



# **Joint Stock Commercial Bank for Foreign Trade of Vietnam**

Separate Financial Statements  
for the year ended 31 December 2020



## **Joint Stock Commercial Bank for Foreign Trade of Vietnam**

### **Content**

	<i>Page</i>
Bank Information	1 – 2
Report of the Board of Management	3
Independent Auditor's Report	4 – 5
Separate balance sheet	6 – 8
Separate statement of income	9 – 10
Separate statement of cash flows	11 – 12
Notes to the separate financial statements	13 – 76



# **Joint Stock Commercial Bank for Foreign Trade of Vietnam** **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 separate financial statements**

Mr. Nghiem Xuan Thanh	Chairman	Reappointed on 27 April 2018
Mr. Pham Quang Dung	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 separate financial statements**

Mr. Pham Quang Dung	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

**Joint Stock Commercial Bank for Foreign Trade of Vietnam**  
**Bank Information (continued)**

**Members of the Supervisory Board during the year and until the issuing date of the separate 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

<b>Chief Accountant</b>	Mr. Le Hoang Tung Appointed on 15 December 2017
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<b>Legal Representative</b>	Since 1 November 2014 Mr. Nghiem Xuan Thanh Title: Chairman of the Board of Directors
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<b>Authorised signature on financial statements</b> (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
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<b>The Bank's Head Office</b>	198 Tran Quang Khai Street Hoan Kiem District, Hanoi, Vietnam
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<b>Auditor</b>	KPMG Limited Vietnam
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## **Joint Stock Commercial Bank for Foreign Trade of 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 separate financial statements of the Bank for year ended 31 December 2020.

### **The Bank's Board of Management's responsibility in respect of the separate financial statements**

The Bank's Board of Management is responsible for the separate financial statements which give a true and fair view of the separate financial position of the Bank, and of its separate results of operations and separate cash flows for the year. In preparing the separate financial statements, the Bank's 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 separate financial statements; and
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue its 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 to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Bank 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 separate 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 separate financial statements give a true and fair view of the separate financial position of the Bank as at 31 December 2020, and of its separate results of operations and separate 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 Bank's Board of Management:



Ms. Phung Nguyen Hai Yen  
Deputy CEO

Hanoi, 31 March 2021



KPMG Limited  
46<sup>th</sup> Floor, Keangnam Landmark 72  
E6 Pham Hung Road, Me Tri Ward  
South Tu Liem District, Hanoi, Vietnam  
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## INDEPENDENT AUDITOR'S REPORT

**To: The Shareholders  
Joint Stock Commercial Bank for Foreign Trade of Vietnam**

We have audited the accompanying separate financial statements of Joint Stock Commercial Bank for Foreign Trade of Vietnam ("the Bank"), which comprise the separate balance sheet as at 31 December 2020, the separate statement of income and the separate 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 76.

### The Bank's Board of Management's responsibility

The Bank's Board of Management is responsible for the preparation and fair presentation of these separate 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 Bank's Board of Management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

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

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

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





### Auditor's Opinion

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



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

**Joint Stock Commercial Bank for Foreign Trade of Vietnam**  
**198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam**  
**Separate balance sheet as at 31 December 2020**

**Form B02/TCCTD**  
*(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 (restated)
<b>A</b>	<b>ASSETS</b>			
<b>I</b>	<b>Cash on hand, gold, silver and gemstones</b>	<b>4</b>	<b>15,059,581</b>	<b>13,754,597</b>
<b>II</b>	<b>Balances with the State Bank of Vietnam</b>	<b>5</b>	<b>33,009,681</b>	<b>34,404,258</b>
<b>III</b>	<b>Balances with and loans to other credit institutions</b>	<b>6</b>	<b>268,938,448</b>	<b>250,743,093</b>
1	Balances with other credit institutions		201,896,086	187,731,239
2	Loans to other credit institutions		68,042,362	66,011,854
3	Allowance for balances with and loans to other credit institutions		(1,000,000)	(3,000,000)
<b>IV</b>	<b>Trading securities</b>	<b>7</b>	<b>62,623</b>	<b>449,265</b>
1	Trading securities		62,623	449,265
<b>V</b>	<b>Derivative financial instruments and other financial assets</b>	<b>8</b>	<b>-</b>	<b>98,312</b>
<b>VI</b>	<b>Loans to customers</b>		<b>813,701,003</b>	<b>718,761,265</b>
1	Loans to customers	9	832,876,112	728,945,394
2	Allowance for loans to customers	10	(19,175,109)	(10,184,129)
<b>VIII</b>	<b>Investment securities</b>	<b>11</b>	<b>156,923,184</b>	<b>167,521,678</b>
1	Available-for-sale securities		42,140,641	35,690,900
2	Held-to-maturity securities		115,382,544	132,271,302
3	Allowance for investment securities		(600,001)	(440,524)
<b>IX</b>	<b>Capital contributions, long-term investments</b>		<b>5,511,728</b>	<b>5,781,155</b>
1	Investments in subsidiaries	12(a)	3,442,280	3,442,280
2	Investments in joint-ventures	12(b)	545,515	815,515
3	Investments in associates	12(c)	11,110	11,110
4	Other long-term investments	12(d)	1,587,823	1,587,823
5	Allowance for long-term investments	12(e)	(75,000)	(75,573)
<b>X</b>	<b>Fixed assets</b>		<b>8,230,592</b>	<b>6,346,277</b>
1	Tangible fixed assets	13	5,118,663	4,102,522
a	Cost		11,926,789	10,234,970
b	Accumulated depreciation		(6,808,126)	(6,132,448)
3	Intangible fixed assets	14	3,111,929	2,243,755
a	Cost		4,154,324	2,994,941
b	Accumulated amortisation		(1,042,395)	(751,186)
<b>XII</b>	<b>Other assets</b>		<b>19,365,737</b>	<b>21,394,143</b>
1	Receivables	15(a)	6,171,215	8,673,587
2	Accrued interest and fee receivables	15(b)	7,081,361	7,980,791
3	Deferred tax assets	15(c)	902,392	400,000
4	Other assets	15(d)	5,210,814	4,339,810
5	Allowance for other assets	15(d)	(45)	(45)
	<b>TOTAL ASSETS</b>		<b>1,320,802,577</b>	<b>1,219,254,043</b>

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

**Joint Stock Commercial Bank for Foreign Trade of Vietnam**  
**198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam**  
**Separate balance sheet as at 31 December 2020 (continued)**

**Form B02/TCTD**  
*(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 (restated)
<b>B</b>	<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>I</b>	<b>Amounts due to the Government and the State Bank of Vietnam</b>	<b>16</b>	<b>41,176,995</b>	<b>92,365,806</b>
<b>II</b>	<b>Deposits and borrowings from other credit institutions</b>	<b>17</b>	<b>101,597,542</b>	<b>72,523,993</b>
1	Deposits from other credit institutions		101,597,542	71,213,320
2	Borrowings from other credit institutions		-	1,310,673
<b>III</b>	<b>Deposits from customers</b>	<b>18</b>	<b>1,032,263,551</b>	<b>928,530,404</b>
<b>IV</b>	<b>Derivative financial instruments and other financial liabilities</b>	<b>8</b>	<b>52,031</b>	<b>-</b>
<b>V</b>	<b>Funds for finance, entrusted investments and entrusted loans</b>	<b>19</b>	<b>14,679</b>	<b>20,431</b>
<b>VI</b>	<b>Valuable papers issued</b>	<b>20</b>	<b>21,369,849</b>	<b>21,371,421</b>
<b>VII</b>	<b>Other liabilities</b>		<b>32,139,734</b>	<b>25,099,182</b>
1	Accrued interest and fee payables	21(a)	9,800,017	10,362,390
3	Other liabilities	21(b)	22,339,717	14,736,792
	<b>TOTAL LIABILITIES</b>		<b>1,228,614,381</b>	<b>1,139,911,237</b>
<b>VIII</b>	<b>Shareholders' equity</b>			
1	Capital		42,084,575	42,084,575
a	Charter capital		37,088,774	37,088,774
c	Share premium		4,995,389	4,995,389
g	Other capital		412	412
2	Reserves		14,620,338	11,924,768
5	Retained profits		35,483,283	25,333,463
a	Previous year's retained profits		22,005,205	11,688,625
b	Current year's retained profits		13,478,078	13,644,838
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>22(a)</b>	<b>92,188,196</b>	<b>79,342,806</b>
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,320,802,577</b>	<b>1,219,254,043</b>

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



No.	Items	31/12/2020 VND million	31/12/2019 VND million (restated)
<b>OFF-BALANCE SHEET ITEMS</b>			
1	Credit guarantees	654,296	292,563
2	Foreign exchange commitments	116,656,912	91,594,629
	<i>Forward buying commitments</i>	53,984,032	25,775,812
	<i>Forward selling commitments</i>	62,672,880	65,818,817
4	Letters of credit	45,980,494	57,345,298
5	Other guarantees	50,892,327	53,115,849
6	Other commitments	626,103	288,801

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



**Joint Stock Commercial Bank for Foreign Trade of Vietnam**  
**198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam**  
**Separate statement of income for the year ended 31 December 2020**

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

No.	Items	Note	2020 VND million	2019 VND million (restated)
1	Interest and similar income	24	68,609,167	67,140,353
2	Interest and similar expenses	25	(32,835,752)	(33,044,970)
<b>I</b>	<b>Net interest income</b>		<b>35,773,415</b>	<b>34,095,383</b>
3	Fee and commission income	26	10,194,466	8,747,667
4	Fee and commission expenses	26	(3,873,806)	(4,612,445)
<b>II</b>	<b>Net fee and commission income</b>	<b>26</b>	<b>6,320,660</b>	<b>4,135,222</b>
<b>III</b>	<b>Net gain from trading of foreign currencies</b>	<b>27</b>	<b>3,905,896</b>	<b>3,377,172</b>
<b>IV</b>	<b>Net (loss)/gain from trading securities</b>	<b>28</b>	<b>(34,812)</b>	<b>123,062</b>
<b>V</b>	<b>Net gain from investment securities</b>	<b>29</b>	<b>-</b>	<b>7,219</b>
5	Other income	30	2,535,553	3,423,270
6	Other expenses	30	(744,421)	(357,890)
<b>VI</b>	<b>Net other income</b>	<b>30</b>	<b>1,791,132</b>	<b>3,065,380</b>
<b>VII</b>	<b>Income from capital contributions and equity investments</b>	<b>31</b>	<b>449,322</b>	<b>183,268</b>
	<b>TOTAL OPERATING INCOME</b>		<b>48,205,613</b>	<b>44,986,706</b>
<b>VIII</b>	<b>TOTAL OPERATING EXPENSES</b>	<b>32</b>	<b>(15,747,767)</b>	<b>(15,611,575)</b>
<b>IX</b>	<b>Net operating profit before allowance for credit losses</b>		<b>32,457,846</b>	<b>29,375,131</b>
<b>X</b>	<b>Allowance for credit losses</b>	<b>33</b>	<b>(9,931,677)</b>	<b>(6,568,033)</b>
<b>XI</b>	<b>PROFIT BEFORE TAX (CARRIED TO THE NEXT PAGE)</b>		<b>22,526,169</b>	<b>22,807,098</b>

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

**Joint Stock Commercial Bank for Foreign Trade of Vietnam**  
**198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam**  
**Separate statement of income for the year ended 31 December 2020**  
**(continued)**

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

No.	Items	Note	2020 VND million	2019 VND million (restated)
<b>XI</b>	<b>PROFIT BEFORE TAX (BROUGHT FROM THE PREVIOUS PAGE)</b>		<b>22,526,169</b>	<b>22,807,098</b>
7	Current corporate income tax expenses	34(a)	(4,984,816)	(4,934,401)
8	Deferred corporate income tax expenses	34(b)	502,392	400,000
<b>XII</b>	<b>Corporate income tax expenses</b>		<b>(4,482,424)</b>	<b>(4,534,401)</b>
<b>XIII</b>	<b>NET PROFIT AFTER TAX</b>		<b>18,043,745</b>	<b>18,272,697</b>

*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*

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



**Joint Stock Commercial Bank for Foreign Trade of Vietnam**  
**198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam**  
**Separate statement of cash flows for the year ended 31 December 2020**  
**(Direct method)**

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

No.	Items	2020 VND million	2019 VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Interest and similar income received	69,508,397	66,473,735
02	Interest and similar expenses paid	(33,107,206)	(31,483,026)
03	Net fee and commission income received	6,320,660	4,132,620
04	Net receipts and payments from trading activities (foreign currencies, gold and securities)	3,477,724	3,026,481
05	Other expenses paid	(631,604)	(116,186)
06	Receipts from recovery of bad debts previously written off	2,417,915	3,178,776
07	Payments to employees and for other operating activities	(14,313,556)	(14,340,384)
08	Corporate income tax paid during the year	(4,588,766)	(4,753,820)
<b>Net cash flows from operating activities before changes in operating assets and liabilities</b>		<b>29,083,564</b>	<b>26,118,196</b>
<b>(Increase)/decrease in operating assets</b>			
09	Balances with and loans to other credit institutions	4,940,252	1,159,601
10	Trading securities	10,825,659	(17,089,894)
11	Derivative financial instruments and other financial assets	98,312	177,671
12	Loans to customers	(103,930,718)	(101,762,341)
13	Utilisation of allowance for credit losses	(2,781,111)	(4,453,360)
14	Other operating assets	1,344,345	(3,231,872)
<b>Increase/(decrease) in operating liabilities</b>			
15	Amounts due to the Government and the SBV	(51,188,811)	1,680,491
16	Deposits and borrowings from other credit institutions	29,073,549	(3,123,521)
17	Deposits from customers	103,733,147	126,415,693
18	Valuable papers issued	(1,852)	(47,598)
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	6,880,527	483,928
22	Payments from reserves	(1,847,728)	(1,396,449)
<b>I</b>	<b>Net cash flows from operating activities</b>	<b>26,275,414</b>	<b>24,925,173</b>

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

**Joint Stock Commercial Bank for Foreign Trade of Vietnam**  
**198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam**  
**Separate statement of cash flows for the year ended 31 December 2020**  
**(Direct method - continued)**

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

No.	Items	2020 VND million	2019 VND million
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
01	Payments for purchases of fixed assets	(2,986,441)	(926,348)
02	Proceeds from disposals of fixed assets	7,874	9,075
03	Payments for disposals of fixed assets	(3,053)	(6,315)
04	Collections on investments in other entities	605,274	96,474
05	Dividends and interest received from long-term investments and capital contributions	114,048	135,090
06	Dividends of prior years received in the year	-	42,989
<b>II</b>	<b>Net cash flows used to investing activities</b>	<b>(2,262,298)</b>	<b>(649,035)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
01	Proceeds from share issuance	-	1,111,088
02	Share premium from share issuance	-	4,995,389
03	Dividends paid to shareholders	(2,967,102)	(2,219,483)
<b>III</b>	<b>Net cash flows (used to)/generated from financing activities</b>	<b>(2,967,102)</b>	<b>3,886,994</b>
<b>IV</b>	<b>Net cash flows during the year</b>	<b>21,046,014</b>	<b>28,163,132</b>
<b>V</b>	<b>Cash and cash equivalents at the beginning of the year</b>	<b>270,120,386</b>	<b>241,957,254</b>
<b>VII</b>	<b>Cash and cash equivalents at the end of the year (Note 35)</b>	<b>291,166,400</b>	<b>270,120,386</b>

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*



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



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

## **1. Reporting entity**

### **(a) Establishment and operations**

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 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.

### **(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 VND12,100,860,260,000. Under Business Registration Certificate with Enterprise Code No. 0100112437 was reissued for the thirteenth time on 16 January 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 VND37,088,774,480,000. The par value per share is VND10,000.

	<b>31/12/2020 and 31/12/2019</b>	
	<b>Number of shares</b>	<b>%</b>
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%
	<b>3,708,877,448</b>	<b>100%</b>



**(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 Resource 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 Resource 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:*

<b>Subsidiaries</b>	<b>Operating Licence</b>	<b>Business sector</b>	<b>Ownership percentage of the Bank</b>
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%

**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 – 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%
Vietcombank – Cardif Life Insurance Company Limited	Investment Licence No. 55/GP/KDBH dated 23 October 2008 granted by the Ministry of Finance and 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, most recent amendment licence No. 283/GPDC4 dated 4 March 2002	Office leasing	16%

## (e) Number of employees

As at 31 December 2020, the Bank had 19,518 employees (31 December 2019: 18,408 employees).

## 2. Summary of significant accounting policies

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

### (a) Purpose of preparing the separate financial statements

The Bank has subsidiaries as disclosed in Note 1(d) and Note 12(a). The Bank prepares these separate 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 consolidated financial statements of the Bank and its subsidiaries for the year ended 31 December 2020 ("the consolidated financial statements") which was issued on 31 March 2021.

Users of the separate financial statements should read them together with the consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Bank and its subsidiaries.

### (b) Basis of financial statement preparation

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

**(c) Annual accounting period**

The Bank'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 separate 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 separate statement of income at the end of the annual accounting period.

**(e) 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.

**(f) 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.

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(g)(ii).

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



(g) **Loans to customers**

(i) Loans to customers

Loans to customers are stated in the separate 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 separate 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(g)(ii) and allowance for credit risk of loans to customers thereof is made in accordance with Circular 02 and Circular 09.

(ii) 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 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:

	<u>Allowance rate</u>
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 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 the Covid-19 pandemic and the borrowers are not able to repay the principal and/or interest on schedule specified in the contract, original signed agreement due to decrease in revenue, income caused by the effect of the Covid-19 pandemic, the Bank is allowed to reschedule the repayment period of these debts while maintaining the same debt group as classified at the nearest time before 23 January 2020.

(iii) 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.

(iv) 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.

(h) **Investments**

(i) 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 separate statement of income.

(ii) Investment securities

Investment securities are classified into two categories: available-for-sale and held-to-maturity investment securities. The Bank classifies investment securities on their purchase dates. In accordance with Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, the Bank 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 the Bank and the Bank is neither a founding shareholder nor a strategic partner; nor has the impact 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.

*Held-to-maturity investment securities*

Held-to-maturity investment securities are debt securities, with fixed or determinable payments and maturities where the Bank'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 separate 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(g). 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 evidence that it is hard for the Bank to fully recover the investment.

(iii) Capital contributions, long-term investments

*Investments in subsidiaries, joint-ventures and associates*

*Subsidiaries* are entities that fall in one of the followings:

- The Bank or the Bank and its related parties hold more than 50% of charter capital or more than 50% of the voting rights in that entity;
- The Bank has the power, directly or indirectly, to appoint most of or all of the members of the Board of Directors, the Board of Management or Chief Executive Officer of the entity;
- The Bank has the power to amend, supplement to the entity's operation charter;
- The Bank and its related parties control, directly or indirectly, the resolution and decision of the annual General shareholders' meeting, the Board of Directors, and the Members' Council of the entity.

*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.

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

Investments in subsidiaries, joint-ventures and associates are stated at cost less allowance for diminution in value.

*Other long-term investments*

Other long-term investments represent the Bank's capital investments in other enterprises where the Bank 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 the Bank 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.



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.

**(i) Repurchase and reverse repurchase agreements**

Securities sold under agreements to repurchase at a specific date in the future (repos) are still recognised in the separate financial statements. The corresponding cash received from these agreements is recognised in the separate balance sheet as a liability. The difference between the sale price and repurchase price is amortised in the separate 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 separate financial statements. The corresponding cash paid under these agreements is recognised in the separate 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 separate statement of income.

**(j) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, 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.

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 VND30,000,000.

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 separate 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.

(ii) Depreciation

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

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

(k) **Intangible fixed assets**

(i) 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 the Bank.

(ii) 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 4 years.



**(l) Other assets**

Except for receivables from uncollectible income as presented in Note 2(s), 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 the Bank has collected evidence to identify that debtor has become bankrupt, filing for bankruptcy or has absconded; or 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 the Bank but the case has been suspended.

<i>Overdue period</i>	<i>Allowance rate</i>
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, the Bank conducts debt classification and makes allowance similarly to those of loans to customers described in Note 2(g).

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

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

**(n) Deposits from customers**

Deposits from customers are stated at cost.

**(o) 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.

**(p) Severance allowance**

Under the Vietnamese Labour Code, when an employee who has worked for the Bank for 12 months or more ("the eligible employees") voluntarily terminates his/her labour contract, the Bank 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, the Bank reversed the outstanding balance of provision for severance allowance. This change in accounting policy has been applied prospectively from 2012.

(q) **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 separate 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").

(r) **Capital and reserves**

(i) Ordinary shares

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

(ii) 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.

(iii) Treasury shares

When the Bank 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.

(iv) Reserves

Reserves are for specific purposes and appropriated from net profit after tax of the Bank at prescribed rates as below:

- Supplementary charter capital reserve: 5% of net profit after tax. According to Decree 93, the maximum rate for this reserve does not exceed the Bank's charter capital.
- Financial reserve: 10% of net profit after tax. 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 the Bank.



(s) **Income and expenses**

(i) Interest income and interest expenses

Interest income of outstanding unearned debts classified in Group 1 – Current debt as defined in Note 2(g) 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 separate statement of income upon receipt.

Interest expenses are recorded on an accrual basis.

(ii) 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 separate statement of income when the Bank's right to receive payment is established.

(iii) 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 separate statement of income. Instead, the additional shares obtained are reflected in the number of shares held by the Bank.

(iv) 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, the Bank will record it as an operating income.

(t) **Operating lease**

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



**(u) Taxation**

Corporate income tax comprises of current and deferred tax. Corporate income tax is recognised in the separate 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.

**(v) Related parties**

Related parties of the Bank include:

- Parent company or the credit institution considered as the parent company of the Bank;
- The Bank's subsidiaries;
- The party that has the same parent company or credit institution with the Bank;
- Management or members of the Supervisory Board of the parent company or credit institution of the Bank;
- Individuals or organisations which have the authority to appoint managers or members of the Supervisory Board of the parent company of the Bank;
- Managers or members of the Supervisory Board of the Bank;
- Companies or organisations which have the authority to appoint managers, or members of the Supervisory Board of the Bank;
- 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 Bank;
- Individuals or organisations that hold at least 5% of charter capital or share capital with voting rights of the Bank; and
- Representatives for the Bank's paid-in capital and shares.

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

(w) **Segment reporting**

A segment is a distinguishable component of the Bank 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.

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

(i) Foreign exchange contracts

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

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 separate balance sheet. This difference is amortised to the separate statement of income on a straight-line basis over the term of the swap contracts.

(ii) 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 separate balance sheet. The difference of swap interest rates is recognised in the separate statement of income on an accrual basis.

(iii) Commitments and contingent liabilities

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

According to Circular 02 and Circular 09, the Bank, 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(g)).



(y) **Offsetting**

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

**3. Presentation of financial instruments in accordance with Circular No. 210/2009/TT-BTC**

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

Financial assets of the Bank mainly include:

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

Financial liabilities of the Bank mainly include:

- Amounts due to the Government and the State Bank of Vietnam;
- 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 separate financial statements, the Bank 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, the Bank 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 43(b).

The presentation of the fair value of the financial instruments are only for the purpose of presenting in Note 43(b). The financial instruments of the Bank 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, the Bank 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.

**4. Cash on hand, gold, silver and gemstones**

	<b>31/12/2020</b> <b>VND million</b>	<b>31/12/2019</b> <b>VND million</b>
Cash on hand in VND	12,834,761	11,080,773
Cash on hand in foreign currencies	2,224,326	2,673,353
Valuable papers in foreign currencies	494	471
	<b>15,059,581</b>	<b>13,754,597</b>

## 5. Balances with the State Bank of Vietnam

	31/12/2020 VND million	31/12/2019 VND million
Demand deposits in VND	26,402,965	31,146,886
Demand deposits in USD	6,606,716	3,257,372
	<b>33,009,681</b>	<b>34,404,258</b>

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

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

	31/12/2020 VND million	31/12/2019 VND million
<b>Balances with other credit institutions</b>		
Demand deposits in VND	3,150	3,138
Demand deposits in foreign currencies	45,362,604	40,123,462
Term deposits in VND	117,193,558	93,311,954
Term deposits in foreign currencies	39,336,774	54,292,685
	<u>201,896,086</u>	<u>187,731,239</u>
<b>Loans to other credit institutions</b>		
Loans in VND	63,496,208	62,740,061
Loans in foreign currencies	4,546,154	3,271,793
	<u>68,042,362</u>	<u>66,011,854</u>
Allowance for balances with and loans to other credit institutions	(1,000,000)	(3,000,000)
	<u>268,938,448</u>	<u>250,743,093</u>

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	223,572,694	210,616,493
Loss debt	1,000,000	3,000,000
	<u>224,572,694</u>	<u>213,616,493</u>

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
<b>Closing balance</b>	<u>1,000,000</u>	<u>3,000,000</u>



## 7. Trading securities

	31/12/2020 VND million	31/12/2019 VND million
<b>Debt securities</b>		
Government bonds	62,623	449,265

Trading securities by listing status were as follows:

	31/12/2020 VND million	31/12/2019 VND million
<b>Debt securities</b>		
Listed	62,623	449,265

## 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
<b>Currency derivatives financial instruments</b>				
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
	<b>118,897,919</b>	<b>(52,031)</b>	<b>93,509,252</b>	<b>98,312</b>

## 9. Loans to customers

	31/12/2020 VND million	31/12/2019 VND million
Loans to local economic entities and individuals	830,326,399	725,771,764
Discounted bills and valuable papers	2,549,713	3,172,630
Loans given to make payments on behalf of customers	-	1,000
	<b>832,876,112</b>	<b>728,945,394</b>

Loan portfolio by debt group was as follows:

	31/12/2020 VND million	31/12/2019 VND million (restated)
Current debt	824,897,063	720,691,124
Special mentioned debt	2,789,066	2,919,016
Sub-standard debt	668,690	681,402
Doubtful debt	223,161	142,778
Loss debt	4,298,132	4,511,074
	<b>832,876,112</b>	<b>728,945,394</b>

Loan portfolio by term was as follows:

	31/12/2020 VND million	31/12/2019 VND million
Short-term debt	432,309,365	383,048,080
Medium-term debt	39,268,605	44,762,886
Long-term debt	361,298,142	301,134,428
	<b>832,876,112</b>	<b>728,945,394</b>



**Joint Stock Commercial Bank for Foreign Trade of Vietnam**  
**198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam**  
**Notes to the separate financial statements**  
**for the year ended 31 December 2020 (continued)**

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

Loan portfolio by type of borrowers was as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND million</b>	<b>VND million</b>
State-owned enterprises	66,747,087	61,444,458
Limited companies	153,841,380	138,469,034
Foreign invested enterprises	51,262,330	42,851,325
Co-operative and private companies	2,652,075	2,267,398
Individuals	378,871,650	314,671,070
Others	179,501,590	169,242,109
	<b>832,876,112</b>	<b>728,945,394</b>

Loan portfolio by industry sector was as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>VND million</b>	<b>VND million</b>
Processing and manufacturing	175,678,911	171,230,140
Trading and services	202,518,943	131,825,366
Construction	70,898,950	31,952,068
Electricity, gas, water processing and supplying	40,227,575	30,316,052
Transportation, logistics and communication	26,530,408	24,367,828
Mining	14,515,105	14,388,663
Agriculture, forestry and aquaculture	17,057,291	16,121,696
Hospitality	10,143,542	12,826,840
Others	275,305,387	295,916,741
	<b>832,876,112</b>	<b>728,945,394</b>

# 10. Allowance for loans to customers

	31/12/2020 VND million	31/12/2019 VND million (restated)
General allowance	5,859,047	5,249,429
Specific allowance	13,316,062	4,934,700
	<u>19,175,109</u>	<u>10,184,129</u>

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

	2020 VND million	2019 VND million
Opening balance	5,249,429	4,668,212
Allowance made during the year (Note 33)	609,618	581,217
Closing balance	<u>5,859,047</u>	<u>5,249,429</u>

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

	2020 VND million	2019 VND million (restated)
Opening balance	4,934,700	5,565,981
Allowance made during the year (Note 33)	11,162,582	3,822,151
Allowance utilised for writing-off bad debts	(2,781,111)	(4,453,360)
Foreign exchange difference	(109)	(72)
Closing balance	<u>13,316,062</u>	<u>4,934,700</u>



## 11. Investment securities

	31/12/2020 VND million	31/12/2019 VND million
Available-for-sale securities (a)	41,947,163	35,566,775
Held-to-maturity securities (b)	114,976,021	131,954,903
	<u>156,923,184</u>	<u>167,521,678</u>

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

	31/12/2020 VND million	31/12/2019 VND million
Government bonds	9,444,422	17,444,329
Debt securities issued by other local credit institutions	32,696,219	18,246,571
	<u>42,140,641</u>	<u>35,690,900</u>
Allowance for available-for-sale securities (i)	(193,478)	(124,125)
<b>Total available-for-sale securities</b>	<u><b>41,947,163</b></u>	<u><b>35,566,775</b></u>

### (i) 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

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:

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

(b) Held-to-maturity securities

	31/12/2020 VND million	31/12/2019 VND million
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
	<hr/>	<hr/>
	115,382,544	132,271,302
Allowance for held-to-maturity securities (ii)	(406,523)	(316,399)
	<hr/>	<hr/>
<b>Total held-to-maturity securities</b>	<b>114,976,021</b>	<b>131,954,903</b>

(ii) 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
	<hr/>	<hr/>

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:

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

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
	<hr/>	<hr/>



## 12. Capital contributions, long-term investments

### (a) Investments in subsidiaries

		31/12/2020 and 31/12/2019	
	Business sector	Ownership percentage (%)	Cost VND million
Vietcombank Financial Leasing Company Limited	Financial leasing	100%	500,000
Vietcombank Securities Company Limited	Securities	100%	700,000
Vietnam Finance Company Limited in Hong Kong	Financial services	100%	116,902
Vietcombank Remittance Company Limited	Receipt of foreign exchange	100%	30,000
Vietcombank Laos Limited	Banking	100%	1,820,400
Vietcombank Money Inc.	Foreign exchange remittance	87.5%	204,978
Vietcombank Tower 198 Ltd.	Office leasing	70%	70,000
			<b>3,442,280</b>

### (b) Investments in joint-ventures

*As at 31 December 2020:*

	Business sector	Ownership percentage (%)	Cost VND million
Vietcombank – Bonday – Ben Thanh Joint-venture Company Limited (i)	Office leasing	52%	410,365
Vietcombank Fund Management (i)	Investment fund management	51%	135,150
			<b>545,515</b>

*As at 31 December 2019:*

	Business sector	Ownership percentage (%)	Cost VND million
Vietcombank – Bonday – Ben Thanh Joint-venture Company Limited (i)	Office leasing	52%	410,365
Vietcombank Fund Management (i)	Investment fund management	51%	135,150
Vietcombank – Cardif Life Insurance Company Limited (ii)	Life insurance	45%	270,000
			<b>815,515</b>

**Joint Stock Commercial Bank for Foreign Trade of Vietnam**  
**198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam**  
**Notes to the separate financial statements**  
**for the year ended 31 December 2020 (continued)**

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

- (i) 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".
- (ii) 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.

**(c) Investments in associates**

	Business sector	31/12/2020 and 31/12/2019	
		Ownership percentage (%)	Cost VND million
Vietcombank – Bonday Joint-venture Company Limited	Office leasing	16%	11,110

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".

**(d) 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
			<b>1,587,823</b>



**Joint Stock Commercial Bank for Foreign Trade of Vietnam**  
**198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam**  
**Notes to the separate financial statements**  
**for the year ended 31 December 2020 (continued)**

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

*As at 31 December 2019:*

	<b>Business sector</b>	<b>Ownership percentage (%)</b>	<b>Cost VND million</b>
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
			<b>1,587,823</b>

**(e) Allowance for long-term investments**

	<b>31/12/2020 VND million</b>	<b>31/12/2019 VND million</b>
Allowance for investments in subsidiaries	-	573
Allowance for other long-term investments	75,000	75,000
	<b>75,000</b>	<b>75,573</b>

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

	<b>2020 VND million</b>	<b>2019 VND million</b>
Opening balance	75,573	77,528
Allowance reversed during the year (Note 32)	(573)	(1,955)
<b>Closing balance</b>	<b>75,000</b>	<b>75,573</b>

### 13. Tangible fixed assets

Year ended 31 December 2020:

	Buildings and structures	Machinery and equipment	Motor vehicles and means of transmission	Others	Total
	VND million	VND million	VND million	VND million	VND million
<b>Cost</b>					
Opening balance (restated)	4,071,241	3,981,513	960,802	1,221,414	10,234,970
Additions during the year	1,003,612	443,070	164,667	221,113	1,832,462
- Purchases	1,003,612	443,070	164,511	219,399	1,830,592
- Other increases	-	-	156	1,714	1,870
Decreases during the year	(19,397)	(87,743)	(20,866)	(12,637)	(140,643)
- Disposals	(9,805)	(86,734)	(20,866)	(12,637)	(130,042)
- Other decreases	(9,592)	(1,009)	-	-	(10,601)
Closing balance	5,055,456	4,336,840	1,104,603	1,429,890	11,926,789
<b>Accumulated depreciation</b>					
Opening balance (restated)	998,420	3,525,256	654,019	954,753	6,132,448
Additions during the year	200,717	366,118	86,129	154,057	807,021
- Charges for the year	200,703	366,021	86,129	154,057	806,910
- Other increases	14	97	-	-	111
Decreases during the year	(8,773)	(86,734)	(20,866)	(14,970)	(131,343)
- Disposals	(8,773)	(86,734)	(20,866)	(12,543)	(128,916)
- Other decreases	-	-	-	(2,427)	(2,427)
Closing balance	1,190,364	3,804,640	719,282	1,093,840	6,808,126
<b>Net book value</b>					
Opening balance (restated)	3,072,821	456,257	306,783	266,661	4,102,522
Closing balance	3,865,092	532,200	385,321	336,050	5,118,663

Included in tangible fixed assets were assets costing VND4,729,179 million which were fully depreciated as of 31 December 2020, but still in use (31 December 2019: VND4,325,403 million).



#### 14. Intangible fixed assets

Year ended 31 December 2020:

	Land use rights VND million	Copyrights and patents VND million	Others VND million	Total VND million
<b>Cost</b>				
Opening balance	2,152,479	827,249	15,213	2,994,941
Additions during the year	322,602	837,084	-	1,159,686
- Purchases	318,765	837,084	-	1,155,849
- Other increases	3,837	-	-	3,837
Other decreases during the year	-	(303)	-	(303)
Closing balance	2,475,081	1,664,030	15,213	4,154,324
<b>Accumulated amortisation</b>				
Opening balance	75,572	675,614	-	751,186
Charges for the year	14,272	276,937	-	291,209
Closing balance	89,844	952,551	-	1,042,395
<b>Net book value</b>				
Opening balance	2,076,907	151,635	15,213	2,243,755
Closing balance	2,385,237	711,479	15,213	3,111,929

Included in intangible fixed assets were assets costing VND647,480 million which were fully depreciated as of 31 December 2020, but still in use (31 December 2019: VND607,697 million).

## 15. Other assets

### (a) Receivables

	31/12/2020 VND million	31/12/2019 VND million (restated)
Internal receivables	1,653,800	1,595,348
External receivables (i)	4,517,415	7,078,239
	<b>6,171,215</b>	<b>8,673,587</b>

#### (i) External receivables

	31/12/2020 VND million	31/12/2019 VND million (restated)
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 37)	72	60
Deductible value added tax (Note 37)	2,828	21,203
Advances for other taxes (Note 37)	230	2
Construction in progress (*)	449,157	790,709
Other receivables	2,939,142	4,866,245
	<b>4,517,415</b>	<b>7,078,239</b>

(\*) Details of construction in progress are follows:

	31/12/2020 VND million	31/12/2019 VND million (restated)
<b>Construction in progress</b>	<b>449,157</b>	<b>790,709</b>
<i>In which, large constructions include:</i>	<i>281,059</i>	<i>402,946</i>
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



(b) Accrued interest and fee receivables

	31/12/2020 VND million	31/12/2019 VND million (restated)
From loans to customers	2,360,752	2,735,056
From balances with and loans to other credit institutions	110,086	364,087
From investment securities	4,488,456	4,796,023
From derivative transactions	120,257	83,920
Fees receivable	1,810	1,705
	<b>7,081,361</b>	<b>7,980,791</b>

(c) Deferred tax assets

	31/12/2020 VND million	31/12/2019 VND million
Deferred tax assets arising from deductible temporary differences	902,392	400,000

(d) Other assets

	31/12/2020 VND million	31/12/2019 VND million (restated)
Prepaid expenses for office and fixed assets rental	872,931	886,166
Materials	139,487	153,457
Advance for card payment	1,289,754	1,422,634
Advance for rental land	726,733	465,839
Other assets	2,181,909	1,411,714
	<b>5,210,814</b>	<b>4,339,810</b>
Allowance for other assets	(45)	(45)
	<b>5,210,769</b>	<b>4,339,765</b>

**16. Amounts due to the Government and the SBV**

	31/12/2020 VND million	31/12/2019 VND million
<b>Borrowings from the State Bank of Vietnam</b>	<b>2,347,294</b>	<b>3,065,470</b>
Borrowings on the basis of credit profiles	1,800,563	2,263,278
Other borrowings	546,731	802,192
<b>Deposits from the State Treasury</b>	<b>36,393,923</b>	<b>89,288,604</b>
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
<b>Deposits from the State Bank of Vietnam</b>	<b>2,435,778</b>	<b>11,732</b>
	<b>41,176,995</b>	<b>92,365,806</b>

**17. Deposits and borrowings from other credit institutions**

	31/12/2020 VND million	31/12/2019 VND million
<b>Deposits from other credit institutions</b>	<b>101,597,542</b>	<b>71,213,320</b>
Demand deposits in VND	7,284,474	7,681,958
Demand deposits in foreign currencies	42,270,729	27,153,234
Term deposits in VND	33,600,000	24,500,000
Term deposits in foreign currencies	18,442,339	11,878,128
<b>Borrowings from other credit institutions in foreign currencies</b>	<b>-</b>	<b>1,310,673</b>
	<b>101,597,542</b>	<b>72,523,993</b>



## 18. Deposits from customers

	31/12/2020 VND million	31/12/2019 VND million
<b>Demand deposits</b>	<b>307,223,544</b>	<b>263,202,405</b>
Demand deposits in VND	238,401,802	199,299,260
Demand deposits in gold, foreign currencies	68,821,742	63,903,145
<b>Term deposits</b>	<b>693,870,041</b>	<b>642,790,852</b>
Term deposits in VND	615,206,265	561,569,254
Term deposits in gold, foreign currencies	78,663,776	81,221,598
<b>Deposits for specific purposes</b>	<b>27,325,921</b>	<b>21,019,106</b>
<b>Margin deposits</b>	<b>3,844,045</b>	<b>1,518,041</b>
	<b>1,032,263,551</b>	<b>928,530,404</b>

Deposits from customers by customer type were as follows:

	31/12/2020 VND million	31/12/2019 VND million
Economic entities	522,644,829	461,764,443
Individuals	509,618,722	466,765,961
	<b>1,032,263,551</b>	<b>928,530,404</b>

## 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
<b>Certificates of deposits</b>		
Medium-term in VND	115	325
Medium-term in foreign currencies	-	691
<b>Bonds and bills</b>		
Short-term in VND	47	47
Short-term in foreign currencies	30	30
Medium-term in VND	10,369,645	10,370,316
Medium-term in foreign currencies	12	12
Long-term in VND	11,000,000	11,000,000
	<b>21,369,849</b>	<b>21,371,421</b>

## 21. Other liabilities

### (a) Accrued interest and fee payables

	31/12/2020 VND million	31/12/2019 VND million (restated)
Interest for deposits from customers	9,350,773	9,837,540
Interest for deposits and borrowings from other credit institutions	18,021	49,090
Interest for valuable papers issued	365,347	369,975
Interest for derivative financial instruments	65,876	102,640
Fee for entrusted investments	-	3,145
	<b>9,800,017</b>	<b>10,362,390</b>

### (b) Other liabilities

	31/12/2020 VND million	31/12/2019 VND million (restated)
Internal payables (i)	3,858,936	3,433,670
External payables (ii)	14,080,262	7,288,024
Bonus and welfare funds	4,400,519	4,015,098
	<b>22,339,717</b>	<b>14,736,792</b>



(i) *Internal payables*

	31/12/2020 VND million	31/12/2019 VND million
Payables to employees	3,197,817	2,861,152
Other liabilities	661,119	572,518
	<b>3,858,936</b>	<b>3,433,670</b>

(ii) *External payables*

	31/12/2020 VND million	31/12/2019 VND million (restated)
Tax payables (Note 37)	2,146,393	1,796,331
- Corporate income tax payables	1,900,141	1,504,077
- Value added tax payables	123,374	116,004
- Other tax payables	122,878	176,250
Unearned income	6,717,799	944
Payables for construction and acquisition of fixed assets	1,212,030	266,324
Deposits in custody relating to pending payments	196,884	251,621
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	1,049,783	1,692,333
	<b>14,080,262</b>	<b>7,288,024</b>

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

## 22. Owners' equity

### (a) Statement of changes in equity

	Charter capital	Share premium	Other capital	Supplementary charter capital reserve	Reserves Financial reserve	Total	Retained profits	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Balance as at 1/1/2020 (restated)	37,088,774	4,995,389	412	3,995,393	7,929,375	11,924,768	25,333,463	79,342,806
Net profit for the year	-	-	-	-	-	-	18,043,745	18,043,745
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 compulsory reserves and bonus and welfare fund according to the Resolution of General Meeting of Shareholders	-	-	-	(8)	(15)	(23)	(360,322)	(360,345)
Dividends of 2019 to shareholders (Note 23)	-	-	-	-	-	-	(2,967,102)	(2,967,102)
Utilisation during the year	-	-	-	-	(10,969)	(10,969)	-	(10,969)
Other movements	-	-	-	-	-	-	(834)	(834)
Balance as at 31/12/2020	37,088,774	4,995,389	412	4,897,572	9,722,766	14,620,338	35,483,283	92,188,196



(b) Details of shareholders of the Bank

	31/12/2020 VND million	31/12/2019 VND million
<b>Ordinary shares</b>		
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
	<b>37,088,774</b>	<b>37,088,774</b>

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

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

All ordinary shares of the Bank have a par value of VND10,000.

## 23. Dividends

In accordance with Resolution No. 13/TN2020/NQ-DHDQT 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 Directors 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 VND million	2019 VND million (restated)
Interest income from loans to customers	56,011,981	53,114,961
Interest income from deposits	2,231,386	4,272,350
Interest income from trading and investing in debt securities	9,315,363	8,821,134
- from investment securities	9,197,858	8,809,299
- from trading securities	117,505	11,835
Income from guarantee activities	448,022	480,786
Other income from credit activities	602,415	451,122
	<b>68,609,167</b>	<b>67,140,353</b>

## 25. Interest and similar expenses

	2020 VND million	2019 VND million (restated)
Interest expenses on deposits	31,162,828	31,256,923
Interest expenses on borrowings	105,633	198,900
Interest expenses on valuable papers issued	1,499,633	1,504,572
Other expenses on credit activities	67,658	84,575
	<b>32,835,752</b>	<b>33,044,970</b>



## 26. Net fee and commission income

	2020 VND million	2019 VND million (restated)
<b>Fee and commission income from</b>		
Settlement services	5,959,181	6,155,742
Treasury services	74,593	164,507
Trusted and agency activities	853	1,193
Other services	4,159,839	2,426,225
	<b>10,194,466</b>	<b>8,747,667</b>
<b>Fee and commission expenses for</b>		
Settlement services	(3,177,379)	(3,865,023)
Treasury services	(109,932)	(96,571)
Telecommunication services	(125,174)	(114,680)
Trusted and agency activities	(6,107)	(3,485)
Other services	(455,214)	(532,686)
	<b>(3,873,806)</b>	<b>(4,612,445)</b>
	<b>6,320,660</b>	<b>4,135,222</b>

## 27. Net gain from trading of foreign currencies

	2020 VND million	2019 VND million
<b>Gains from trading of foreign currencies</b>		
From foreign currencies spot trading	6,843,687	6,396,939
From currency derivatives financial instruments	650,399	781,001
From foreign exchange rate differences	471,478	561,493
From revaluation of derivative contracts	6,541	40,323
	<b>7,972,105</b>	<b>7,779,756</b>
<b>Losses from trading of foreign currencies</b>		
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	(39,127)	(73,774)
From revaluation of derivative contracts	(45,532)	(47,070)
	<b>(4,066,209)</b>	<b>(4,402,584)</b>
	<b>3,905,896</b>	<b>3,377,172</b>

**28. Net (loss)/gain from trading securities**

	2020 VND million	2019 VND million
Income from trading securities	79,014	141,718
Expenses for trading securities	(113,826)	(18,656)
	<u>(34,812)</u>	<u>123,062</u>

**29. Net gain from investment securities**

	2020 VND million	2019 VND million
Income from investment securities	-	7,220
Expenses on investment securities	-	(1)
	<u>-</u>	<u>7,219</u>

**30. Net other income**

	2020 VND million	2019 VND million (restated)
<b>Other income</b>		
Income from recoveries of loans previously written off	2,417,915	3,178,776
Income from interest rate swap transactions	195	59,590
Other income	117,443	184,904
	<u>2,535,553</u>	<u>3,423,270</u>
<b>Other expenses</b>		
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	(325,098)	(194,620)
	<u>(744,421)</u>	<u>(357,890)</u>
	<u>1,791,132</u>	<u>3,065,380</u>

### 31. Income from capital contributions and equity investments

	2020 VND million	2019 VND million
Dividends received from equity investments (Note 34(a))	114,048	135,090
Income from disposals of equity investments	335,274	48,178
	<u>449,322</u>	<u>183,268</u>

### 32. Operating expenses

	2020 VND million	2019 VND million (restated)
Tax, duties and fees	241,875	354,224
Salaries and related expenses	8,371,053	8,463,750
Of which:		
- Salary and allowances (Note 36)	7,461,292	7,619,000
- Additional expenses based on salary	670,118	641,050
- Other allowances	3,621	3,856
Expenses on assets	2,991,781	2,782,653
Of which:		
- Depreciation of fixed assets	1,098,119	775,380
Administrative expenses	3,511,915	3,434,009
Insurance expenses on deposits of customers	631,716	578,894
Allowance reversed for other long-term investments (Note 12(e))	(573)	(1,955)
	<u>15,747,767</u>	<u>15,611,575</u>



**33. Allowance for credit losses**

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b> <b>(restated)</b>
<b>Allowance for balances with and loans to other credit institutions</b>		
Allowance (reversed)/made (Note 6)	(2,000,000)	2,000,000
<b>General allowance for loans to customers</b>		
Allowance made (Note 10)	609,618	581,217
<b>Specific allowance for loans to customers</b>		
Allowance made (Note 10)	11,162,582	3,822,151
<b>General allowance for unlisted corporate bonds</b>		
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
	<b>9,931,677</b>	<b>6,568,033</b>

### 34. Corporate income tax

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

	2020 VND million	2019 VND million (restated)
Profit before tax	22,526,169	22,807,098
<i>Adjustments:</i>		
Dividends received during the year (Note 31)	(114,048)	(135,090)
Non-deductible expense for the year	4,511,958	2,000,000
Reversals of non-deductible expenses of the prior year	(2,000,000)	-
<b>Taxable income</b>	<b>24,924,079</b>	<b>24,672,008</b>
Statutory corporate income tax rate	20%	20%
<b>Current corporate income tax expenses for the year</b>	<b>4,984,816</b>	<b>4,934,401</b>

#### (b) Deferred corporate income tax expenses

	2020 VND million	2019 VND million
Deferred corporate income tax expenses arising from deductible temporary differences	(502,392)	(400,000)

#### (c) Applicable tax rates

The Bank has an obligation to pay the Government income tax at the rate of 20% of taxable profits. Corporate income tax computation is subject to review and approval by tax authorities.

**35. Cash and cash equivalents**

	31/12/2020 VND million	31/12/2019 VND million
Cash on hand, gold, silver and gemstones	15,059,581	13,754,597
Balances with the State Bank of Vietnam	33,009,681	34,404,258
Balances with and loans to other credit institutions with original term not exceeding 3 months	243,097,138	221,961,531
	<u>291,166,400</u>	<u>270,120,386</u>

**36. Employees' benefits**

	2020	2019
<b>Total number of employees (person)</b>	<u>19,518</u>	<u>18,408</u>
<b>Employees' income</b>		
Total salary and allowance (VND million) (Note 32)	<u>7,461,292</u>	<u>7,619,000</u>
<b>Monthly average income/person (VND million)</b>	<u>31.86</u>	<u>34.49</u>



### 37. Obligations to the State Budget

	Balance as at 1/1/2020		Occurrence during the year		Balance as at 31/12/2020		
	VND million	(restated)	Incurred VND million	Paid VND million	Payables VND million	Advances VND million	Total VND million
Value added tax	94,801		568,255	(542,510)	123,374	(2,828)	120,546
Corporate income tax	1,504,017		4,984,818	(4,588,766)	1,900,141	(72)	1,900,069
In which:							
- Corporate income tax of the Bank	1,504,077		4,984,816	(4,588,752)	1,900,141	-	1,900,141
- Adjustments on tax of previous years	(2)		2	(14)	-	(14)	(14)
- Vinafico's tax obligation in 2008	(58)		-	-	-	(58)	(58)
Other taxes	176,248		1,109,566	(1,163,166)	122,878	(230)	122,648
	<b>1,775,066</b>		<b>6,662,639</b>	<b>(6,294,442)</b>	<b>2,146,393</b>	<b>(3,130)</b>	<b>2,143,263</b>

### 38. 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 VND million	31/12/2019 VND million
Deposits	123,910,591	109,803,809
Valuable papers	92,972,313	82,382,784
Real estate	956,523,665	795,005,661
Other collaterals	266,491,999	243,149,463
	<b>1,439,898,568</b>	<b>1,230,341,717</b>

### 39. Contingent liabilities and other commitments

In the normal course of business, the Bank 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 separate 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 the Bank to guarantee transactions of its customers with third parties including loan guarantee, payment guarantee, performance guarantee and bid guarantee. Such guarantees expose the Bank to similar credit risk to loans to customers.

Commercial at sight letters of credit represent a financing transaction by the Bank 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, the Bank recognises a compulsory loan to a customer and at the same time a corresponding liability representing the financial obligation of the Bank to pay the beneficiaries and to fulfil the guarantor obligations.

The Bank 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 the Bank.

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

##### (a) Significant transactions with related parties

	Relationship	2020 VND million Income/(expense)	2019 VND million Income/(expense)
<b>The State Bank of Vietnam</b>	Representative of owner		
Interest income from deposits		147,042	209,296
Interest expenses on deposits and borrowings		(107,008)	(130,356)
<b>The Ministry of Finance</b>	Related party of owner		
Interest expenses on deposits		(539,434)	(1,557,823)
Interest expenses on borrowings		(34,167)	(43,855)
<b>Vietcombank Financial Leasing Company Limited</b>	Subsidiary		
Interest income from borrowings		89,366	125,679
Interest expenses on deposits		(159)	(458)
Operating lease expense		(36,325)	(25,654)
Fee and commission income		2,537	2,537
<b>Vietcombank Securities Company Limited</b>	Subsidiary		
Interest expenses on deposits		(59)	(64)
Fee and commission expenses		2,589	2,033
<b>Vietcombank Tower 198 Ltd.</b>	Subsidiary		
Interest expenses on deposits		(11,030)	(8,299)
Office rental expenses		(105,936)	(88,134)
Profits distributed to the Bank		44,364	-
<b>Vietnam Finance Company Limited in Hong Kong</b>	Subsidiary		
Interest income from deposits		1,997	42,990
<b>Vietcombank Remittance Company Limited</b>	Subsidiary		
Interest expenses on deposits		(1,152)	(1,037)
<b>Vietcombank Laos Limited</b>	Subsidiary		
Interest expenses on deposits		(6)	(26)



(b) Significant balances with related parties

	Relationship	31/12/2020 VND million	31/12/2019 VND million
		Receivable/(payable)	
<b>The State Bank of Vietnam</b>	Representative		
Deposits at the SBV	of owner	33,009,681	34,404,258
Deposits and borrowings from the SBV		(4,783,072)	(3,077,202)
<b>The Ministry of Finance ("the MoF")</b>	Related party		
Deposits at the Bank	of owner	(36,393,923)	(89,288,604)
Borrowings from the MoF		(906,194)	(1,003,156)
<b>Mizuho Bank Ltd., Japan</b>	Strategic		
Deposits at Mizuho Bank Ltd., Japan	shareholder	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
<b>Vietcombank Financial Leasing Company Limited ("VCBL")</b>	Subsidiary		
Loans to VCBL		3,786,500	3,641,811
Deposits from VCBL		(756,306)	(354,824)
<b>Vietcombank Securities Company Limited ("VCBS")</b>	Subsidiary		
Deposits from VCBS		(12,738)	(66,138)
Capital increase bonds issued by Vietcombank		(197,952)	(169,789)
<b>Vietcombank Tower 198 Ltd. ("VCBT")</b>	Subsidiary		
Deposits from VCBT		(242,180)	(132,495)
Office rental fee paid in advance		(70,895)	-
<b>Vietnam Finance Company Limited in Hong Kong</b>	Subsidiary		
Deposits at Vinafico		804,561	393,955
<b>Vietcombank Money Inc. ("VCBM")</b>	Subsidiary		
Deposits from VCBM		(8)	(9)
Advanced payment through TNMonex		112,375	78,357
<b>Vietcombank Remittance Company Limited</b>	Subsidiary		
Deposits at the Bank		(378,548)	(183,722)
Payables to the Bank		261,044	102,248
<b>Vietcombank Laos Limited</b>	Subsidiary		
Deposit at the Bank		(16,192)	(4,316)
<b>Vietcombank Fund Management</b>	Joint-venture		
Entrusted investment - bonds		-	1,000,000

**41. 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 VND million	2019 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
	<u>32,153</u>	<u>35,029</u>

## 42. Segment reporting

Year ended 31 December 2020:

	The North (*) VND million	The Middle and Central Highland VND million	The South VND million	Elimination VND million	Total VND million
1 Interest and similar income	93,048,692	16,509,703	47,428,633	(88,377,861)	68,609,167
2 Interest and similar expenses	(77,954,684)	(11,245,574)	(32,013,355)	88,377,861	(32,835,752)
<b>I Net interest income</b>	<b>15,094,008</b>	<b>5,264,129</b>	<b>15,415,278</b>	<b>-</b>	<b>35,773,415</b>
3 Fee and commission income	6,716,362	679,034	2,903,023	(103,953)	10,194,466
4 Fee and commission expenses	(3,852,941)	(33,886)	(90,932)	103,953	(3,873,806)
<b>II Net fee and commission income</b>	<b>2,863,421</b>	<b>645,148</b>	<b>2,812,091</b>	<b>-</b>	<b>6,320,660</b>
<b>III Net gain from trading of foreign currencies</b>	<b>2,534,251</b>	<b>156,766</b>	<b>1,214,879</b>	<b>-</b>	<b>3,905,896</b>
<b>IV Net loss from trading securities</b>	<b>(34,812)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34,812)</b>
5 Other income	1,152,570	500,291	882,692	-	2,535,553
6 Other expenses	(365,597)	(127,133)	(251,691)	-	(744,421)
<b>VI Net other income</b>	<b>786,973</b>	<b>373,158</b>	<b>631,001</b>	<b>-</b>	<b>1,791,132</b>
<b>VII Income from capital contributions and equity investments</b>	<b>449,322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>449,322</b>
<b>Total operating income</b>	<b>21,693,163</b>	<b>6,439,201</b>	<b>20,073,249</b>	<b>-</b>	<b>48,205,613</b>
<b>VIII Total operating expenses</b>	<b>(10,634,792)</b>	<b>(1,378,082)</b>	<b>(3,734,893)</b>	<b>-</b>	<b>(15,747,767)</b>
<b>IX Net operating profit before allowances for credit losses</b>	<b>11,058,371</b>	<b>5,061,119</b>	<b>16,338,356</b>	<b>-</b>	<b>32,457,846</b>
<b>X Allowances for credit losses</b>	<b>(7,680,011)</b>	<b>(792,057)</b>	<b>(1,459,609)</b>	<b>-</b>	<b>(9,931,677)</b>
<b>XI Profit before tax</b>	<b>3,378,360</b>	<b>4,269,062</b>	<b>14,878,747</b>	<b>-</b>	<b>22,526,169</b>
7 Current corporate income tax expenses	(1,155,254)	(853,812)	(2,975,750)	-	(4,984,816)
8 Deferred corporate income tax expenses	502,392	-	-	-	502,392
<b>XII Corporate income tax expenses</b>	<b>(652,862)</b>	<b>(853,812)</b>	<b>(2,975,750)</b>	<b>-</b>	<b>(4,482,424)</b>
<b>XIII Profit after tax</b>	<b>2,725,498</b>	<b>3,415,250</b>	<b>11,902,997</b>	<b>-</b>	<b>18,043,745</b>

(\*) As at 31 December 2020, the Head Office, located in the North, incurred some operating expenses for the whole system which were not allocated to other units within the Bank.

The main business activity of the Bank is within the finance/banking services.



#### **43. Disclosure of financial instruments**

##### **(a) Collateral disclosure**

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

##### **(b) Fair value disclosure**

Circular 210 requires the Bank 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 the Bank's financial assets and liabilities as at 31 December 2020:



### 43. Disclosure of financial instruments (continued)

#### (b) Fair value disclosures (continued)

As at 31 December 2020

	Carrying amount - gross				Total of	
	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	Fair value VND million
<b>Financial assets</b>						
I Cash on hand, gold, silver and gemstones	-	-	15,059,581	-	-	15,059,581
II Balances with the State Bank of Vietnam	-	-	33,009,681	-	-	33,009,681
III Balances with and loans to other credit institutions	-	-	269,938,448	-	-	(*)
IV Trading securities	62,623	-	-	-	-	(*)
VI Loans to customers	-	-	832,876,112	-	-	(*)
VIII Investment securities	-	115,382,544	-	42,140,641	-	(*)
IX Capital contributions, long-term investments	-	-	-	1,587,823	-	(*)
XII Other financial assets	-	-	13,298,089	-	-	(*)
	<b>62,623</b>	<b>115,382,544</b>	<b>1,164,181,911</b>	<b>43,728,464</b>	<b>-</b>	<b>1,323,355,542</b>
<b>Financial liabilities</b>						
I Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	-	-	-	-	142,774,537	(*)
II Deposits from customers	-	-	-	-	1,032,263,551	(*)
III Derivative financial instruments and other financial liabilities	52,031	-	-	-	-	(*)
IV Funds for finance, entrusted investments and entrusted loans	-	-	-	-	14,679	(*)
V Valuable papers issued	-	-	-	-	21,369,849	(*)
VI Other financial liabilities	-	-	-	-	14,268,468	(*)
	<b>52,031</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,210,691,084</b>	<b>1,210,743,115</b>

(\*) 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.

#### 43. Disclosure of financial instruments (continued)

##### (c) Risk management policies for financial instruments

The Board of Directors has the highest rights and responsibilities for the Bank'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 the Bank'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 the Bank'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 the Bank 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.

##### (i) Credit risk

The Bank 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. The Bank 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.

The Bank 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(g)), and regularly assesses credit risks of non-performing loans in order to have appropriate resolutions.

In order to manage credit risks, the Bank 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.



#### 43. Disclosure of financial instruments (continued)

##### (c) Risk management policies for financial instruments (continued)

###### (i) Credit risk (continued)

The Bank'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 VND million	Past due but not impaired VND million	Impaired and allowance made VND million	Total VND million
Balances with the SBV	33,009,681	-	-	33,009,681
Balances with and loans to other credit institutions – gross	268,938,448	-	1,000,000	269,938,448
Balances with other credit institutions	201,896,086	-	-	201,896,086
Loans to other credit institutions	67,042,362	-	1,000,000	68,042,362
Trading securities – gross	62,623	-	-	62,623
Loans to customers – gross	803,834,117	10,803,040	18,238,955	832,876,112
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	13,298,044	-	45	13,298,089
	<b>1,276,666,098</b>	<b>10,803,040</b>	<b>19,239,000</b>	<b>1,306,708,138</b>

Further information of the carrying value of collaterals held by the Bank as at the reporting date are described in Note 38.

#### 43. Disclosure of financial instruments (continued)

##### (c) Risk management policies for financial instruments (continued)

###### (ii) 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 separate 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 separate balance sheet of the Bank:

- 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 SBV, 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.

The following table presents the interest rate re-pricing terms of the Bank’s assets and liabilities as at 31 December 2020:



Notes to the separate financial statements for the year ended 31 December 2020 (continued)

**43. Disclosure of financial instruments (continued)**  
**(c) Risk management policies for financial instruments (continued)**  
**(ii) Interest rate risk (continued)**

	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
<b>Assets</b>									
I Cash on hand, gold, silver and gemstones	-	15,059,581	-	-	-	-	-	-	15,059,581
II Balances with the State Bank of Vietnam	-	-	33,009,681	-	-	-	-	-	33,009,681
III Balances with and loans to other credit institutions – gross	-	-	230,051,224	17,963,269	3,478,910	18,445,045	-	-	269,938,448
IV Trading securities – gross	-	-	62,623	-	-	-	-	-	62,623
VI Loans to customers – gross	12,486,844	-	151,131,431	272,117,093	212,686,117	86,224,198	90,621,203	7,609,226	832,876,112
VII Investment securities – gross	-	-	3,519,446	11,681,908	19,340,454	24,331,181	89,695,026	8,955,170	157,523,185
VIII Capital contributions, long-term investments – gross	-	5,586,728	-	-	-	-	-	-	5,586,728
IX Fixed assets	-	8,230,592	-	-	-	-	-	-	8,230,592
X Other assets – gross	-	19,365,782	-	-	-	-	-	-	19,365,782
<b>Total assets</b>	<b>12,486,844</b>	<b>48,242,683</b>	<b>417,774,405</b>	<b>301,762,270</b>	<b>235,505,481</b>	<b>129,000,424</b>	<b>180,316,229</b>	<b>16,564,396</b>	<b>1,341,652,732</b>
<b>Liabilities</b>									
I Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	-	-	140,397,617	1,396,996	525,548	454,376	-	-	142,774,537
II Deposits from customers	-	-	571,511,608	184,103,815	108,628,607	163,553,989	4,465,532	-	1,032,263,551
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	-	-	11,105,150	8,898,794	1,365,000	21,369,849
VI Other liabilities	-	31,233,540	837,727	68,467	-	-	-	-	32,139,734
<b>Total liabilities</b>	<b>-</b>	<b>31,285,571</b>	<b>712,747,857</b>	<b>185,569,278</b>	<b>109,154,155</b>	<b>175,113,515</b>	<b>13,379,005</b>	<b>1,365,000</b>	<b>1,228,614,381</b>
<b>Interest sensitivity gap – on balance sheet</b>	<b>12,486,844</b>	<b>16,957,112</b>	<b>(294,973,452)</b>	<b>116,192,992</b>	<b>126,351,326</b>	<b>(46,113,091)</b>	<b>166,937,224</b>	<b>15,199,396</b>	<b>113,038,351</b>



### 43. Disclosure of financial instruments (continued)

#### (c) Risk management policies for financial instruments (continued)

##### (iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Bank was incorporated and operates in Vietnam, with VND as its reporting currency. The major currency in which the Bank transacts is VND. The Bank's loans to customers are mainly denominated in VND, USD and EUR. Some of the Bank's other assets and other liabilities are in currencies other than VND, USD and EUR. The Bank 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 the Bank 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 the Bank's assets and liabilities denominated in foreign currencies that were translated into VND as at 31 December 2020:

### 43. Disclosure of financial instruments (continued)

#### (c) Risk management policies for financial instruments (continued)

##### (iii) Currency risk (continued)

	VND	USD	EUR	Other currencies	Total
	VND million	VND million	VND million	VND million	VND million
<b>Assets</b>					
I Cash on hand, gold, silver and gemstones	12,834,761	1,648,814	291,650	284,356	15,059,581
II Balances with the State Bank of Vietnam	26,402,965	6,606,716	-	-	33,009,681
III Balances with and loans to other credit institutions – gross	180,692,916	52,791,233	6,548,150	29,906,149	269,938,448
IV Trading securities – gross	62,623	-	-	-	62,623
VI Loans to customers – gross	740,672,194	91,893,196	305,708	5,014	832,876,112
VII Investment securities – gross	122,835,685	34,687,500	-	-	157,523,185
VIII Capital contributions, long-term investments – gross	5,586,728	-	-	-	5,586,728
IX Fixed assets	8,230,592	-	-	-	8,230,592
X Other assets – gross	17,869,141	1,419,804	73,716	3,121	19,365,782
<b>Total assets</b>	<b>1,115,187,605</b>	<b>189,047,263</b>	<b>7,219,224</b>	<b>30,198,640</b>	<b>1,341,652,732</b>

##### **Liabilities**

I Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	79,112,408	32,945,721	2,888,308	27,828,100	142,774,537
II Deposits from customers	877,510,127	148,371,923	3,865,532	2,515,969	1,032,263,551
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	21,369,807	42	-	-	21,369,849
VI Other liabilities	31,140,184	890,111	66,456	42,983	32,139,734

##### **Total liabilities**

	<b>998,729,821</b>	<b>192,914,101</b>	<b>6,826,103</b>	<b>30,144,356</b>	<b>1,228,614,381</b>
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##### **Currency positions on balance sheet**

	<b>116,457,784</b>	<b>(3,866,838)</b>	<b>393,121</b>	<b>54,284</b>	<b>113,038,351</b>
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#### 43. Disclosure of financial instruments (continued)

##### (c) Risk management policies for financial instruments (continued)

###### (iv) Liquidity risk

Liquidity risk occurs when the Bank 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 the Bank's assets and liabilities maturity analysis in the separate balance sheet:

- Balances with the State Bank of Vietnam 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 the Bank and current accounts of the Bank 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.

The following table analyses the remaining terms to maturity of the Bank's assets and liabilities as at 31 December 2020:



### 43. Disclosure of financial instruments (continued)

#### (c) Risk management policies for financial instruments (continued)

##### (iv) Liquidity risk (continued)

	Overdue		Not overdue				Total
	Over 3 months	Up to 3 months	Up to 1 month	From over 1 month to 3 months	From over 3 months to 12 months	From over 1 year to 5 years	
	VND million	VND million	VND million	VND million	VND million	VND million	VND million
<b>Assets</b>							
I Cash on hand, gold, silver and gemstones	-	-	15,059,581	-	-	-	15,059,581
II Balances with the State Bank of Vietnam	-	-	33,009,681	-	-	-	33,009,681
III Balances with and loans to other credit institutions – gross	-	-	230,051,223	17,963,269	20,396,518	1,527,438	269,938,448
IV Trading securities – gross	-	-	62,623	-	-	-	62,623
VI Loans to customers – gross	1,523,759	10,963,085	49,591,353	156,140,480	263,888,203	155,441,037	832,876,112
VII Investment securities – gross	-	-	2,238,446	10,422,908	40,018,635	92,318,026	157,523,185
VIII Capital contributions, long-term investments – gross	-	-	-	-	-	-	5,586,728
IX Fixed assets	-	-	-	-	-	-	8,230,592
X Other assets – gross	-	-	-	19,365,782	-	-	19,365,782
<b>Total assets</b>	<b>1,523,759</b>	<b>10,963,085</b>	<b>330,012,907</b>	<b>203,892,439</b>	<b>324,303,356</b>	<b>249,286,501</b>	<b>1,341,652,732</b>
<b>Liabilities</b>							
I Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	-	-	139,851,000	1,401,686	1,035,310	369,684	142,774,537
II Deposits from customers	-	-	268,491,241	200,374,447	303,729,764	55,834,028	1,032,263,551
III Derivative financial instruments and other financial liabilities	-	-	-	52,031	-	-	52,031
IV Funds for finance, entrusted investments and entrusted loans	-	-	-	-	-	-	14,679
V Valuable papers issued	-	-	905	-	2,000,000	8,792,450	21,369,849
VI Other liabilities	-	-	747,619	30,485,921	-	906,194	32,139,734
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>409,090,765</b>	<b>232,314,085</b>	<b>306,765,074</b>	<b>65,010,841</b>	<b>1,228,614,381</b>
<b>Net liquidity gap</b>	<b>1,523,759</b>	<b>10,963,085</b>	<b>(79,077,858)</b>	<b>(28,421,646)</b>	<b>17,538,282</b>	<b>184,275,660</b>	<b>113,038,351</b>

#### 44. Corresponding figures

Certain corresponding figures in the separate balance sheet and the separate statement of income have been restated according to the report of the State Audit of Vietnam as follows:

(i) Impacts on the total assets:

	31/12/2019 VND million (as restated)	31/12/2019 VND million (as previously reported)	Differences VND million
<b>Loans to customers</b>	<b>718,761,265</b>	<b>718,577,387</b>	<b>183,878</b>
Loans to customers	728,945,394	728,945,394	-
Allowance for loans to customers	(10,184,129)	(10,368,007)	183,878
<b>Fixed assets</b>	<b>6,346,277</b>	<b>6,350,217</b>	<b>(3,940)</b>
Tangible fixed assets	4,102,522	4,106,462	(3,940)
Cost	10,234,970	10,234,039	931
Accumulated depreciation	(6,132,448)	(6,127,577)	(4,871)
<b>Other assets</b>	<b>21,394,143</b>	<b>21,478,521</b>	<b>(84,378)</b>
Receivables	8,673,587	8,672,572	1,015
Accrued interest and fee receivables	7,980,791	8,066,139	(85,348)
Deferred tax assets	400,000	400,000	-
Other assets	4,339,810	4,339,810	-
Allowance for other assets	(45)	-	(45)
<b>Total impact</b>			<b>95,560</b>

(ii) Impacts on the total liabilities and shareholders' equity:

	31/12/2019 VND million (as restated)	31/12/2019 VND million (as previously reported)	Differences VND million
<b>Other liabilities</b>	<b>25,099,182</b>	<b>25,075,367</b>	<b>23,815</b>
Accrued interest and fee payables	10,362,390	10,381,462	(19,072)
Other liabilities	14,736,792	14,693,905	42,887
<b>Retained profits</b>	<b>25,333,463</b>	<b>25,261,718</b>	<b>71,745</b>
Previous year's retained profits	11,688,625	11,688,625	-
Current year's retained profits	13,644,838	13,573,093	71,745
<b>Total impact</b>			<b>95,560</b>

(iii) Impacts on the off-balance sheet items:

	31/12/2019 VND million (as restated)	31/12/2019 VND million (as previously reported)	Differences VND million
Letters of credit	57,345,298	57,406,598	(61,300)
Other guarantees	53,115,849	53,276,574	(160,725)

(iv) Impacts on the separate statement of income:

	2019 VND million (as restated)	2019 VND million (as previously reported)	Differences VND million
Interest and similar income	67,140,353	67,199,047	(58,694)
Interest and similar expenses	(33,044,970)	(33,064,042)	19,072
<b>Net interest income</b>	<b>34,095,383</b>	<b>34,135,005</b>	<b>(39,622)</b>
Fee and commission income	8,747,667	8,745,065	2,602
<b>Net fee and commission income</b>	<b>4,135,222</b>	<b>4,132,620</b>	<b>2,602</b>
Other income	3,423,270	3,423,240	30
<b>Net other income</b>	<b>3,065,380</b>	<b>3,065,350</b>	<b>30</b>
<b>TOTAL OPERATING INCOME</b>	<b>44,986,706</b>	<b>45,023,696</b>	<b>(36,990)</b>
Operating expenses	(15,611,575)	(15,554,368)	(57,207)
Net operating profit before allowance for credit losses	29,375,131	29,469,328	(94,197)
Allowance for credit losses	(6,568,033)	(6,751,911)	183,878
<b>PROFIT BEFORE TAX</b>	<b>22,807,098</b>	<b>22,717,417</b>	<b>89,681</b>
Current corporate income tax expenses	(4,934,401)	(4,916,465)	(17,936)
<b>Corporate income tax expenses</b>	<b>(4,534,401)</b>	<b>(4,516,465)</b>	<b>(17,936)</b>
<b>NET PROFIT AFTER TAX</b>	<b>18,272,697</b>	<b>18,200,952</b>	<b>71,745</b>



#### 45. Approval of the separate financial statements

The separate financial statements were approved by the Board of Management of the Bank on 31 March 2021.

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

