in interest rate swap contracts is not recognised on the consolidated balance sheet. The difference of swap interest rates is recognised in the consolidated statement of income on an accrual basis.

Commitments and contingent liabilities

Vietcombank has credit commitments arising from its regular lending activities. These commitments are unutilised loans and overdraft facilities which are approved. Vietcombank 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.

According to Circular 02 and Circular 09, Vietcombank, for management purpose, has to classify guarantees, payment acceptances and irrevocable lending commitments with specific effective date into 5 groups, similar to loans to customers (Note 2(h)).

z. Offsetting

Financial assets and liabilities are offset and the net amounts are reported in the consolidated balance sheet if, and only if, Vietcombank has currently enforceable legal rights to offset the recognised amounts and Vietcombank has an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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aa. Basic earnings per share

Vietcombank presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of Vietcombank (after adjustment for appropriation to bonus and welfare funds) by the weighted average number of ordinary shares outstanding during the year.

If new shares issued during the year only change the number of shares, not the equity, Vietcombank will adjust the weighted average number of ordinary shares outstanding during the year presented on the consolidated financial statements, which leads to corresponding adjustment for EPS.

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3. PRESENTATION OF FINANCIAL INSTRUMENTS IN ACCORDANCE WITH CIRCULAR NO. 210/2009/TT-BTC

During its business operations, Vietcombank regularly enters into contracts which give rise to financial assets, financial liabilities and equity instruments.

Financial assets of Vietcombank mainly include:

- Cash;
- Balances with the State Banks;
- Balances with and loans to other credit institutions;
- Trading securities;
- Loans to customers;
- Investment securities;
- Capital contributions, long-term investments;
- Financial derivative assets; and
- Other financial assets.

Financial liabilities of Vietcombank mainly include:

- Amounts due to the Government and the State Banks;
- Deposits and borrowings from other credit institutions;
- Deposits from customers;
- Funds for finance, entrusted investments and entrusted loans;
- Valuable papers issued;
- Financial derivative liabilities; and
- Other financial liabilities.

a. Classification of financial assets and liabilities

Only for the disclosure purpose in the consolidated financial statements, Vietcombank classifies financial assets and financial liabilities in accordance with Circular No. 210/2009/TT-BTC dated 6 November 2009 issued by the Ministry of Finance ("Circular 210").

Financial assets are classified as:

- Financial assets held for trading;
- Held-to-maturity investments;
- Loans and receivables; and
- Available-for-sale financial assets.

Financial liabilities are classified as:

- Financial liabilities held for trading; and
- Financial liabilities carried at amortised cost.

b. Measurement and disclosures of fair value

In accordance with Circular 210, Vietcombank has to disclose the fair value of financial assets and financial liabilities to compare with the book value of those financial assets and financial liabilities as presented in Note 44(b).

The presentation of the fair value of the financial instruments are only for the purpose of presenting in Note 44(b). The financial instruments of Vietcombank are still recognised and recorded in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions issued by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting as described in the notes above.

Fair value is the amount for which an asset could be exchanged, or a liability settled, among knowledgeable, willing parties in an arm's length transaction on the recognition date.

When an active market exists for a financial instrument, Vietcombank measures the fair value of that instrument using its quoted price in the active market. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions.

In case there is not enough information to utilise valuation techniques, fair value of the financial instruments without active market are deemed not to have been reliably measured and therefore, not disclosed.

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4. CASH ON HAND, GOLD, SILVER AND GEMSTONES

	31/12/2020 VND million	31/12/2019 VND million
Cash on hand in VND	12,835,047	11,080,853
Cash on hand in foreign currencies	2,259,853	2,697,034
Valuable papers in foreign currencies	494	471
	15,095,394	13,778,358

5. BALANCES WITH THE STATE BANKS

	31/12/2020 VND million	31/12/2019 VND million
Balances with the State Bank of Vietnam (i)	33,010,030	34,404,607
Balances with Bank of the Lao L.D.R (ii)	129,343	279,484
	33,139,373	34,684,091

Balances with the SBV consist of compulsory reserve ("CRR") balance and current deposits balance.

The monthly average balance of the demand deposits of the Bank with the SBV must not be less than the monthly balance of CRR. The amount of CRR during the CRR maintenance period is calculated by their respective CRR rates applicable to the Bank for each type of deposits during CRR maintenance period multiplied by the average balances of reservable deposits hold during the reserve computation period corresponding to that type of deposits.

The effective CRR rates at the year-end were as follows:

Type of deposits	31/12/2020	31/12/2019
Demand deposits and deposits in VND with terms of less than 12 months	3%	3%
Deposits in VND with terms of 12 months and above	1%	1%
Demand deposits and deposits in foreign currencies with terms of less than 12 months	8%	8%
Deposits in foreign currencies with terms of 12 months and above	6%	6%
Deposits from overseas credit institutions in foreign currencies	1%	1%

The actual interest rates of current account at the year-end were as follows:

Type of deposits	31/12/2020	31/12/2019
Within compulsory reserve in VND	0.5%/year	0.8%/year
Within compulsory reserve in USD	0%/year	0%/year
Over compulsory reserve in VND	0%/year	0%/year
Over compulsory reserve in USD	0.05%/year	0.05%/year

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Balances with Bank of the Lao L.D.R ("the BOL") consist of margin deposits in Lao Kip ("LAK") relating to the establishment of the Bank's subsidiary in Lao People's Democratic Republic, compulsory reserve balance and current deposits balance in accordance with the BOL's requirement.

The effective CRR rates at the year-end were as follows:

Type of deposits	31/12/2020	31/12/2019
Deposits in LAK with terms of 12 months and below	4%	5%
Deposits in foreign currencies with terms of 12 months and below	8%	10%

6. BALANCES WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

	31/12/2020 VND million	31/12/2019 VND million
Balances with other credit institutions		
Demand deposits in VND	25,796	113,811
Demand deposits in foreign currencies	45,065,025	40,081,007
Term deposits in VND	118,760,458	93,834,489
Term deposits in foreign currencies	40,862,504	56,071,022
	204,713,783	190,100,329
Loans to other credit institutions		
Loans in VND	60,801,208	60,449,061
Loans in foreign currencies	3,454,654	1,920,982
	64,255,862	62,370,043
Allowance for balances with and loans to other credit institutions	(1,000,000)	(3,000,000)
	267,969,645	249,470,372

Balances with and loans to other credit institutions by debt group were as follows:

	31/12/2020 VND million	31/12/2019 VND million
Current debt	222,878,824	209,275,554
Loss debt	1,000,000	3,000,000
	223,878,824	212,275,554

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Movements in allowance for balances with and loans to other credit institutions during the year were as follows:

	2020 VND million	2019 VND million
Opening balance	3,000,000	1,000,000
Allowance (reversed)/made during the year (Note 33)	(2,000,000)	2,000,000
Closing balance	1,000,000	3,000,000

7. TRADING SECURITIES

	31/12/2020 VND million	31/12/2019 VND million
Debt securities		
Government bonds	1,126,417	994,592
Bonds issued by other local credit institutions	200,124	-
Securities issued by local economic entities	339,250	544,000
Equity securities		
Equity securities issued by other credit institutions	29,437	4,705
Equity securities issued by local economic entities	296,633	346,331
	1,991,861	1,889,628
Allowance for trading securities	(37,800)	(88,502)
	1,954,061	1,801,126

Trading securities by listing status were as follows:

	31/12/2020 VND million	31/12/2019 VND million
Debt securities		
Listed	1,126,417	994,592
Unlisted	539,374	544,000
Equity securities		
Listed	235,767	252,544
Unlisted	90,303	98,492
	1,991,861	1,889,628

Movements in allowance for trading securities during the year were as follows:

	2020 VND million	2019 VND million
Opening balance	88,502	70,245
Allowance (reversed)/made during the year (Note 28)	(50,702)	18,257
Closing balance	37,800	88,502

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8. DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL ASSETS

	31/12/2020		31/12/2019	
	Contract value	Book value	Contract value	Book value
	Assets/(liabilities)		Assets/(liabilities)	
	VND million	VND million	VND million	VND million
Currency derivatives financial instruments				
Currency swap contracts	105,690,304	(69,164)	80,161,918	(59,895)
Currency forward contracts	13,207,615	17,133	13,347,334	158,207
	118,897,919	(52,031)	93,509,252	98,312

9. LOANS TO CUSTOMERS

	31/12/2020	31/12/2019
	VND million	VND million
Loans to local economic entities and individuals	832,010,220	726,968,213
Discounted bills and valuable papers	2,549,713	3,172,630
Finance leases	4,608,056	4,429,029
Loans given to make payments on behalf of customers	-	1,000
Loans to foreign organisations and individuals	620,272	136,019
	839,788,261	734,706,891

Loan portfolio by debt group was as follows:

	31/12/2020	31/12/2019
	VND million	VND million
Current debt	831,765,014	726,358,767
Special mentioned debt	2,793,678	2,978,196
Sub-standard debt	668,690	686,839
Doubtful debt	223,292	153,248
Loss debt	4,337,587	4,529,841
	839,788,261	734,706,891

Loan portfolio by term was as follows:

	31/12/2020	31/12/2019
	VND million	VND million
Short-term debt	434,373,690	384,355,979
Medium-term debt	43,091,944	48,461,992
Long-term debt	362,322,627	301,888,920
	839,788,261	734,706,891

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Loan portfolio by type of borrowers was as follows:

	31/12/2020	31/12/2019
	VND million	VND million
State-owned enterprises	66,893,804	61,597,154
Limited companies	155,046,852	139,575,487
Foreign invested enterprises	52,121,844	43,644,729
Co-operative and private companies	2,653,308	2,268,308
Individuals	380,751,584	315,781,580
Others	182,320,869	171,839,633
	839,788,261	734,706,891

Loan portfolio by industry sector was as follows:

	31/12/2020	31/12/2019
	VND million	VND million
Processing and manufacturing	178,521,411	174,032,670
Trading and services	202,773,035	131,856,583
Electricity, gas, water processing and supplying	40,333,441	30,411,521
Construction	71,273,525	32,357,572
Transportation, logistics and communication	26,843,614	24,742,604
Mining	14,591,656	14,458,842
Agriculture, forestry and aquaculture	17,069,197	16,122,626
Hospitality	10,166,471	12,837,989
Others	278,215,911	297,886,484
	839,788,261	734,706,891

10. ALLOWANCE FOR LOANS TO CUSTOMERS

	31/12/2020	31/12/2019
	VND million	VND million
General allowance	5,895,579	5,282,328
Specific allowance	13,347,215	4,951,309
	19,242,794	10,233,637

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

	31/12/2020	31/12/2019
	VND million	VND million
Opening balance	5,282,328	4,695,445
Allowance made during the year (Note 33)	613,274	586,898
Foreign exchange difference	(23)	(15)
Closing balance	5,895,579	5,282,328

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

	2020 VND million	2019 VND million
Opening balance	4,951,309	5,598,064
Allowance made during the year (Note 33)	11,201,979	3,855,715
Allowance utilised for writing-off bad debts	(2,805,965)	(4,502,397)
Foreign exchange difference	(108)	(73)
Closing balance	13,347,215	4,951,309

11. INVESTMENT SECURITIES

	31/12/2020 VND million	31/12/2019 VND million
Available-for-sale securities (a)	41,955,076	35,574,786
Held-to-maturity securities (b)	114,976,021	131,954,903
	156,931,097	167,529,689

Available-for-sale securities

	31/12/2020 VND million	31/12/2019 VND million
AVAILABLE-FOR-SALE SECURITIES		
Debt securities		
Government bonds	9,444,422	17,444,329
Debt securities issued by other local credit institutions	32,696,219	18,246,571
Equity securities		
Equity securities issued by other local economic institutions	8,190	8,190
	42,148,831	35,699,090
Allowance for available-for-sale securities (i)	(193,755)	(124,304)
Total available-for-sale securities	41,955,076	35,574,786

Details of allowance for available-for-sale securities:

	31/12/2020 VND million	31/12/2019 VND million
General allowance for unlisted corporate bonds (*)	193,478	124,125
General allowance for equity investments	277	179
	193,755	124,304

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(*) *Movements in general allowance for unlisted corporate bonds (including bonds issued by other local credit institutions on the secondary market) during the year were as follows:*

	31/12/2020 VND million	31/12/2019 VND million
Opening balance	124,125	88,125
Allowance made during the year (Note 33)	69,353	36,000
Closing balance	193,478	124,125

Held-to-maturity securities

	31/12/2020 VND million	31/12/2019 VND million
Held-to-maturity securities		
Government bonds	59,001,448	82,997,995
Debt securities issued by other local credit institutions	51,041,344	42,593,538
Debt securities issued by local economic entities	5,339,752	6,679,769
	115,382,544	132,271,302
Allowance for held-to-maturity securities (ii)	(406,523)	(316,399)
Total held-to-maturity securities	114,976,021	131,954,903

Details of allowance for held-to-maturity securities:

	31/12/2020 VND million	31/12/2019 VND million
General allowance for unlisted corporate bonds	406,523	316,399

Movements in general allowance for unlisted corporate bonds (including bonds issued by other local credit institutions on the secondary market) during the year were as follows:

	31/12/2020 VND million	31/12/2019 VND million
Opening balance	316,399	187,734
Allowance made during the year (Note 33)	90,124	128,665
Closing balance	406,523	316,399

Classification of unlisted securities as assets with credit risk:

	31/12/2020 VND million	31/12/2019 VND million
Current debt	86,417,752	62,473,769

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12. CAPITAL CONTRIBUTIONS, LONG-TERM INVESTMENTS

Investments in joint-ventures

As at 31 December 2020:

	Business sector	Ownership percentage (%)	Cost VND million	Carrying value VND million
Vietcombank – Bonday – Ben Thanh Joint-venture Company Limited (i)	Office leasing	52%	410,365	552,840
Vietcombank Fund Management (i)	Investment fund management	51%	135,150	162,095
			545,515	714,935

As at 31 December 2019:

	Business sector	Ownership percentage (%)	Cost VND million	Carrying value VND million
Vietcombank – Bonday – Ben Thanh Joint-venture Company Limited (i)	Office leasing	52%	410,365	515,262
Vietcombank Fund Management (i)	Investment fund management	51%	135,150	152,913
Vietcombank – Cardif Life Insurance Company Limited (ii)	Life insurance	45%	270,000	272,632
			815,515	940,807

The Bank owns 52% of the total contributed capital of Vietcombank – Bonday – Ben Thanh Joint-venture Company Limited and 51% of the total contributed capital of Vietcombank Fund Management. These companies' charters require a consensus among related parties on all important decisions on the companies' operational and financial matters. Hence, owning more than half of the companies' contributed capital does not mean that the Bank has control over these companies. The investments in these two companies are classified into "Investments in joint-ventures" rather than "Investments in subsidiaries".

On 3 April 2020, the Bank received the Official Letter No. 3938/BTC-QLBH of the Ministry of Finance approving the principles of transferring the Bank's contributed capital at Vietcombank – Cardif Life Insurance Company Limited to FWD Life Insurance Company (Bermuda) Limited. In 2020, the Bank completed the procedures for transferring the contributed capital.

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Investments in associates

As at 31 December 2020:

	Business sector	Ownership percentage (%)	Cost VND million	Carrying value VND million
Vietcombank – Bonday Joint-venture Company Limited	Office leasing	16%	11,110	11,248

As at 31 December 2019:

	Business sector	Ownership percentage (%)	Cost VND million	Carrying value VND million
Vietcombank – Bonday Joint-venture Company Limited	Cho thuê văn phòng	16%	11,110	10,863

The Bank has significant influence but limited control, through its participation in this company's Members' Council, over the financial and operating policies of this company. Therefore, the investment in the above company is classified into "Investments in associates" rather than "Other long-term investments".

Other long-term investments

As at 31 December 2020:

	Business sector	Ownership percentage (%)	Cost VND million
Vietnam Export – Import Commercial Joint Stock Bank	Banking	4.50%	319,907
Military Commercial Joint Stock Bank	Banking	4.31%	802,269
Small and Medium Enterprises Credit Guarantee Fund	Credit guarantee services	0.80%	1,864
Petrolimex Insurance Corporation	Insurance	8.03%	67,900
Vietnam Credit Information Joint Stock Company	Credit information services	6.64%	7,962
Vietnam Infrastructure Development and Financial Investment JSC.	Highway investment	1.97%	75,000
National Payment Corporation of Vietnam	Card and settlement services	1.83%	4,400
Vietnam Airlines JSC.	Aviation	1.04%	305,585
SWIFT, MASTER and VISA	Card and settlement services	-	2,936
			1,587,823
Allowance for other long-term investments			(75,000)
			1,512,823

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As at 31 December 2019:

	Business sector	Ownership percentage (%)	Giá gốc VND million
Vietnam Export – Import Commercial Joint Stock Bank	Banking	4.50%	319,907
Military Commercial Joint Stock Bank	Banking	4.42%	802,269
Small and Medium Enterprises Credit Guarantee Fund	Credit guarantee services	0.80%	1,864
Petrolimex Insurance Corporation	Insurance	8.03%	67,900
Vietnam Credit Information Joint Stock Company	Credit information services	6.64%	7,962
Vietnam Infrastructure Development and Financial Investment JSC.	Highway investment	1.97%	75,000
National Payment Corporation of Vietnam	Card and settlement services	1.83%	4,400
Vietnam Airlines JSC.	Aviation	1.04%	305,585
SWIFT, MASTER and VISA	Card and settlement services	-	2,936
			1,587,823
Allowance for other long-term investments			(75,000)
			1,512,823

Movements in allowance for other long-term investments during the year were as follows:

	2020 VND million	2019 VND million
Opening balance	75,000	66,998
Allowance made during the year (Note 32)	-	8,002
Closing balance	75,000	75,000

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13. TANGIBLE FIXED ASSETS

Year ended 31 December 2020:

	Buildings and structures VND million	Machinery and equipment VND million	Motor vehicles and means of transmission VND million	Others VND million	Total VND million
Cost					
Opening balance (restated)	4,528,872	4,152,078	986,640	1,494,580	11,162,170
Additions during the year	1,004,906	443,539	166,034	235,519	1,849,998
<i>Purchases</i>	<i>1,004,906</i>	<i>443,539</i>	<i>165,879</i>	<i>229,245</i>	<i>1,843,569</i>
<i>Other increases</i>	-	-	155	6,274	6,429
Decreases during the year	(19,397)	(87,754)	(23,134)	(15,694)	(145,979)
<i>Disposals</i>	<i>(9,805)</i>	<i>(86,734)</i>	<i>(23,117)</i>	<i>(15,689)</i>	<i>(135,345)</i>
<i>Other decreases</i>	<i>(9,592)</i>	<i>(1,020)</i>	<i>(17)</i>	<i>(5)</i>	<i>(10,634)</i>
Closing balance	5,514,381	4,507,863	1,129,540	1,714,405	12,866,189
Accumulated depreciation					
Opening balance (restated)	1,313,615	3,683,351	667,593	1,051,902	6,716,461
Additions during the year	219,735	370,123	89,048	196,889	875,795
<i>Charges for the year</i>	<i>218,752</i>	<i>370,026</i>	<i>89,048</i>	<i>196,735</i>	<i>874,561</i>
<i>Other increases</i>	<i>983</i>	<i>97</i>	-	<i>154</i>	<i>1,234</i>
Decreases during the year	(8,773)	(86,738)	(23,121)	(18,574)	(137,206)
<i>Disposals</i>	<i>(8,773)</i>	<i>(86,734)</i>	<i>(23,117)</i>	<i>(15,595)</i>	<i>(134,219)</i>
<i>Other decreases</i>	-	<i>(4)</i>	<i>(4)</i>	<i>(2,979)</i>	<i>(2,987)</i>
Closing balance	1,524,577	3,966,736	733,520	1,230,217	7,455,050
Net book value					
Opening balance (restated)	3,215,257	468,727	319,047	442,678	4,445,709
Closing balance	3,989,804	541,127	396,020	484,188	5,411,139

Included in tangible fixed assets were assets costing **VND4,879,798 million** which were fully depreciated as of 31 December 2020, but still in use (31 December 2019: VND4,374,256 million).

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14. INTANGIBLE FIXED ASSETS

Year ended 31 December 2020:

	Land use rights	Copyrights and patents	Others	Total
	VND million	VND million	VND million	VND million
Cost				
Opening balance	2,180,059	827,249	43,361	3,050,669
Additions during the year	322,602	837,084	2,484	1,162,170
Purchases	318,765	837,084	2,484	1,158,333
Other increases	3,837	-	-	3,837
Other decreases during the year	-	(302)	(657)	(959)
Closing balance	2,502,661	1,664,031	45,188	4,211,880
Accumulated amortisation				
Opening balance	89,468	675,614	24,793	789,875
Charges for the year	15,017	276,937	1,984	293,938
Other decreases during the year	-	-	(156)	(156)
Closing balance	104,485	952,551	26,621	1,083,657
Net book value				
Opening balance	2,090,591	151,635	18,568	2,260,794
Closing balance	2,398,176	711,480	18,567	3,128,223

Included in intangible fixed assets were assets costing VND670,960 million which were fully depreciated as of 31 December 2020, but still in use (31 December 2019: VND632,470 million).

15. OTHER ASSETS

Receivables

	31/12/2020	31/12/2019
	VND million	VND million
Internal receivables	1,653,804	1,595,353
External receivables (i)	5,014,791	7,235,037
	6,668,595	8,830,390

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External receivables

	31/12/2020	31/12/2019
	VND million	VND million
Advances for purchase of fixed assets	800,898	1,088,039
Receivables from the State Budget in relation to the interest subsidy program	325,088	311,981
Overpaid corporate income tax (Note 38)	1,182	60
Deductible value added tax (Note 38)	14,251	31,812
Advances for other taxes (Note 38)	230	2
Construction in progress (*)	455,357	794,212
Other receivables	3,417,785	5,008,931
	5,014,791	7,235,037

(*) Details of construction in progress are follows:

	31/12/2020	31/12/2019
	VND million	VND million
Construction in progress	455,357	794,212
In which, large constructions include:	281,059	402,946
Thanh Cong Branch's office construction	47,881	268,588
North Sai Gon Branch's office construction	58,196	39,894
Can Tho Branch's office construction	47,811	25,309
Dong Thap Branch's office construction	30,431	2,261
Lao Cai Branch's office construction	25,365	1,016
Bac Lieu Branch's office construction	23,972	1,269
Phu Tho Branch's office construction	20,111	587
Gia Lai Branch's office construction	7,671	7,879
Ha Noi Branch's office construction	6,768	6,390
Binh Thuan Branch's office construction	5,908	2,445
Lang Son Branch's office construction	5,726	17,074
Phu Yen Branch's office construction	1,219	30,234

Accrued interest and fee receivables

	31/12/2020	31/12/2019
	VND million	VND million
From loans to customers	2,381,755	2,760,538
From balances with and loans to other credit institutions	171,405	396,445
From investment securities	4,530,898	4,822,200
From derivative transactions	120,257	83,920
Fees receivable	1,810	1,705
	7,206,125	8,064,808

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Deferred tax assets

	31/12/2020 VND million	31/12/2019 VND million
Deferred tax assets arising from deductible temporary differences	909,263	405,543

Other assets

	31/12/2020 VND million	31/12/2019 VND million
Prepaid expenses for office and fixed assets rental	802,036	886,166
Materials	141,229	155,406
Advance for card payment	1,289,754	1,422,634
Advance for rental land	726,733	465,839
Other assets	2,076,886	1,580,547
	5,036,638	4,510,592
Allowance for other assets	(3,934)	(3,839)
	5,032,704	4,506,753

16. AMOUNTS DUE TO THE GOVERNMENT AND THE STATE BANKS

	31/12/2020 VND million	31/12/2019 VND million
Borrowings from the State Bank of Vietnam	2,347,294	3,065,470
Borrowings on the basis of credit profiles	1,800,563	2,263,278
Other borrowings	546,731	802,192
Deposits from the State Treasury	36,393,923	89,288,604
Demand deposits in VND	463,641	335,832
Demand deposits in foreign currencies	513,282	1,087,772
Term deposits in VND	35,417,000	87,865,000
Deposits from the State Bank of Vietnam	2,435,778	11,732
	41,176,995	92,365,806

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17. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

	31/12/2020 VND million	31/12/2019 VND million
Deposits from other credit institutions	100,916,433	71,046,512
Demand deposits in VND	6,654,782	7,400,827
Demand deposits in foreign currencies	42,123,289	27,053,436
Term deposits in VND	33,600,000	24,500,000
Term deposits in foreign currencies	18,538,362	12,092,249
Borrowings from other credit institutions	2,667,400	2,570,573
Borrowings in VND	2,667,400	1,259,900
Borrowings in foreign currencies	-	1,310,673
	103,583,833	73,617,085

18. DEPOSITS FROM CUSTOMERS

	31/12/2020 VND million	31/12/2019 VND million
Demand deposits	307,026,182	262,977,124
Demand deposits in VND	238,209,238	199,196,380
Demand deposits in gold, foreign currencies	68,816,944	63,780,744
Term deposits	693,604,644	642,710,681
Term deposits in VND	614,908,265	561,425,254
Term deposits in gold, foreign currencies	78,696,379	81,285,427
Deposits for specific purposes	27,325,921	21,019,106
Margin deposits	4,156,820	1,743,958
	1,032,113,567	928,450,869

Deposits from customers by customer type were as follows:

	31/12/2020 VND million	31/12/2019 VND million
Economic entities	522,325,061	461,608,933
Individuals	509,788,506	466,841,936
	1,032,113,567	928,450,869

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19. FUNDS FOR FINANCE, ENTRUSTED INVESTMENTS AND ENTRUSTED LOANS

	31/12/2020 VND million	31/12/2019 VND million
Funds for finance, entrusted investments and entrusted loans in VND	14,679	20,431

20. VALUABLE PAPERS ISSUED

	31/12/2020 VND million	31/12/2019 VND million
Certificates of deposits		
Medium-term in VND	115	325
Medium-term in foreign currencies	-	691
Bonds and bills		
Short-term in VND	47	47
Short-term in foreign currencies	30	30
Medium-term in VND	10,437,945	10,552,616
Medium-term in foreign currencies	12	12
Long-term in VND	10,802,048	10,830,211
	21,240,197	21,383,932

21. OTHER LIABILITIES

Accrued interest and fee payables

	31/12/2020 VND million	31/12/2019 VND million
Interest for deposits from customers	9,345,530	9,835,069
Interest for deposits and borrowings from other credit institutions	21,387	51,452
Interest for valuable papers issued	365,041	370,979
Interest for derivative financial instruments	65,876	102,640
Fee for entrusted investments	-	3,145
	9,797,834	10,363,285

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Other liabilities

	31/12/2020 VND million	31/12/2019 VND million
Internal payables (i)	3,914,344	3,503,718
External payables (ii)	15,801,471	8,076,691
Bonus and welfare funds	4,440,162	4,055,515
	24,155,977	15,635,924

Internal payables

	31/12/2020 VND million	31/12/2019 VND million
Payables to employees	3,253,225	2,931,200
Other liabilities	661,119	572,518
	3,914,344	3,503,718

External payables

	31/12/2020 VND million	31/12/2019 VND million
Tax payables (Note 38)	2,191,103	1,823,729
<i>Corporate income tax payables</i>	1,927,716	1,525,963
<i>Value added tax payables</i>	124,718	117,018
<i>Other tax payables</i>	138,669	180,748
Unearned income	6,718,012	1,371
Payables for construction and acquisition of fixed assets	1,212,030	266,324
Deposits in custody relating to pending payments	205,442	253,820
Other payables to customers	834,760	1,288,992
Other pending items in settlement	204,272	176,176
Other payables to the State relating to interest subsidy program	64,528	64,528
Borrowings from the Ministry of Finance	906,194	1,003,156
Dividends payables (*)	747,619	747,619
Other payables	2,717,511	2,450,976
	15,801,471	8,076,691

(*) Until 8 January 2021, the Bank completed the payment of these dividends.

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22. OWNERS' EQUITY

Statement of changes in equity

	Charter capital VND million	Share premium VND million	Other capital VND million	Reserves		Reserves		Foreign exchange differences VND million	Differences upon asset revaluation VND million	Retained profits VND million	Non-controlling interest VND million	Total VND million
				Supplementary charter capital reserve VND million	Financial reserve VND million	Investment and development fund VND million	Total VND million					
Balance as at 1/1/2020 (restated)	37,088,774	4,995,389	344,658	4,041,013	8,074,467	70,661	12,186,141	16,361	113,011	26,126,544	83,459	80,954,337
Net profit for the year	-	-	-	-	-	-	-	-	-	18,451,311	21,207	18,472,518
Compulsory reserves temporarily appropriated from profit for 2020	-	-	-	902,187	1,804,375	-	2,706,562	-	-	(2,706,562)	-	-
Bonus and welfare funds temporarily appropriated for 2020	-	-	-	-	-	-	-	-	-	(1,859,105)	-	(1,859,105)
Adjustments for the appropriation of reserves and fund according to the Resolution of General Meeting of Shareholders	-	-	-	(8)	(15)	-	(23)	-	-	(360,322)	-	(360,345)
Adjustments according to the Resolution of the subsidiary	-	-	-	(68)	4,070	-	4,002	-	-	(18,837)	(591)	(15,426)
Dividends of 2019 to shareholders (Note 23)	-	-	-	-	-	-	-	-	-	(2,967,102)	-	(2,967,102)
Dividends paid according to the Resolution of the subsidiary	-	-	-	-	-	-	-	-	-	-	(19,013)	(19,013)
Utilisation during the year	-	-	-	-	(11,903)	-	(11,903)	-	-	-	-	(11,903)
Reserves appropriation of subsidiaries	-	-	-	18,039	22,985	-	41,024	-	-	(53,326)	-	(12,302)
Foreign currency differences	-	-	-	-	-	-	-	(11,258)	-	-	(38)	(11,296)
Asset revaluation	-	-	-	-	-	-	-	-	(113,011)	-	-	(113,011)
Adjustments for joint-ventures and associates upon the equity method	-	-	-	-	-	-	-	-	-	2,361	-	2,361
Other movements	-	-	-	-	-	-	-	-	-	35,266	-	35,266
Balance as at 31/12/2020	37,088,774	4,995,389	344,658	4,961,163	9,893,979	70,661	14,925,803	5,103	-	36,650,228	85,024	94,094,979

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Details of shareholders of the Bank

	31/12/2020	31/12/2019
	VND million	VND million
Ordinary shares		
The Government of Vietnam	27,743,534	27,743,534
Foreign strategic shareholder (Mizuho Bank Ltd., Japan)	5,563,349	5,563,349
Other shareholders	3,781,891	3,781,891
	37,088,774	37,088,774

The Bank's authorised and issued share capital is as follows:

	31/12/2020 và 31/12/2019	
	Number of shares	VND million
Authorised share capital	3,708,877,448	37,088,774
Issued share capital		
Ordinary shares	3,708,877,448	37,088,774
Outstanding shares in circulation		
Ordinary shares	3,708,877,448	37,088,774

All ordinary shares of the Bank have a par value of VND 10,000.

23. DIVIDENDS

In accordance with Resolution No. 13/TN2020/NQ-DHDCD dated 26 June 2020, the Bank's General Meeting of Shareholders decided to pay cash dividend of 2019 at 8% of par value, equivalent to VND2,967,102 million. On 8 December 2020, the Bank's Board of Director approved Resolution No. 595/NQ-VCB-HDQT on dividend payment of 2019. Until 8 January 2021, the Bank completed the payment of dividends to shareholders.

24. INTEREST AND SIMILAR INCOME

	2020	2019
	VND million	VND million
Interest income from loans to customers	56,056,454	53,100,063
Interest income from deposits	2,362,665	4,412,907
Interest income from trading and investing in debt securities	9,405,447	8,893,830
<i>from investment securities</i>	9,197,858	8,809,299
<i>from trading securities</i>	207,589	84,531
Interest income from finance lease	330,131	326,787
Income from guarantee activities	448,022	480,786
Other income from credit activities	602,415	451,123
	69,205,134	67,665,496

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25. INTEREST AND SIMILAR EXPENSES

	2020	2019
	VND million	VND million
Interest expenses on deposits	31,150,286	31,205,637
Interest expenses on borrowings	197,705	337,223
Interest expenses on valuable papers issued	1,503,840	1,500,039
Other expenses on credit activities	67,828	84,869
	32,919,659	33,127,768

26. NET FEE AND COMMISSION INCOME

	2020	2019
	VND million	VND million
Fee and commission income from		
Settlement services	6,017,661	6,199,194
Treasury services	74,593	164,507
Trusted and agency activities	9,289	1,278
Other services	4,486,620	2,640,130
	10,588,163	9,005,109
Fee and commission expenses for		
Settlement services	(3,192,493)	(3,877,007)
Treasury services	(109,932)	(96,571)
Telecommunication services	(125,174)	(114,680)
Trusted and agency activities	(6,107)	(3,485)
Other services	(547,140)	(603,920)
	(3,980,846)	(4,695,663)
	6,607,317	4,309,446

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27. NET GAIN FROM TRADING OF FOREIGN CURRENCIES

	2020 VND million	2019 VND million
Gains from trading of foreign currencies		
From foreign currencies spot trading	6,841,473	6,397,100
From currency derivatives financial instruments	650,399	781,001
From foreign exchange rate differences	474,545	562,523
From revaluation of derivative contracts	6,541	40,323
	7,972,958	7,780,947
Losses from trading of foreign currencies		
From foreign currencies spot trading	(2,913,034)	(3,627,773)
From currency derivatives financial instruments	(1,068,516)	(653,967)
From foreign exchange rate differences	(39,477)	(73,863)
From revaluation of derivative contracts	(45,532)	(47,070)
	(4,066,559)	(4,402,673)
	3,906,399	3,378,274

28. NET GAIN FROM TRADING SECURITIES

	2020 VND million	2019 VND million
Income from trading securities	113,299	207,337
Expenses for trading securities	(162,191)	(43,098)
Allowance reversed/(made) for trading securities (Note 7)	50,702	(18,257)
	1,810	145,982

29. NET (LOSS)/GAIN FROM INVESTMENT SECURITIES

	2020 VND million	2019 VND million
Income from investment securities	-	7,220
Expenses on investment securities	-	(1)
Allowance made for equity investments	(98)	(179)
	(98)	7,040

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30. NET OTHER INCOME

	2020 VND million	2019 VND million
Other income		
Income from recoveries of loans previously written off	2,421,725	3,179,526
Income from interest rate swap transactions	195	59,590
Other income	122,794	188,679
	2,544,714	3,427,795
Other expenses		
Expenses on interest rate swap transactions	(117,968)	-
Expenses on debts trading activities	(171)	(32)
Expenses on social activities	(301,184)	(163,238)
Other expenses	(325,138)	(194,700)
	(744,461)	(357,970)
	1,800,253	3,069,825

31. INCOME FROM CAPITAL CONTRIBUTIONS AND EQUITY INVESTMENTS

	2020 VND million	2019 VND million
Dividends received from equity investments (Note 34(a))	83,959	154,582
<i>Dividends received from capital contribution, share purchases</i>	69,684	135,090
<i>Dividends received from trading equity securities</i>	14,275	19,492
Income from disposals of equity investments	335,274	48,178
Share of gain of investments in joint-ventures and associates upon the equity method (Note 34(a))	42,152	42,336
	461,385	245,096

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32. OPERATING EXPENSES

	2020	2019
	VND million	VND million
Tax, duties and fees	246,322	358,529
Salaries and related expenses	8,603,051	8,668,273
Of which:		
<i>Salary and allowances (Note 37)</i>	7,674,765	7,806,861
<i>Additional expenses based on salary</i>	683,529	654,098
<i>Other allowances</i>	5,868	5,566
Expenses on assets	2,902,528	2,701,784
Of which:		
<i>Depreciation of fixed assets</i>	1,168,499	829,204
Administrative expenses	3,603,531	3,515,461
Insurance expenses on deposits of customers	631,788	578,981
Allowance made for other long-term investments (Note 12(c))	-	8,002
Other expenses	51,030	43,512
	16,038,250	15,874,542

33. ALLOWANCE FOR CREDIT LOSSES

	2020	2019
	VND million	VND million
Allowance for balances with and loans to other credit institutions		
Allowance (reversed)/made (Note 6)	(2,000,000)	2,000,000
General allowance for loans to customers		
Allowance made (Note 10)	613,274	586,898
Specific allowance for loans to customers		
Allowance made (Note 10)	11,201,979	3,855,715
General allowance for unlisted corporate bonds		
Allowance made for available-for-sale securities (Note 11(a))	69,353	36,000
Allowance made for held-to-maturity securities (Note 11(b))	90,124	128,665
	9,974,730	6,607,278

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34. CORPORATE INCOME TAX

Reconciliation of effective tax rate

	2020	2019
	VND million	VND million
Profit before tax	23,049,561	23,211,571
Adjustments:		
Taxable income of subsidiaries	(481,245)	(378,867)
Dividends received during the year (Note 31)	(83,959)	(154,582)
Share of profit from investments in joint-ventures and associates under the equity method (Note 31)	(42,152)	(42,336)
Tax exempt from consolidation adjustments	(36,959)	15,523
Non-deductible expenses during the year	4,518,833	2,020,699
Reversal of non-deductible expenses of the prior year	(2,000,000)	-
Taxable income	24,924,079	24,672,008
Statutory corporate income tax rate	20%	20%
Corporate income tax of the Bank (tax rate: 20%)	4,984,816	4,934,401
Corporate income tax of a subsidiary (tax rate: 24%)	7,711	7,835
Corporate income tax of subsidiaries (tax rate: 20%)	88,541	66,815
corporate income tax of a subsidiary (tax rate: 16.5%)	-	1,251
Current corporate income tax expenses for the year	5,081,068	5,010,302

Deferred corporate income tax expenses

	2020	2019
	VND million	VND million
Deferred corporate income tax expenses arising from deductible temporary differences	(504,025)	(396,075)

Applicable tax rates

The Bank and its subsidiaries have an obligation to pay the Government income tax at the rate of 20% of taxable profits, except for Vietcombank Laos Limited whose applicable tax rate is 24% and Vietnam Finance Company Limited in Hong Kong whose applicable tax rate is 16.5%. Corporate income tax computation is subject to review and approval by tax authorities.

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35. BASIC EARNINGS PER SHARE

Profit used for calculation of basic earnings per share

	2020	2019
	VND million	VND million
Net profit	18,451,311	18,582,254
Appropriation to bonus and welfare funds (*)	(1,871,407)	(2,276,180)
Profit attributable to the ordinary shareholders during the year	16,579,904	16,306,074

(*) As the bonus and welfare funds is to be appropriated at the year-end, net profit used to calculate earnings per share for the year ended 31 December was revised to deduct the amount appropriated to bonus and welfare funds of the corresponding year.

Weighted average number of ordinary shares.

	2020	2019
Issued ordinary shares at 1 January	3,708,877,448	3,597,768,575
Effect of ordinary shares issued during the year	-	102,889,860
Weighted average number of outstanding ordinary shares during the year	3,708,877,448	3,700,658,435

Basic earnings per share

	2020	2019
Basic earnings per share (VND/share)	4,470	4,406

36. CASH AND CASH EQUIVALENTS

	31/12/2020	31/12/2019
	VND million	VND million
Cash on hand, gold, silver and gemstones	15,095,394	13,778,358
Balances with the State Banks	33,139,373	34,684,091
Balances with and loans to other credit institutions with original term not exceeding 3 months	244,347,935	223,808,086
	292,582,702	272,270,535

37. EMPLOYEES' BENEFITS

	2020	2019
Total number of employees (person)	20,062	18,948
Employees' income		
Total salary and allowance (VND million) (Note 32)	7,674,765	7,806,861
Monthly average income/person (VND million)	31.88	34.33

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38. OBLIGATIONS TO THE STATE BUDGET

	Balance as at 1/1/2020	Occurrence during the year			Balance as at 31/12/2020	
		Incurred	Paid	Payables	Advances	Total
	VND million	VND million	VND million	VND million	VND million	VND million
Value added tax	85,206	572,182	(546,921)	124,718	(14,251)	110,467
Current corporate income tax	1,525,903	5,080,948	(4,680,317)	1,927,716	(1,182)	1,926,534
In which:						
Corporate income tax of Vietcombank	1,525,963	5,081,068	(4,680,425)	1,927,716	(1,110)	1,926,606
Adjustments on tax of previous years	(2)	(120)	108	-	(14)	(14)
Vinafico's tax obligation in 2008	(58)	-	-	-	(58)	(58)
Other taxes	180,746	1,200,435	(1,242,742)	138,669	(230)	138,439
	1,791,855	6,853,565	(6,469,980)	2,191,103	(15,663)	2,175,440

39. ASSETS AND VALUABLE PAPERS FOR PLEDGING, MORTGAGING AND DISCOUNT, RE-DISCOUNT

Assets and valuable papers received for pledging, mortgaging and discount, re-discount

	31/12/2020	31/12/2019
	VND million	VND million
Deposits	124,105,909	109,803,809
Valuable papers	93,030,576	82,429,392
Real estate	957,536,579	795,024,169
Other collaterals	266,888,049	243,180,100
	1,441,561,113	1,230,437,470

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40. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

In the normal course of business, Vietcombank is a party to financial instruments which are recorded as off-balance sheet items. These financial instruments mainly comprise financial guarantees and letters of credit. These instruments involve elements of credit risk in excess of the amounts recognised in the consolidated balance sheet.

Credit risk for off-balance sheet financial instruments is defined as the possibility of incurring a loss because any other counterparty to a financial instrument fails to discharge its contractual obligations.

Financial guarantees are conditional commitments issued by Vietcombank to guarantee transactions of its customers with third parties including loan guarantee, payment guarantee, performance guarantee and bid guarantee. Such guarantees expose Vietcombank to similar credit risk to loans to customers.

Commercial at sight letters of credit represent a financing transaction by Vietcombank to its customers where the customer is usually the buyer/importer of goods and the beneficiary is typically the seller/exporter. Credit risk is limited as the imported merchandise serves as collaterals for the transaction.

Deferred payment letters of credit contain the risk of customers not making payment to their beneficiaries upon contract performance. When deferred payment letters of credit are defaulted by customers, Vietcombank recognises a compulsory loan to a customer and at the same time a corresponding liability representing the financial obligation of Vietcombank to pay the beneficiaries and to fulfil the guarantor obligations.

Vietcombank normally requires margin deposits to support credit-related financial instruments as necessary. The margin deposits ratio required varies from nil to 100% of the value of a commitment granted depending on the creditworthiness of customers as assessed by Vietcombank.

41. SIGNIFICANT TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions with related parties

	Relationship	2020	2019
		VND million	VND million
Income/(expense)			
The State Bank of Vietnam	Representative of owner		
Interest income from deposits		147,042	209,296
Interest expenses on deposits and borrowings		(107,008)	(130,356)
The Ministry of Finance	Related party of owner		
Interest expenses on deposits		(539,434)	(1,557,823)
Interest expenses on borrowings		(34,167)	(43,855)

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Significant balances with related parties

	Mối liên quan	31/12/2020	31/12/2019
		VND million	VND million
Receivable/(payable)			
The State Bank of Vietnam	Representative of owner		
Deposits at the SBV		33,010,030	34,404,607
Deposits and borrowings from the SBV		(4,783,072)	(3,077,202)
The Ministry of Finance ("the MoF")	Related party of owner		
Deposits at the Bank		(36,393,923)	(89,288,604)
Borrowings from the MoF		(906,194)	(1,003,156)
Mizuho Bank Ltd., Japan	Strategic shareholder		
Deposits at Mizuho Bank Ltd., Japan		9,711,861	5,588,921
Deposits from Mizuho Bank Ltd., Japan		(4,236,034)	(3,913,211)
Loans to Mizuho Bank Ltd., Japan		-	100,000

42. DISCLOSURE OF REMUNERATION FOR MEMBERS OF THE BOARD OF DIRECTORS AND MEMBERS OF THE SUPERVISORY BOARD AND SALARY FOR MEMBERS OF THE BOARD OF MANAGEMENT

Remuneration for members of the Board of Directors and members of the Supervisory Board and salary for members of the Board of Management incurred and paid from the salary fund during the year were as follows:

	2020	2019
	VND million	VND million
Members of the Board of Directors	13,792	14,849
Members of the Supervisory Board	3,651	3,927
Members of the Board of Management	14,710	16,253
	32,153	35,029

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43. SEGMENT REPORTING

Geographical segment reporting

Year ended 31 December 2020:

	The North (*)	The Middle and Central Highland	The South	Overseas	Elimination	Total
	VND million	VND million	VND million	VND million	VND million	VND million
1 Interest and similar income	93,561,834	16,509,703	47,598,660	76,861	(88,541,924)	69,205,134
2 Interest and similar expenses	(78,134,685)	(11,245,574)	(32,081,595)	(5,876)	88,548,071	(32,919,659)
I Net interest income	15,427,149	5,264,129	15,517,065	70,985	6,147	36,285,475
3 Fee and commission income	7,189,794	679,034	2,928,411	76,477	(285,553)	10,588,163
4 Fee and commission expenses	(3,970,123)	(33,886)	(99,106)	(23,190)	145,459	(3,980,846)
II Net fee and commission income/(expense)	3,219,671	645,148	2,829,305	53,287	(140,094)	6,607,317
III Net gain from trading of foreign currencies	2,533,901	156,766	1,214,879	853	-	3,906,399
IV Net gain/(loss) from trading securities	7,941	-	-	-	(6,131)	1,810
V Net loss from investment securities	(98)	-	-	-	-	(98)
5 Other income	1,159,082	500,291	884,050	1,291	-	2,544,714
6 Other expenses	(365,632)	(127,133)	(251,696)	-	-	(744,461)
VI Net other income	793,450	373,158	632,354	1,291	-	1,800,253
VII Income from capital contributions and equity investments	461,385	-	-	-	-	461,385
Total operating income	22,443,399	6,439,201	20,193,603	126,416	(140,078)	49,062,541
VIII Total operating expenses	(10,949,821)	(1,378,082)	(3,775,168)	(79,694)	144,515	(16,038,250)
IX Net operating profit before allowances for credit losses	11,493,578	5,061,119	16,418,435	46,722	4,437	33,024,291
X Allowances for credit losses	(7,697,793)	(792,057)	(1,482,438)	(2,442)	-	(9,974,730)
XI Profit before tax	3,795,785	4,269,062	14,935,997	44,280	4,437	23,049,561
7 Current corporate income tax expenses	(1,232,984)	(853,812)	(2,986,561)	(7,711)	-	(5,081,068)
8 Deferred corporate income tax expenses	503,720	-	-	305	-	504,025
XII Corporate income tax expenses	(729,264)	(853,812)	(2,986,561)	(7,406)	-	(4,577,043)
XIII Profit after tax	3,066,521	3,415,250	11,949,436	36,874	4,437	18,472,518

(*) As at 31 December 2020, the Bank's Head Office in the North made several payments of operating expenses for the entire system but did not allocate such expenses to the units within the Bank.

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Business segment

Year ended 31 December 2020:

	Banking financial services	Non-banking financial services	Securities	Others	Elimination	Total
	VND million	VND million	VND million	VND million	VND million	VND million
1 Interest and similar income	157,054,516	400,398	271,951	20,193	(88,541,924)	69,205,134
2 Interest and similar expenses	(121,217,494)	(152,921)	(89,668)	(7,647)	88,548,071	(32,919,659)
I Net interest income	35,837,022	247,477	182,283	12,546	6,147	36,285,475
3 Fee and commission income	10,301,436	42,567	300,344	229,369	(285,553)	10,588,163
4 Fee and commission expenses	(3,977,860)	(964)	(54,541)	(92,940)	145,459	(3,980,846)
II Net fee and commission income/(expense)	6,323,576	41,603	245,803	136,429	(140,094)	6,607,317
III Net gain/(loss) from trading of foreign currencies	3,908,963	(2,564)	-	-	-	3,906,399
IV Net (loss)/gain from trading securities	(34,812)	-	42,753	-	(6,131)	1,810
IV Net loss from investment securities	-	-	(98)	-	-	(98)
5 Other income	2,535,589	8,120	403	602	-	2,544,714
6 Other expenses	(744,422)	(12)	(21)	(6)	-	(744,461)
VI Net other income	1,791,167	8,108	382	596	-	1,800,253
VII Income from capital contributions and equity investments	447,110	-	14,275	-	-	461,385
Total operating income	48,273,026	294,624	485,398	149,571	(140,078)	49,062,541
VIII Total operating expenses	(15,776,505)	(135,226)	(216,421)	(54,613)	144,515	(16,038,250)
IX Net operating profit before allowance for credit losses	32,496,521	159,398	268,977	94,958	4,437	33,024,291
X Allowance for credit losses	(9,934,124)	(40,606)	-	-	-	(9,974,730)
XI Profit before tax	22,562,397	118,792	268,977	94,958	4,437	23,049,561
7 Current corporate income tax expenses	(4,992,527)	(24,737)	(52,315)	(11,489)	-	(5,081,068)
8 Deferred corporate income tax expenses	502,392	305	1,328	-	-	504,025
XII Corporate income tax expenses	(4,490,135)	(24,432)	(50,987)	(11,489)	-	(4,577,043)
XIII Profit after tax	18,072,262	94,360	217,990	83,469	4,437	18,472,518

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44. DISCLOSURE OF FINANCIAL INSTRUMENTS

Collateral disclosure

Vietcombank does not hold collaterals which it is permitted to sell or re-pledge in the absence of default by the owner of the collaterals.

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Fair value disclosure

Circular 210 requires Vietcombank to disclose the measurement method and related information of fair value of financial assets and financial liabilities for the purpose of comparing their carrying value and fair value.

The following table presents carrying value and fair value of Vietcombank's financial assets and liabilities as at 31 December 2020:

As at 31 December 2020

		Carrying amount – gross					Total of carrying value VND million	Fair value VND million
		Held for trading VND million	Held to maturity VND million	Loans and receivables VND million	Available for sale VND million	Recognised at amortised cost VND million		
Financial assets								
I	Cash on hand, gold, silver and gemstones	-	-	15,095,394	-	-	15,095,394	15,095,394
II	Balances with the State Banks	-	-	33,139,373	-	-	33,139,373	33,139,373
III	Balances with and loans to other credit institutions	-	-	268,969,645	-	-	268,969,645	(*)
IV	Trading securities	1,991,861	-	-	-	-	1,991,861	(*)
VI	Loans to customers	-	-	839,788,261	-	-	839,788,261	(*)
VIII	Investment securities	-	115,382,544	-	42,148,831	-	157,531,375	(*)
IX	Capital contributions, long-term investments	-	-	-	1,587,823	-	1,587,823	(*)
XII	Other financial assets	-	-	13,901,539	-	-	13,901,539	(*)
		1,991,861	115,382,544	1,170,894,212	43,736,654	-	1,332,005,271	
Financial liabilities								
I	Amounts due to the Government and the State Banks and deposits and borrowings from other credit institutions	-	-	-	-	144,760,828	144,760,828	(*)
II	Deposits from customers	-	-	-	-	1,032,113,567	1,032,113,567	(*)
III	Derivative financial instruments and other financial liabilities	52,031	-	-	-	-	52,031	(*)
IV	Funds for finance, entrusted investments and entrusted loans	-	-	-	-	14,679	14,679	(*)
V	Valuable papers issued	-	-	-	-	21,240,197	21,240,197	(*)
VI	Other financial liabilities	-	-	-	-	15,942,570	15,942,570	(*)
		52,031	-	-	-	1,214,071,841	1,214,123,872	

(*) Due to insufficient information for valuation techniques, fair value of these financial assets and liabilities without an active market is not reliably estimated, and therefore is not disclosed.

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Risk management policies for financial instruments

The Board of Directors has the highest rights and responsibilities for Vietcombank's financial risk management to facilitate its sustainable growth.

Having taken those responsibilities, the Board of Directors appropriately promulgates risk management policies and strategies for each period, establishes risk limits, directly approves high-value business transactions in accordance with legal and internal requirements for each period, and determines organisational structure and key personnel positions.

Risk management strategies and policies of the Board of Directors are adhered to Vietcombank's charter and General Shareholders' Meeting resolution for each period.

The Risk Management Committee was established by the Board of Directors to assist the Board of Directors in managing all risks that may arise from Vietcombank's day-to-day business operations.

The Asset and Liability Credit and Operational Risk Committee ("ALCO") was established and chaired by the Chief Executive Officer. ALCO members are key personnel of the Bank being in-charge of risk management.

ALCO is responsible for comprehensively monitoring and managing assets and liabilities in the consolidated and separate balance sheet of Vietcombank in order to maximise profit while minimising losses arising from negative market trends, manage liquidity risk and appropriately direct interest and foreign exchange rate schemes.

Within its authority, ALCO has the rights to make risk management decisions.

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Credit risk

Vietcombank is exposed to credit risk, which is the risk of incurring a loss because its customers or counterparties fail to discharge their contractual obligations. Credit exposures arise mainly in lending activities relating to loans to customers, and in investments in debt securities. Off-balance sheet financial instruments, such as loan commitments, also contain credit risk. Vietcombank controls and manages credit risk by setting up related policies and procedures, including the credit risk management policies and operational risk management policy by the Risk Management Committee and Credit Committee.

Vietcombank classifies loans to customers and other credit institutions, off-balance sheet commitments, entrusted loans and unlisted corporate bonds in accordance with Circular 02 and Circular 09 (Note 2(h)), and regularly assesses credit risks of non-performing loans in order to have appropriate resolutions.

In order to manage credit risks, Vietcombank has established policies and procedures relating to credit risk management; established credit manuals; performed credit risk assessment; set up internal credit rating systems and debt classification and decentralised authorisation in credit activities.

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Vietcombank's maximum exposure amounts to credit risk as at 31 December 2020, excluding collaterals and credit risk mitigations as follows:

	Neither past due nor impaired	Past due but not impaired	Impaired and allowance made	Total
	VND million	VND million	VND million	VND million
Balances with the State Banks	33,139,373	-	-	33,139,373
Balances with and loans to other credit institutions – gross	267,969,645	-	1,000,000	268,969,645
Balances with other credit institutions	204,713,783	-	-	204,713,783
Loans to other credit institutions	63,255,862	-	1,000,000	64,255,862
Trading securities	1,665,791	-	-	1,665,791
Loans to customers – gross	810,702,036	10,803,072	18,283,153	839,788,261
Investment securities – gross	157,523,185	-	-	157,523,185
Available-for-sale investment securities	42,140,641	-	-	42,140,641
Held-to-maturity investment securities	115,382,544	-	-	115,382,544
Other assets	13,897,605	-	3,934	13,901,539
	1,284,897,635	10,803,072	19,287,087	1,314,987,794

Further information of the carrying value of collaterals held by Vietcombank as at the reporting date are described in Note 39.

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Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will unexpectedly fluctuate due to changes in market interest rates.

The actual interest re-pricing term is the remaining term starting from the end of the annual accounting period to the nearest interest re-pricing term of the items in the consolidated balance sheet.

The following assumptions and conditions have been adopted in the analysis of actual interest re-pricing term of asset and liabilities items in the consolidated balance sheet of Vietcombank:

- Cash, gold, silver and gemstones, capital contributions, long-term investments, and other assets (including fixed assets and other assets) are classified as free of interest items;
- Trading securities which are debt securities are classified as "Up to 1 month" items;
- The actual interest re-pricing terms of investment securities are subject to issuers' terms and conditions on interest rate of issuing institution for each security type;
- The actual interest re-pricing term of balances with and loans to other credit institutions, loans to customers, amounts due to the Government and the State Banks, deposits and borrowings from other credit institutions, deposits from customers, funds for finance, entrusted investments, entrusted loans and other liabilities are identified as follows:
 - Items with fixed interest rate during the contractual term: the actual interest re-pricing term is based on the contractual maturity date subsequent to the end of the annual accounting period;
 - Items with floating interest rate: the actual interest re-pricing term is based on the nearest re-pricing term subsequent to the end of the annual accounting period.
- The actual interest re-pricing term of valuable papers issued is based on valuable papers' maturities and the Bank's interest rate for each issuance.

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The following table presents the interest rate re-pricing terms of Vietcombank's assets and liabilities as at 31 December 2020:

	Overdue	Free of interest	Up to 1 month	From 1 to 3 months	From over 3 months to 6 months	From over 6 months to 12 months	From over 1 year to 5 years	Over 5 years	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Assets									
I	Cash on hand, gold, silver and gemstones	-	15,095,394	-	-	-	-	-	15,095,394
II	Balances with the State Banks	-	-	33,139,373	-	-	-	-	33,139,373
III	Balances with and loans to other credit institutions – gross	-	-	229,082,421	17,963,269	3,478,910	18,445,045	-	268,969,645
IV	Trading securities – gross	-	326,070	1,665,791	-	-	-	-	1,991,861
VI	Loans to customers – gross	12,519,728	-	154,301,126	273,642,180	214,699,585	86,390,965	90,625,451	839,788,261
VII	Investment securities – gross	-	8,190	3,519,446	11,681,908	19,340,454	24,331,181	89,695,026	157,531,375
VIII	Capital contributions, long-term investments – gross	-	2,314,006	-	-	-	-	-	2,314,006
IX	Fixed assets	-	8,539,362	-	-	-	-	-	8,539,362
X	Other assets – gross	-	19,820,621	-	-	-	-	-	19,820,621
	Total assets	12,519,728	46,103,643	421,708,157	303,287,357	237,518,949	129,167,191	180,320,477	1,347,189,898
Liabilities									
I	Amounts due to the Government and the State Banks and deposits and borrowings from other credit institutions	-	-	140,856,471	2,924,433	525,548	454,376	-	144,760,828
II	Deposits from customers	-	131,705	571,052,061	184,105,481	108,632,517	163,566,727	4,605,486	1,032,113,567
III	Derivative financial instruments and other financial liabilities	-	52,031	-	-	-	-	-	52,031
IV	Funds for finance, entrusted investments and entrusted loans	-	-	-	-	-	-	14,679	14,679
V	Valuable papers issued	-	-	69,205	-	-	10,907,198	8,898,794	21,240,197
VI	Other liabilities	-	33,047,617	837,727	68,467	-	-	-	33,953,811
	Total liabilities	-	33,231,353	712,815,464	187,098,381	109,158,065	174,928,301	13,518,959	1,232,135,113
	Interest sensitivity gap – on balance sheet	12,519,728	12,872,290	(291,107,307)	116,188,976	128,360,884	(45,761,110)	166,801,518	15,179,806

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Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Vietcombank was incorporated and operates in Vietnam, with VND as its reporting currency. The major currency in which Vietcombank transacts is VND. Vietcombank's loans to customers are mainly denominated in VND, USD and EUR. Some of Vietcombank's other assets and other liabilities are in currencies other than VND, USD and EUR. Vietcombank has set limits on currency positions based on its internal risk management system and relevant statutory requirements stipulated by the SBV. Currency positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

The followings are the major exchange rates applied by Vietcombank at the reporting date:

	Exchange rate as at	
	31/12/2020	31/12/2019
USD/VND	23,125	23,170
EUR/VND	28,499	26,213

The following table presents Vietcombank's assets and liabilities denominated in foreign currencies that were translated into VND as at 31 December 2020:

	VND	USD	EUR	Other currencies	Total
	VND million	VND million	VND million	VND million	VND million
Assets					
I Cash on hand, gold, silver and gemstones	12,835,047	1,679,121	291,650	289,576	15,095,394
II Balances with the State Banks	26,403,315	6,665,409	-	70,649	33,139,373
III Balances with and loans to other credit institutions – gross	179,587,462	50,949,040	6,548,150	31,884,993	268,969,645
IV Trading securities – gross	1,991,861	-	-	-	1,991,861
VI Loans to customers – gross	745,709,871	93,147,396	305,708	625,286	839,788,261
VII Investment securities – gross	122,843,875	34,687,500	-	-	157,531,375
VIII Capital contributions, long-term investments – gross	2,314,006	-	-	-	2,314,006
IX Fixed assets	8,495,602	34,637	-	9,123	8,539,362
X Other assets – gross	17,977,011	1,376,308	73,716	393,586	19,820,621
Total assets	1,118,158,050	188,539,411	7,219,224	33,273,213	1,347,189,898
Liabilities					
I Amounts due to the Government and the State Banks and deposits and borrowings from other credit institutions	81,150,116	32,002,989	2,888,308	28,719,415	144,760,828
II Deposits from customers	877,210,294	148,426,680	3,790,259	2,686,334	1,032,113,567
III Derivative financial instruments and other financial liabilities	(10,417,384)	10,706,304	5,807	(242,696)	52,031
IV Funds for finance, entrusted investments and entrusted loans	14,679	-	-	-	14,679
V Valuable papers issued	21,240,155	42	-	-	21,240,197
VI Other liabilities	32,992,344	815,792	66,456	79,219	33,953,811
Total liabilities	1,002,190,204	191,951,807	6,750,830	31,242,272	1,232,135,113
Currency positions on balance sheet	115,967,846	(3,412,396)	468,394	2,030,941	115,054,785

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Liquidity risk

Liquidity risk occurs when Vietcombank fails to fulfil its financial commitments with customers or counterparties due to unavailability of funds or liquidity.

The maturity of assets and liabilities represents the remaining terms of these assets and liabilities from the end of the annual accounting period to the maturity date according to the underlying contractual agreements or term of issuance.

The following assumptions and conditions have been adopted in the preparation of Vietcombank's assets and liabilities maturity analysis in the consolidated balance sheet:

- Balances with the State Banks are considered as current accounts with maturity less than one month, including the compulsory deposits;
- The maturity of trading securities is considered as having maturity less than one month because they are held in the short term for profit taking due to price differences;
- The maturity of investment securities is based on maturity dates of each securities established by the issuers of these financial instruments;
- The maturities of balances with and loans to other credit institutions and loans to customers are based on the contractual maturity date. The actual maturity may vary from the original contractual term when the contract is extended;
- The maturity of equity investments is considered to be over five years as equity investments have no stated maturity; and
- Deposits and borrowings from other credit institutions, deposits from customers, funds for finance, entrusted investments and entrusted loans, and valuable papers issued are determined based on either the nature of the loans, deposits and valuable papers issued or their contractual maturities. For example, current accounts of other credit institutions at Vietcombank and current accounts of Vietcombank at other credit institutions paid upon customers' demand are considered to be demand deposits, the maturity of term deposits and borrowings is based on the contractual maturity date. In practice, such items may be rolled over and maintained for longer period.

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The following table analyses the remaining terms to maturity of Vietcombank's assets and liabilities as at 31 December 2020:

	Overdue		Not overdue					Total VND million
	Over 3 months VND million	Up to 3 months VND million	Up to 1 month	From over 1 month to 3 months VND million	From over 3 months to 12 months VND million	From over 1 year to 5 years VND million	Over 5 years VND million	
Assets								
I Cash on hand, gold, silver and gemstones	-	-	15,095,394	-	-	-	-	15,095,394
II Balances with the State Banks	-	-	33,139,373	-	-	-	-	33,139,373
III Balances with and loans to other credit institutions – gross	-	-	229,082,420	17,963,269	20,396,518	1,527,438	-	268,969,645
IV Trading securities – gross	-	-	1,991,861	-	-	-	-	1,991,861
VI Loans to customers – gross	1,551,172	10,968,556	51,898,153	156,148,618	264,031,345	159,211,057	195,979,360	839,788,261
VII Investment securities – gross	-	-	2,246,636	10,422,908	40,018,635	92,318,026	12,525,170	157,531,375
VIII Capital contributions, long-term investments – gross	-	-	-	-	-	-	2,314,006	2,314,006
IX Fixed assets	-	-	-	-	-	-	8,539,362	8,539,362
X Other assets – gross	-	-	-	19,820,621	-	-	-	19,820,621
Total assets	1,551,172	10,968,556	333,453,837	204,355,416	324,446,498	253,056,521	219,357,898	1,347,189,898
Liabilities								
I Amounts due to the Government and the State Banks and deposits and borrowings from other credit institutions	-	-	140,309,854	1,401,686	1,035,310	1,897,121	116,857	144,760,828
II Deposits from customers	-	-	268,036,045	200,376,333	303,749,974	56,088,901	203,862,314	1,032,113,567
III Derivative financial instruments and other financial liabilities	-	-	-	52,031	-	-	-	52,031
IV Funds for finance, entrusted investments and entrusted loans	-	-	-	-	-	14,679	-	14,679
V Valuable papers issued	-	-	905	-	2,068,300	8,792,450	10,378,542	21,240,197
VI Other liabilities	-	-	747,619	32,299,998	-	-	906,194	33,953,811
Total liabilities	-	-	409,094,423	234,130,048	306,853,584	66,793,151	215,263,907	1,232,135,113
Net liquidity gap	1,551,172	10,968,556	(75,640,586)	(29,774,632)	17,592,914	186,263,370	4,093,991	115,054,785

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45. CORRESPONDING FIGURES

Certain corresponding figures in the consolidated balance sheet and the consolidated statement of income have been restated according to the report of the State Audit of Vietnam as follows:

Impacts on the total assets:

	31/12/2019 VND million	31/12/2019 VND million	Differences VND million
Loans to customers	724,473,254	724,290,102	183,152
Loans to customers	734,706,891	734,706,891	-
Allowance for loans to customers	(10,233,637)	(10,416,789)	183,152
Fixed assets	6,706,503	6,710,443	(3,940)
Tangible fixed assets	4,445,709	4,449,649	(3,940)
Cost	11,162,170	11,161,239	931
Accumulated depreciation	(6,716,461)	(6,711,590)	(4,871)
Other assets	21,807,494	21,891,872	(84,378)
Receivables	8,830,390	8,829,375	1,015
Accrued interest and fee receivables	8,064,808	8,150,156	(85,348)
Allowance for other assets	(3,839)	(3,794)	(45)
Total impacts			94,834

Impacts on the total liabilities and shareholders' equity:

	31/12/2019 VND million	31/12/2019 VND million	Differences VND million
Other liabilities	26,021,232	25,997,753	23,479
Accrued interest and fee payables	10,363,285	10,382,357	(19,072)
Other liabilities	15,635,924	15,593,373	42,551
Capital	42,428,821	42,428,820	1
Other capital	344,658	344,657	1
Retained profits	26,126,544	26,055,190	71,354
Previous year's retained profits	12,188,552	12,188,554	(2)
Current year's retained profits	13,937,992	13,866,636	71,356
Total impacts			94,834

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Impacts on the off-balance sheet items:

	31/12/2019 VND million	31/12/2019 VND million	Differences VND million
Letters of credit	57,345,298	57,406,598	(61,300)
Other commitments	53,115,849	53,276,574	(160,725)

Impacts on the consolidated statement of income:

	31/12/2019 VND million	31/12/2019 VND million	Differences VND million
Interest and similar income	67,665,496	67,724,190	(58,694)
Interest and similar expenses	(33,127,768)	(33,146,840)	19,072
Net interest income	34,537,728	34,577,350	(39,622)
Fee and commission income	9,005,109	9,002,507	2,602
Net fee and commission income	4,309,446	4,306,844	2,602
Other income	3,427,795	3,427,765	30
Net other income	3,069,825	3,069,795	30
Total operating expenses	(15,874,542)	(15,817,575)	(56,967)
Net operating profit before allowance for credit losses	29,818,849	29,912,806	(93,957)
Allowance for credit losses	(6,607,278)	(6,790,429)	183,151
PROFIT BEFORE TAX	23,211,571	23,122,377	89,194
Current corporate income tax expenses	(5,010,302)	(4,992,464)	(17,838)
Corporate income tax expenses	(4,614,227)	(4,596,389)	(17,838)
NET PROFIT AFTER TAX	18,597,344	18,525,988	71,356

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46. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Management of the Bank on 31 March 2021.

Hanoi, 31 March 2021

Prepared by:

Ms. **Nguyen Thi Thu Huong**

Mr. **Le Hoang Tung**

Approved by:

Ms. **Phung Nguyen Hai Yen**



Deputy Director of
Financial and Accounting
Policy Department

Chief Accountant

Deputy CEO



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