



Joint Stock Commercial Bank for Foreign Trade of Vietnam

Consolidated Financial Statements
for the year ended 31 December 2021



Joint Stock Commercial Bank for Foreign Trade of Vietnam

Content

	<i>Pages</i>
Bank Information	1 – 2
Report of the Board of Management	3
Independent Auditor's Report	4 – 5
Consolidated balance sheet	6 – 8
Consolidated statement of income	9 – 10
Consolidated statement of cash flows	11 – 12
Notes to the consolidated financial statements	13 – 79



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 with Enterprise Code No. 0103024468 issued by Hanoi Department of Planning and Investment on 2 June 2008, with Enterprise Code No. 0100112437 being amended 14th time on 6 September 2021.

Members of the Board of Directors during the year and until the issuance date of the consolidated financial statements

Mr. Pham Quang Dung	Chairman	Appointed on 30 August 2021
Mr. Nghiem Xuan Thanh	Chairman	Resigned on 3 July 2021
Mr. Do Viet Hung	Member	Appointed on 26 April 2019
Mr. Nguyen Manh Hung	Member	Re-appointed on 27 April 2018
Mr. Nguyen My Hao	Member	Re-appointed on 27 April 2018
Mr. Eiji Sasaki	Member	Dismissed on 23 April 2021
Mr. Pham Anh Tuan	Member	Re-appointed 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. Shorijo Mizoguchi	Member	Appointed on 23 April 2021

Members of the Board of Management during the year and until the issuance date of the consolidated financial statements

Mr. Pham Quang Dung	Chief Executive Officer ("CEO")	Resigned on 30 August 2021
Mr. Nguyen Thanh Tung	Deputy CEO In-charge of the Board of Management	Appointed on 30 August 2021
Mr. Dao Minh Tuan	Deputy CEO	Retired on 1 December 2021
Mr. Pham Manh Thang	Deputy CEO	Re-appointed on 10 March 2019
Ms. Nguyen Thi Kim Oanh	Deputy CEO	Re-appointed on 26 December 2019
Ms. Dinh Thi Thai	Deputy CEO	Re-appointed on 9 June 2020
Mr. Eiji Sasaki	Deputy CEO	Dismissed on 23 April 2021
Ms. Phung Nguyen Hai Yen	Deputy CEO	Appointed on 15 December 2017
Mr. Le Quang Vinh	Deputy CEO	Appointed on 15 December 2017
Mr. Dang Hoai Duc	Deputy CEO	Appointed on 1 April 2019
Mr. Shorijo Mizoguchi	Deputy CEO	Appointed on 23 April 2021

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

Members of the Supervisory Board during the year and until the issuance date of the consolidated financial statements

Mr. Lai Huu Phuoc	Chair of the Board	Appointed on 4 November 2020
Ms. La Thi Hong Minh	Member	Re-appointed on 27 April 2018
Ms. Do Thi Mai Huong	Member	Re-appointed on 27 April 2018

Chief Accountant	Mr. Le Hoang Tung Appointed on 15 December 2017
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Legal Representative	Since 30 August 2021 Mr. Pham Quang Dung Title: Chairman of the Board of Directors
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Authorised signature on financial statements (According to Letter of Authorisation No. 337/UQ-VCB-CSTCKT dated 29 September 2021)	Since 29 September 2021 Ms. Phung Nguyen Hai Yen Title: Deputy CEO
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The Bank's Head Office	198 Tran Quang Khai Street Hoan Kiem District, Hanoi, Vietnam
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Auditor	KPMG Limited Vietnam
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46th 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 consolidated financial statements of Joint Stock Commercial Bank for Foreign Trade of Vietnam ("the Bank") and its subsidiaries, which comprise the consolidated balance sheet as at 31 December 2021, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Management on 21 March 2022, as set out on pages 6 to 79.

The Board of Management's responsibility

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

Auditor's responsibility

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

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

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



Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Joint Stock Commercial Bank for Foreign Trade of Vietnam and its subsidiaries as at 31 December 2021 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System 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, 21 March 2022

Truong Vinh Phuc
Practicing Auditor Registration
Certificate No. 1901-2018-007-1

No.	Items	Note	31/12/2021 VND million	31/12/2020 VND million
A	ASSETS			
I	Cash on hand, gold, silver and gemstones	4	18,011,766	15,095,394
II	Balances with the State Banks	5	22,506,711	33,139,373
III	Balances with and loans to other credit institutions	6	225,764,546	267,969,645
1	Balances with other credit institutions		181,036,981	204,713,783
2	Loans to other credit institutions		48,727,565	64,255,862
3	Allowance for balances with and loans to other credit institutions		(4,000,000)	(1,000,000)
IV	Trading securities	7	2,766,098	1,954,061
1	Trading securities		2,822,531	1,991,861
2	Allowance for trading securities		(56,433)	(37,800)
V	Derivative financial instruments and other financial assets	8	303,202	-
VI	Loans to customers		934,774,287	820,545,467
1	Loans to customers	9	960,749,955	839,788,261
2	Allowance for loans to customers	10	(25,975,668)	(19,242,794)
VIII	Investment securities	11	170,604,700	156,931,097
1	Available-for-sale securities		71,122,502	42,148,831
2	Held-to-maturity securities		99,657,595	115,382,544
3	Allowance for investment securities		(175,397)	(600,278)
IX	Capital contributions, long-term investments		2,346,176	2,239,006
2	Investments in joint-ventures	12(a)	748,895	714,935
3	Investments in associates	12(b)	10,820	11,248
4	Other long-term investments	12(c)	1,661,461	1,587,823
5	Allowance for long-term investments	12(c)	(75,000)	(75,000)
X	Fixed assets		8,626,043	8,539,362
1	Tangible fixed assets	13	5,552,624	5,411,139
a	Cost		13,725,160	12,866,189
b	Accumulated depreciation		(8,172,536)	(7,455,050)
3	Intangible fixed assets	14	3,073,419	3,128,223
a	Cost		4,622,229	4,211,880
b	Accumulated amortisation		(1,548,810)	(1,083,657)
XII	Other assets		28,969,058	19,816,687
1	Receivables	15(a)	15,796,141	6,668,595
2	Accrued interest and fee receivables	15(b)	7,149,313	7,206,125
3	Deferred tax assets	15(c)	7,137	909,263
4	Other assets	15(d)	6,020,487	5,036,638
5	Allowance for other assets	15(d)	(4,020)	(3,934)
	TOTAL ASSETS		1,414,672,587	1,326,230,092

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

No.	Items	Note	31/12/2021 VND million	31/12/2020 VND million
B	LIABILITIES AND OWNERS' EQUITY			
I	Amounts due to the Government and the State Banks	16	9,468,116	41,176,995
II	Deposits and borrowings from other credit institutions	17	109,757,777	103,583,833
1	Deposits from other credit institutions		104,043,817	100,916,433
2	Borrowings from other credit institutions		5,713,960	2,667,400
III	Deposits from customers	18	1,135,323,913	1,032,113,567
IV	Derivative financial instruments and other financial liabilities	8	-	52,031
V	Funds for finance, entrusted investments and entrusted loans	19	7,707	14,679
VI	Valuable papers issued	20	17,387,747	21,240,197
VII	Other liabilities		33,609,934	33,953,811
1	Accrued interest and fee payables	21(a)	9,326,334	9,797,834
3	Other liabilities	21(b)	24,283,600	24,155,977
	TOTAL LIABILITIES		1,305,555,194	1,232,135,113
VIII	Owners' equity			
1	Capital		42,428,821	42,428,821
a	Charter capital		37,088,774	37,088,774
c	Share premium		4,995,389	4,995,389
g	Other capital		344,658	344,658
2	Reserves		18,173,068	14,925,803
3	Foreign exchange differences		(5,109)	5,103
5	Retained profits		48,433,500	36,650,228
a	Previous years' retained profits		31,826,728	22,803,530
b	Current year's retained profits		16,606,772	13,846,698
6	Non-controlling interest		87,113	85,024
	TOTAL OWNERS' EQUITY	22(a)	109,117,393	94,094,979
	TOTAL LIABILITIES AND OWNERS' EQUITY		1,414,672,587	1,326,230,092

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

No.	Items	31/12/2021 VND million	31/12/2020 VND million
OFF-BALANCE SHEET ITEMS			
1	Credit guarantees	2,447,477	654,296
2	Foreign exchange commitments	81,044,022	116,656,912
	<i>Foreign currency buying commitments</i>	3,470,214	53,984,032
	<i>Foreign currency selling commitments</i>	3,466,305	62,672,880
	<i>Swap transaction commitments</i>	74,107,503	-
4	Letters of credit	65,378,199	45,980,494
5	Other guarantees	51,576,893	50,892,327
6	Other commitments	196,990	680,372

Hanoi, 21 March 2022

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

No.	Items	Note	2021 VND million	2020 VND million
1	Interest and similar income	24	70,749,002	69,205,134
2	Interest and similar expenses	25	(28,349,385)	(32,919,659)
I	Net interest income		42,399,617	36,285,475
3	Fee and commission income	26	11,286,516	10,588,163
4	Fee and commission expenses	26	(3,879,443)	(3,980,846)
II	Net fee and commission income	26	7,407,073	6,607,317
III	Net gain from trading of foreign currencies	27	4,374,820	3,906,399
IV	Net gain from trading securities	28	104,114	1,810
V	Net loss from investment securities	29	(85,126)	(98)
5	Other income	30	3,100,370	2,544,714
6	Other expenses	30	(707,109)	(744,461)
VI	Net other income	30	2,393,261	1,800,253
VII	Income from capital contributions and equity investments	31	129,810	461,385
	TOTAL OPERATING INCOME		56,723,569	49,062,541
VIII	TOTAL OPERATING EXPENSES	32	(17,574,188)	(16,038,250)
IX	Net operating profit before allowance for credit losses		39,149,381	33,024,291
X	Allowance for credit losses	33	(11,760,801)	(9,974,730)
XI	PROFIT BEFORE TAX (CARRIED TO THE NEXT PAGE)		27,388,580	23,049,561

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

Joint Stock Commercial Bank for Foreign Trade of Vietnam
198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam
Consolidated statement of income for the year ended 31 December 2021
(continued)

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

No.	Items	Note	2021 VND million	2020 VND million
XI	PROFIT BEFORE TAX (BROUGHT FROM THE PREVIOUS PAGE)		27,388,580	23,049,561
7	Current corporate income tax expense	34(a)	(4,547,363)	(5,081,068)
8	Deferred income tax expense	34(b)	(902,172)	504,025
XII	Corporate income tax expenses		(5,449,535)	(4,577,043)
XIII	NET PROFIT AFTER TAX		21,939,045	18,472,518
XIV	Non-controlling interest		(20,232)	(21,207)
	Net profit attributable to the Bank's shareholders		21,918,813	18,451,311
XV	Basic earnings per share (VND/share) (restated)	35	4,195	3,387

Hanoi, 21 March 2022

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 consolidated financial statements

Joint Stock Commercial Bank for Foreign Trade of Vietnam
198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam
Consolidated statement of cash flows
for the year ended 31 December 2021 (Direct method)

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

No.	Items	2021 VND million	2020 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Interest and similar income received	70,805,813	70,063,617
02	Interest and similar expenses paid	(28,835,100)	(33,194,191)
03	Net fee and commission income received	5,727,973	6,607,317
04	Net receipts from trading activities (foreign currencies, gold and securities)	4,666,765	3,464,399
05	Other expenses paid	(526,224)	(628,988)
06	Receipts from bad debts previously written off	2,912,230	2,421,725
07	Payments to employees and for other operating activities	(16,384,599)	(14,525,026)
08	Corporate income tax paid during the year	(5,877,802)	(4,680,317)
Net cash flows from operating activities before changes in operating assets and liabilities		32,489,056	29,528,536
(Increase)/decrease in operating assets			
09	Balances with and loans to other credit institutions	(13,107,318)	4,040,576
10	Trading securities	(14,079,392)	10,336,784
11	Derivative financial instruments and other financial assets	(303,202)	98,312
12	Loans to customers	(120,961,694)	(105,081,370)
13	Utilisation of allowance for credit losses	(2,538,370)	(2,805,965)
14	Other operating assets	(9,978,820)	1,613,500
Increase/(decrease) in operating liabilities			
15	Amounts due to the Government and the State Banks	(31,708,879)	(51,188,811)
16	Deposits and borrowings from other credit institutions	6,173,944	29,966,748
17	Deposits from customers	103,210,346	103,662,698
18	Valuable papers issued	(3,853,426)	(144,015)
19	Funds for finance, entrusted investments and entrusted loans	(6,972)	(5,752)
20	Derivative financial instruments and other financial liabilities	(52,031)	52,031
21	Other operating liabilities	950,748	7,396,305
22	Payments from reserves	(2,786,463)	(1,866,142)
I	Net cash flows (used in)/generated from operating activities	(56,552,473)	25,603,435

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

Joint Stock Commercial Bank for Foreign Trade of Vietnam
198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam
Consolidated statement of cash flows for the year ended
31 December 2021 (Direct method – continued)

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

No.	Items	2021 VND million	2020 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
01	Payments for purchases of fixed assets	(1,621,433)	(3,001,902)
02	Proceeds from disposals of fixed assets	8,456	10,569
03	Payments for disposals of fixed assets	(1,201)	(3,053)
04	Payments for investments in other entities	(83,502)	-
05	Collections from investments in other entities	13,791	605,274
06	Dividends and profits received from equity investments and capital contributions	93,953	83,959
II	Net cash flows used in investing activities	(1,589,936)	(2,305,153)
CASH FLOWS FROM FINANCING ACTIVITIES			
01	Payments of dividends to shareholders	(1,886,298)	(2,986,115)
III	Net cash flows used in financing activities	(1,886,298)	(2,986,115)
IV	Net cash flows during the year	(60,028,707)	20,312,167
V	Cash and cash equivalents at the beginning of the year	292,582,702	272,270,535
VII	Cash and cash equivalents at the end of the year (Note 36)	232,553,995	292,582,702

Hanoi, 21 March 2022

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 consolidated financial statements

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

1. Reporting entity

(a) Establishment and operations

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 Department of Planning and Investment and Enterprise Code No. 0100112437 was reissued for the fourteenth time on 6 September 2021.

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 include 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 Department of Planning and Investment, the Bank's charter capital was VND12,100,860,260,000. Under Enterprise Registration Certificate with Enterprise Code No. 0100112437 was reissued for the 13th 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 of share is VND10,000.

	31/12/2021		31/12/2020	
	Number of shares	%	Number of shares	%
Shares owned by the Government of Vietnam	2,774,353,387	74.80%	2,774,353,387	74.80%
Shares owned by foreign strategic shareholder (Mizuho Bank Ltd., Japan)	556,334,933	15.00%	556,334,933	15.00%
Shares owned by other shareholders	378,189,128	10.20%	378,189,128	10.20%
	3,708,877,448	100%	3,708,877,448	100%

(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 2021, the Bank had one (1) Head Office, one (1) Vietcombank Human Resources Development and Training College, two (2) Cash Processing Centers, one hundred and twenty one (121) 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 2020, the Bank had one (1) Head Office, one (1) Vietcombank Human Resources Development and Training College, two (2) Cash Processing Centers, one hundred and 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).

(d) **Subsidiaries, joint-ventures and associates**

Subsidiaries

As at 31 December 2021 and 31 December 2020:

Subsidiaries	Operation Licence	Business sector	Ownership percentage of the Bank
Vietcombank Financial Leasing Company Limited	Operation Licence No. 66/GP-NHNN dated 31 October 2017 issued by the SBV	Financial leasing	100%
Vietcombank Securities Company Limited	Operation Licence No. 09/GPHDKD dated 24 April 2002, the most recent amendment is Operation Licence No. 63/GPDC-UBCK dated 29 December 2017 issued by the State Securities Commission of Vietnam ("SSC")	Securities	100%
Vietnam Finance Company Limited in Hong Kong ("Vinafico")	Operation Licence 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 and the most recent amendment dated 27 December 2021 issued by Ho Chi Minh City Department of Investment and Planning	Money remittance	100%
Vietcombank Laos Limited	Operation Licence No. 88/BOL dated 25 May 2018 issued by Bank of the Lao P.D.R	Banking	100%
Vietcombank Money Inc.	Business Registration No. E0321392009-6 dated 15 June 2009 issued by the Authority of the State of Nevada, United States	Money transfer	87.5%
Vietcombank Tower 198 Ltd	Investment Licence No. 1578/GP dated 30 May 1996 and the most recent amendment dated 1 March 2019 issued by the Ministry of Planning and Investment	Office leasing	70%

The Bank and its subsidiaries are collectively referred to as "Vietcombank".

Joint-ventures

As at 31 December 2021 and 31 December 2020:

Joint-ventures	Operation 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 issued by the Ministry of Planning and Investment and the most recent amendment No. 2458/GCND2/41/1 dated 28 December 2012	Office leasing	52%
Vietcombank Fund Management	Establishment and Operation Licence No. 06/UBCK-GPHDQLQ dated 2 December 2005 issued by the State Securities Commission of Vietnam and the most recent amendment No. 17/GPDC-UBCK dated 9 February 2018	Investment fund management	51%

Associates

As at 31 December 2021 and 31 December 2020:

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

(e) Number of employees

As at 31 December 2021, Vietcombank had 21,670 employees (31 December 2020: 20,062 employees).

2. Summary of significant accounting policies

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

(a) Purpose of preparing the consolidated financial statements

The Bank has subsidiaries as disclosed in Note 1(d). The Bank has prepared these consolidated financial statements to meet the prevailing requirements in relation to disclosure of information, specified under Circular No. 96/2020/TT-BTC dated 16 November 2020 issued by the Ministry of Finance on disclosure of information on the securities market ("Circular 96"). In addition, as required by Circular 96, the Bank has also prepared the separate financial statements of the Bank for the year ended 31 December 2021 ("the separate financial statements"), which were issued on 21 March 2022.

(b) Basis of financial statement preparation

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

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

(c) Annual accounting period

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

(d) Changes in accounting policies

On 30 July 2021, the State Bank of Vietnam issued Circular No. 11/2021/TT-NHNN regulating on classification of assets, allowance level, credit loss allowance calculation method and utilisation of allowance for credit losses in operations of credit institutions and foreign banks' branches ("Circular 11"). Circular 11 replaces Circular No. 02/2013/TT-NHNN dated 21 January 2013 of the SBV on classification of assets, allowance level, credit loss allowance calculation method and utilisation of allowance for credit losses in operations of credit institutions and foreign banks' branches ("Circular 02") and Circular No. 09/2014/TT-NHNN dated 18 March 2014 of the SBV on amending and supplementing certain articles of Circular 02 ("Circular 09"). Circular 11 takes effect from 1 October 2021.

Effective from 1 October 2021, Vietcombank has prospectively adopted applicable requirements of Circular 11. The changes in accounting policies of Vietcombank and effects on the consolidated financial statements, if any, due to the prospective adoption of requirements of Circular 11 are disclosed in Note 2(i).

(e) **Foreign currency transactions**

All transactions are recorded in their original currencies. Monetary assets and liabilities denominated in currencies other than VND are converted into VND at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are converted into VND at the exchange rate at the dates of transactions. Income and expenses in foreign currencies are converted into VND in the consolidated statement of income at the spot exchange rates at the dates of transactions.

Foreign exchange differences arising during the year are recorded in the consolidated statement of income at the end of the annual accounting period.

In order to prepare the consolidated financial statements with consolidation method for the subsidiaries and equity method for the associates and joint-ventures of which their accounting currencies are not VND, assets, liabilities and equity accounts of those subsidiaries, joint-ventures and associates are converted into VND at spot exchange rates at the end of the annual accounting period, and the income and expenses are converted into VND at the average exchange rate for the annual accounting period. Exchange differences arising from the conversion are recognised in equity in the consolidated balance sheet.

(f) **Basis of consolidation**

(i) Subsidiaries

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

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

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

(ii) Associates and joint-ventures

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

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

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

(g) 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 credit institutions with original term to maturity not exceeding three months from the original date of placement or lending; investment securities with recoverability period or maturity term of not exceeding three months from the purchase date 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.

(h) Balances with and loans to other credit institutions

Balances with other credit institutions, (except for demand deposits and deposit with Vietnam Bank for Social Policies according to SBV's regulation of State credit institutions maintaining deposit balance with Vietnam Bank for Social Policies) are term deposits with other credit institutions and foreign bank branches with original terms to maturity of not exceeding three months.

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

Demand deposits with 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 risk.

Debt classification of term deposits with and loans to other credit institutions and allowance for credit risk thereof is made in accordance with the requirements of Circular 11 from 1 October 2021 and of Circular 02 and Circular 09 prior to 1 October 2021. Accordingly, Vietcombank classifies debts and makes specific allowance for term deposits with and loans to other credit institutions in accordance with the accounting policy described in Note 2(i).

According to Circular 11, Vietcombank is not required to make general allowance for balances with and loans to other credit institutions.

(i) **Loans to customers**

(i) Loans to customers

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

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

(ii) Debt classification

Prior to 1 October 2021

Vietcombank performed debt classification for loans to customers in accordance with the requirements of Circular 02 and Circular 09.

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. Accordingly, in case the classification of a debt in accordance with Article 10 and Clause 1 of Article 11, Circular 02 is different, the debt shall be classified into the group of higher risk.

Since 1 January 2015, Vietcombank has used 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 commitments. 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, Vietcombank shall adjust its classification of debts and off-balance commitments following the debt groups provided by CIC.

From 1 October 2021

Vietcombank performs debt classification for loans to customers in accordance with the requirements of Circular 11.

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. According to Circular 11, the Bank continues to classify debts based on qualitative method in accordance with the approval letter of the SBV and classify debts and off-balance sheet commitments in accordance with both Article 10 and Clause 1 of Article 11, Circular 11. Accordingly, in case the classification of a debt in accordance with Article 10 and Clause 1 of Article 11, Circular 11 is different, the debt shall be classified into the group of higher risk.

Since 1 January 2015, Vietcombank has used 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 commitments. 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, Vietcombank shall adjust its classification of debts and off-balance commitments following the debt groups provided by CIC.

Debt classification for loans having rescheduled debt repayment term, exempted or reduced interest and fees in order to support customers affected by Covid-19 pandemic

Prior to 17 May 2021

Vietcombank has applied Circular No. 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01") issued by the SBV regulating credit institutions and foreign bank branches on rescheduling the debt repayment term, exempting, reducing interest and fees, keeping debt group unchanged in order to support customers affected by Covid-19 pandemic. Accordingly, for customers with obligation of paying principals and/or interest 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 in accordance with the payment schedules specified in the signed loan contract/agreement, originally signed agreement due to decrease in revenue, profit caused by the effect of Covid-19 pandemic, Vietcombank is allowed to reschedule the repayment term for these debts while maintaining the same debt group as classified at the most recent date before 23 January 2020.

From 17 May 2021 to before 7 September 2021

Vietcombank has applied Circular No. 03/2021/TT-NHNN dated 2 April 2021 ("Circular 03") issued by the SBV amending and supplementing certain articles of Circular 01. Accordingly, the customers whose loans were disbursed before 10 June 2020 and incurred obligations of paying principals and/or interest during the period from 23 January 2020 to 31 December 2021; and those customers are unable to pay the principal and/or interest in accordance to the payment schedules specified in signed loan contracts/agreements due to decrease in revenue, income caused by Covid-19 pandemic, Vietcombank is allowed to reschedule loan repayment term, exempt or reduce interest and fees, and keep the debt group unchanged as classified in accordance with Circular 02 as follows:

Loan disbursement timing	Period of debt payment obligation occurrence	Overdue status	Period of overdue occurrence	Principle of keeping debt group unchanged
Before 23/1/2020	From 23/1/2020 to 31/12/2021	Not past due or overdue up to 10 days	From 30/3/2020 to before 31/12/2021	Keeping the debt group unchanged as classified at the most recent date before 23/1/2020.
		Overdue	From 23/1/2020 to 29/3/2020	
From 23/1/2020 to before 10/6/2020		Not past due or overdue up to 10 days	From 17/5/2021 to before 31/12/2021	Keeping the debt group unchanged as classified at the most recent date before the date of first rescheduling loan repayment period.
		Overdue	From 23/1/2020 to before 17/5/2021	Keeping the debt group unchanged as classified at the most recent date before the date the loan becomes overdue.

From 7 September 2021

Vietcombank has applied Circular No. 14/2021/TT-NHNN dated 7 September 2021 ("Circular 14") issued by the SBV amending and supplementing certain articles of Circular 01. Accordingly, the customers whose loans were disbursed before 1 August 2021 and incurred obligations of paying principals and/or interest during the period from 23 January 2020 to 30 June 2022; and those customers are unable to pay the principal and/or interest in accordance to the payment schedules specified in signed loan contracts/agreements due to decrease in revenue, income caused by Covid-19 pandemic, Vietcombank is allowed to reschedule loan repayment term, exempt or reduce interest and fees, and keep the debt group unchanged as follows:

Loan disbursement timing	Period of debt payment obligation occurrence	Overdue status	Period of overdue occurrence	Principle of keeping debt group unchanged
Before 23/1/2020	From 23/1/2020 to 30/6/2022	Not past due or overdue up to 10 days	From 30/3/2020 to 30/6/2022	Keeping the debt group unchanged as classified at the most recent date before 23/1/2020 .
From 23/1/2020 to before 1/8/2021		Not past due or overdue up to 10 days	From 17/5/2021 to before 17/7/2021 or from 7/9/2021 to 30/6/2022	Keeping the debt group unchanged as classified at the most recent date before the date of first rescheduling loan repayment period .
Before 23/1/2020		Overdue	From 23/1/2020 to 29/3/2020	Keeping the debt group unchanged as classified at the most recent date before 23/1/2020 .
From 23/1/2020 to before 10/6/2020		Overdue	From 23/1/2020 to before 17/5/2021	Keeping the debt group unchanged as classified at the most recent date before the date the loan becomes overdue .
From 10/6/2020 to before 1/8/2021		Overdue	From 17/7/2021 to before 7/9/2021	

For the loan balances having rescheduled repayment term, interest exempted or reduced and debt group being kept unchanged during the restructured term and their repayment period is not further rescheduled by Vietcombank in accordance with prevailing regulations: Vietcombank classifies these debts in accordance with Circular 11, taking into account the number of times of rescheduling repayment period and keeping debt group unchanged.

(iii) Specific allowance for credit risk

Prior to 1 October 2021

In accordance with the requirements of Circular 02, specific allowance for credit risk of debts at the end of each quarter is determined based on the allowance rates corresponding to the results of debt classification and outstanding principals of debts at the last working day of each quarter (for the last quarter of the annual accounting period, specific allowance for credit risk is determined based on the allowance rates corresponding to the results of debt classification and outstanding principals of debt at the last working day of the second month of the last quarter of the annual accounting period) less allowed value of collateral assets.

From 1 October 2021

In accordance with the requirements of Circular 11, specific allowance for credit risk of debts at the end of each month is determined based the allowance rates corresponding to the results of debt classification and outstanding principals of debts at the last day of the month less allowed value of collateral assets.

Specific allowance is calculated based on the following allowance rates corresponding to the outstanding principals of debts less allowed value of collateral assets:

	<u>Allowance rate</u>
Group 1 – Current debts	0%
Group 2 – Special mentioned debts	5%
Group 3 – Sub-standard debts	20%
Group 4 – Doubtful debts	50%
Group 5 – Loss debts	100%

Bad debts are debts in Groups 3, 4 and 5.

For the loans having rescheduled repayment term, exempted or reduced interest and fees in order to support customers affected by Covid-19 pandemic, Vietcombank determines and recognises the additional specific allowance for the entire outstanding loan balance of customers, including the loan balances having rescheduled repayment term, exempted or reduced interest according to the results of debt classification in accordance with Circular 11 (without applying the provision of keeping debt group unchanged under Circular 03) as follows:

Additional allowance	Deadline
At least 30% of the total required additional specific allowance	By 31 December 2021
At least 60% of the total required additional specific allowance	By 31 December 2022
100% of the total required additional specific allowance	By 31 December 2023

As at 31 December 2021, Vietcombank has made 100% the additional amount of specific allowance mentioned as above.

(iv) General allowance for credit risk

Prior to 1 October 2021

Vietcombank made general allowance at 0.75% total outstanding principals at the last working day of each quarter (for the last quarter of the annual accounting period, a general allowance for credit risk is determined at 0.75% of total outstanding principals at the last working day of the second month of the last quarter of the annual accounting period) of the debts classified in Group 1 to Group 4.

From 1 October 2021

Vietcombank makes general allowance at 0.75% total outstanding principals at the last day of each month of the debts classified in Group 1 to Group 4.

(v) Bad debts written-off

According to Circular 11, Vietcombank 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.

(j) **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 cost. They are subsequently measured at the lower of book value and market price. Gains or losses from the sales of trading securities are recognised in the consolidated statement of income.

(ii) Investment securities

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

Available-for-sale securities

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

Post-acquisition interest income from available-for-sale debt securities is recognised in the consolidated statement of income on an accrual basis.

Held-to-maturity securities

Held-to-maturity securities are debt securities, with fixed or determinable payments and maturities where the management of the Bank and its subsidiaries has the positive intention and ability to hold until maturity.

Post-acquisition interest income from held-to-maturity securities is recognised in the consolidated statement of income on an accrual basis.

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

Available-for-sale debt securities and held-to-maturity securities which are unlisted corporate bonds except for bonds issued by credit institution are classified and made allowance for credit risk in accordance with the requirements of Circular 11 as described at Note 2(i). For other available-for-sale investment securities, allowance for diminution in the value of securities is made if their market price decreases to below their cost. For other held-to-maturity securities, allowance for diminution in the value of securities is made when there is indication of prolonged decline in securities prices or there is certain evidence that it is difficult for Vietcombank to fully recover the investment amount.

(iii) Capital contributions and long-term investments

Other long-term investments represent Vietcombank's equity investments in other enterprises where Vietcombank owns less than 11% of voting rights and is either a founding shareholder or a strategic partner; or has influences on the enterprise's planning and determining of financial and operating policies under agreements to appoint personnel to the Members' Council/Board of Directors/Board of Management but Vietcombank does not have control or significant influence over the investees.

Other long-term investments include equity securities and other long-term capital contributions which are intended to hold for more than one year (except for capital contributions and investments into joint-ventures, associates and subsidiaries).

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

For investments in unlisted equity securities, the allowance for diminution in the value of long-term investments is made for the local economic entity owned by Vietcombank at the end of the annual accounting period which has signs of decrease in value compared to the Vietcombank's carrying 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 owners' actual contributed capital at the economic entity receiving capital contribution and actual equity of the economic entity at the time of calculating allowance multiplied (x) by the actual percentage of capital contributed into the economic entity by Vietcombank at the time of calculating allowance. For investments in listed securities or investments whose 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.

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

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

Securities purchased under agreements to resell at a specific date in the future are not recognised in the consolidated financial statements. The corresponding cash paid under these agreements is recognised in the consolidated balance sheet as a loan to customer. The difference between the purchase price and resale price is amortised in the consolidated statement of income over the term of the agreement using the straight-line method.

(l) **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 VND 30,000,000.

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

(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 |

(m) Intangible fixed assets

(i) Land use rights

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

- The land use rights granted 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 as contributed capital.

Land use rights not recognised as intangible assets comprise:

- Land use rights granted 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 indefinite term land use rights with land use fee or receiving the indefinite term land use rights are not amortised.

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

(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 the period ranging from 3 to 4 years.

(n) Other assets

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

<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, Vietcombank classifies and makes allowance similarly to loans to customers as described in Note 2(i).

(o) Deposits and borrowings from other credit institutions

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

(p) Deposits from customers

Deposits from customers are stated at cost.

(q) 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.

(r) Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for Vietcombank for 12 months or more ("the eligible employees") voluntarily terminates his/her labour contract, Vietcombank is required to pay the eligible employee severance allowance calculated based on years of service until 31 December 2008 and employee's average monthly salary of the latest six-month period until termination. Before 2012, provision for severance allowance had 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. Circular 180 provides that, in preparation of financial statements for the year 2012, if an enterprise's provision for severance allowance still has the outstanding balance, the enterprise must reverse the balance to other income for the year 2012 and must not carry forward the balance to the following year. Accordingly, Vietcombank reversed the outstanding balance of provision for severance allowance. This change in accounting policy has been applied prospectively from 2012.

(s) Bonus and welfare funds

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

(t) **Capital and reserves**

(i) Ordinary shares

Ordinary shares are classified as equity and recognised at par value. 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 issue price and the par value of the shares is recorded in share premium under equity.

(iii) Treasury shares

Before 1 January 2021, when shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognized as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

From 1 January 2021, treasury shares are recognised only in respect of repurchased shares which are aggregated fractions of share arising when the Bank issues shares to pay dividends or issues shares from equity reserves in accordance with an approved issuance plan, or repurchased odd-lots of shares as requested by the shareholders. In all other cases, when shares recognized as equity are repurchased, their par value amount is recognized as a reduction to share capital. The difference between the par value and the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is included in share premium.

This change in accounting policy has been applied prospectively from 1 January 2021 due to change in applicable laws and regulations on buying back shares.

(iv) Reserves

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

- Supplementary charter capital reserve: 5% of net profit after tax of each entity. According to Decree 93, the maximum balance for this reserve does not exceed charter capital of the Bank/VCBL.
- Financial reserve: 10% of net profit after tax of each entity. The maximum balance for this reserve is not specified under Decree 93.
- Investment and development fund and other funds: appropriated following the resolutions of the General Meeting of Shareholders/Members' Council and in accordance with prevailing regulations.

The remaining net profits after tax, after appropriation to reserves and dividends payment, are recorded as retained profits.

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

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

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

(v) Foreign exchange differences

Foreign exchange differences are related to differences arising when financial statements in foreign currencies of overseas subsidiaries are converted into VND for the purpose of preparing consolidated financial statements.

(u) **Income and expenses**

(i) Interest income and interest expenses

Vietcombank recognises interest income from debts classified in Group 1 – Current debts as defined in Note 2(i) on an accrual basis. Interest receivable from debts being kept debt group as Group 1 – Current debts as a result of applying Circular 01, Circular 03 and Circular 14 or adopting the State's regulations and interest receivable from debts classified in Group 2 to Group 5 are recognised in the consolidated statement of income upon receipt (cash basis).

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

(ii) Fee and commission income and cash dividend income

Fee and commission income are recognised in the consolidated statement of income on an accrual basis.

Cash dividends from investment activities are recognised in the consolidated statement of income when Vietcombank's right to receive dividend is established.

(iii) Share dividends

In accordance with Circular 200, share dividends distributed from retained profits, share premium and reserves in equity of joint stock companies are not recorded as an income in the consolidated statement of income. Instead, the additional shares received are reflected as increase in the number of shares held by Vietcombank.

(iv) Uncollectible income

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

(v) **Leases**

(i) Lessee

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

(ii) Lessor

Vietcombank recognises finance leased assets as “Loans to customers” in the consolidated balance sheet at the net value of the investment defined in the lease contract. Income from finance leases are recognised as “Interest and similar income”. Instalment income is amortised over the lease term using interest rate over the net investment of the leased assets. The debt classification of finance lease receivables is made in accordance with the quantitative method as stipulated in Article 10 of Circular 11 from 1 October 2021 and Article 10 of Circular 02 prior to 1 October 2021.

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

(w) **Corporate income tax**

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

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payables in respect of the previous years.

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

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

(x) **Related parties**

Related parties of Vietcombank include:

- Individuals or organisations which have the authority to appoint management personnel, members of the Supervisory Board of the parent company or parent credit institution of Vietcombank;
- Management personnel or members of the Supervisory Board of the Bank;
- Entities or organisations which have the authority to appoint management personnel, members of the Supervisory Board of the Bank;
- Wives, husbands, parents, children (including foster parents, foster children, parents-in-law, sons-in-law, daughters-in-law, step parents, step children), siblings (including half siblings), brothers-in-law, sisters-in-law of management personnel, 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
- Authorised representatives of owners of contributed capital and shares of the Bank.

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

(y) Segment reporting

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

(z) Off-balance sheet items

(i) Foreign exchange contracts

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

Forward contracts are commitments to either purchase or sell a designated currency at a specific future date for a specific exchange rate and cash settlement. Forward contracts are recorded at nominal values at transaction dates and are subsequently revaluated at the reporting date. Differences on revaluation are recognised under "Foreign exchange differences" in the equity and are recorded in the consolidated statement of income at the end of the annual accounting period. Differences between the amount in VND of the foreign currency amounts which are committed to buy/sell at forward rate and spot rate are recognised in the consolidated statement of income on a straight-line basis over the term of the forward 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 on the effective date of the contracts as an asset if they are positive or as a liability if they are negative in the consolidated balance sheet. The difference is amortised to the consolidated 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 consolidated balance sheet. The difference of swap interest rates is recognised in the consolidated statement of income on an accrual basis.

(iii) Commitments and contingent liabilities

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

According to Circular 11, Vietcombank, for management purpose, has to classify guarantees, payment acceptances and irrevocable lending commitments with specific effective date into 5 groups, similar to loans to customers (Note 2(i)).

(aa) Offsetting

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

(bb) Basic earnings per share

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

If new shares issued during the year only change the number of shares without changing the equity, Vietcombank will adjust the weighted average number of ordinary shares outstanding during the year presented in the consolidated financial statements retrospectively for current reporting period and comparative reporting period, which leads to corresponding adjustment for EPS.

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

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

Financial assets of Vietcombank mainly include:

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

Financial liabilities of Vietcombank mainly include:

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

(a) Classification of financial assets and liabilities

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

Financial assets are classified as:

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

Financial liabilities are classified as:

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

(b) Measurement and disclosures of fair value

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

The disclosure of fair value of the financial instruments is only for the disclosure purpose in Note 44(b). The financial instruments of Vietcombank are still recognised and recorded in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System applicable to credit institutions issued by the SBV 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 measurement date.

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

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

4. Cash on hand, gold, silver and gemstones

	31/12/2021 VND million	31/12/2020 VND million
Cash on hand in VND	14,633,327	12,835,047
Cash on hand in foreign currencies	3,377,966	2,259,853
Valuable papers in foreign currencies	473	494
	<u>18,011,766</u>	<u>15,095,394</u>

5. Balances with the State Banks

	31/12/2021 VND million	31/12/2020 VND million
Balances with the State Bank of Vietnam (i)	22,311,693	33,010,030
Balances with Bank of the Lao L.D.R (ii)	195,018	129,343
	22,506,711	33,139,373

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

The average balance of the demand deposits of the Bank with the SBV must not be less than the periodic 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	31/12/2021	31/12/2020
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 interest rates of current account at the year-end were as follows:

Type of deposits	31/12/2021	31/12/2020
Within compulsory reserve in VND	0.5%/p.a	0.5%/p.a
Within compulsory reserve in USD	0%/p.a	0%/p.a
Over compulsory reserve in VND	0%/p.a	0%/p.a
Over compulsory reserve in USD	0%/p.a	0.05%/p.a

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

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

Type of deposits	31/12/2021	31/12/2020
Deposits in LAK with terms of 12 months and below	3%	4%
Deposits in foreign currencies with terms of 12 months and below	5%	8%

6. Balances with and loans to other credit institutions

	31/12/2021 VND million	31/12/2020 VND million
Balances with other credit institutions		
Demand deposits in VND	7,454	25,796
Demand deposits in foreign currencies	39,098,058	45,065,025
Term deposits in VND	104,007,836	118,760,458
Term deposits in foreign currencies	37,923,633	40,862,504
	<u>181,036,981</u>	<u>204,713,783</u>
Loans to other credit institutions		
Loans in VND	42,708,446	60,801,208
Loans in foreign currencies	6,019,119	3,454,654
	<u>48,727,565</u>	<u>64,255,862</u>
Allowance for balances with and loans to other credit institutions	(4,000,000)	(1,000,000)
	<u>225,764,546</u>	<u>267,969,645</u>

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

	31/12/2021 VND million	31/12/2020 VND million
Current debts	186,659,034	222,878,824
Loss debts	4,000,000	1,000,000
	<u>190,659,034</u>	<u>223,878,824</u>

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

	2021 VND million	2020 VND million
Opening balance	1,000,000	3,000,000
Allowance made/(reversed) during the year (Note 33)	3,000,000	(2,000,000)
Closing balance	<u>4,000,000</u>	<u>1,000,000</u>

7. Trading securities

	31/12/2021 VND million	31/12/2020 VND million
Debt securities		
Government bonds	1,493,814	1,126,417
Bonds issued by other local credit institutions	499,364	200,124
Securities issued by local economic entities	499,000	339,250
Equity securities		
Equity securities issued by other credit institutions	77,084	29,437
Equity securities issued by local economic entities	253,269	296,633
	<u>2,822,531</u>	<u>1,991,861</u>
Allowance for trading securities	(56,433)	(37,800)
	<u>2,766,098</u>	<u>1,954,061</u>

Trading securities by listing status were as follows:

	31/12/2021 VND million	31/12/2020 VND million
Debt securities		
Listed	1,521,064	1,126,417
Unlisted	971,114	539,374
Equity securities		
Listed	281,547	235,767
Unlisted	48,806	90,303
	<u>2,822,531</u>	<u>1,991,861</u>

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

	2021 VND million	2020 VND million
Opening balance	37,800	88,502
Allowance made/(reversed) during the year (Note 28)	18,633	(50,702)
Closing balance	<u>56,433</u>	<u>37,800</u>

8. Derivative financial instruments and other financial assets

	31/12/2021		31/12/2020	
	Contract value	Carrying value	Contract value	Carrying value
		Assets/ (liabilities)		Assets/ (liabilities)
	VND million	VND million	VND million	VND million
Currency derivative financial instruments				
Currency swap contracts	73,505,048	190,674	105,690,304	(69,164)
Currency forward contracts	23,984,714	112,528	13,207,615	17,133
	97,489,762	303,202	118,897,919	(52,031)

9. Loans to customers

	31/12/2021 VND million	31/12/2020 VND million
Loans to local economic entities and individuals	951,443,830	832,010,220
Discounted bills and transferrable valuable papers	3,879,226	2,549,713
Finance lease receivables	4,376,120	4,608,056
Loans given to make payments on behalf of customers	889	-
Loans to foreign organisations and individuals	1,049,890	620,272
	960,749,955	839,788,261

Loan portfolio by debt group was as follows:

	31/12/2021 VND million	31/12/2020 VND million
Current debts	951,130,994	831,765,014
Special mentioned debts	3,497,833	2,793,678
Sub-standard debts	743,995	668,690
Doubtful debts	965,987	223,292
Loss debts	4,411,146	4,337,587
	960,749,955	839,788,261

Loan portfolio by term was as follows:

	31/12/2021 VND million	31/12/2020 VND million
Short-term debts	508,285,894	434,373,690
Medium-term debts	40,535,854	43,091,944
Long-term debts	411,928,207	362,322,627
	960,749,955	839,788,261

Loan portfolio by type of borrowers was as follows:

	31/12/2021 VND million	31/12/2020 VND million
State-owned enterprises	60,146,527	66,893,804
Limited companies	169,542,086	155,046,852
Foreign invested enterprises	66,611,876	52,121,844
Co-operative and private companies	2,819,975	2,653,308
Individuals and individual business households	448,102,945	380,751,584
Others	213,526,546	182,320,869
	960,749,955	839,788,261

Loan portfolio by industry sector was as follows:

	31/12/2021 VND million	31/12/2020 VND million
Processing and manufacturing	203,057,429	178,521,411
Trading and services	152,212,435	202,773,035
Construction	86,628,722	71,273,525
Electricity, gas, water processing and supplying	59,813,456	40,333,441
Transportation, logistics and communication	28,715,341	26,843,614
Agriculture, forestry and aquaculture	25,096,242	17,069,197
Mining	15,084,113	14,591,656
Hospitality	16,921,726	10,166,471
Others	373,220,491	278,215,911
	960,749,955	839,788,261

10. Allowance for loans to customers

	31/12/2021 VND million	31/12/2020 VND million
General allowance	7,113,487	5,895,579
Specific allowance	18,862,181	13,347,215
	<u>25,975,668</u>	<u>19,242,794</u>

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

	2021 VND million	2020 VND million
Opening balance	5,895,579	5,282,328
Allowance made during the year (Note 33)	1,217,908	613,274
Foreign exchange difference	-	(23)
Closing balance	<u>7,113,487</u>	<u>5,895,579</u>

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

	2021 VND million	2020 VND million
Opening balance	13,347,215	4,951,309
Allowance made during the year (Note 33)	8,054,170	11,201,979
Allowance utilised for writing-off bad debts	(2,538,370)	(2,805,965)
Foreign exchange difference	(834)	(108)
Closing balance	<u>18,862,181</u>	<u>13,347,215</u>

11. Investment securities

	31/12/2021 VND million	31/12/2020 VND million
Available-for-sale securities (a)	71,035,829	41,955,076
Held-to-maturity securities (b)	99,568,871	114,976,021
	170,604,700	156,931,097

(a) Available-for-sale securities

	31/12/2021 VND million	31/12/2020 VND million
Available-for-sale securities		
<i>Debt securities</i>		
Government bonds	30,327,312	9,444,422
Debt securities issued by other local credit institutions	40,687,000	32,696,219
Debt securities issued by other local economic entities	100,000	-
<i>Equity securities</i>		
Equity securities issued by other local economic entities	8,190	8,190
	71,122,502	42,148,831
Allowance for available-for-sale securities (i)	(86,673)	(193,755)
Total available-for-sale securities	71,035,829	41,955,076

(i) Details of allowance for available-for-sale securities:

	31/12/2021 VND million	31/12/2020 VND million
General allowance for unlisted corporate bonds	-	193,478
Allowance for diminution in value of available-for-sale securities	86,673	277
	86,673	193,755

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

	2021 VND million	2020 VND million
Opening balance	193,478	124,125
Allowance (reversed)/made during the year (Note 33)	(193,478)	69,353
Closing balance	-	193,478

Movements in allowance for diminution in value of available-for-sale securities during the year were as follows:

	2021 VND million	2020 VND million
Opening balance	277	179
Allowance made during the year (Note 29)	86,396	98
Closing balance	86,673	277

(b) **Held-to-maturity securities**

	31/12/2021 VND million	31/12/2020 VND million
Held-to-maturity securities		
Government bonds	40,325,603	59,001,448
Debt securities issued by other local credit institutions	47,502,241	51,041,344
Debt securities issued by local economic entities	11,829,751	5,339,752
	99,657,595	115,382,544
Allowance for held-to-maturity securities (ii)	(88,724)	(406,523)
Total held-to-maturity securities	99,568,871	114,976,021

(ii) *Details of allowance for held-to-maturity securities:*

	31/12/2021 VND million	31/12/2020 VND million
General allowance for unlisted corporate bonds	88,724	406,523

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

	2021 VND million	2020 VND million
Opening balance	406,523	316,399
Allowance (reversed)/made during the year (Note 33)	(317,799)	90,124
Closing balance	88,724	406,523

Debt classification of unlisted investment securities as assets with credit risk:

	31/12/2021 VND million	31/12/2020 VND million
Current debts	98,402,751	86,417,752

12. Capital contributions, long-term investments

(a) Investments in joint-ventures

At 31 December 2021:

	Business sector	Ownership percentage (%)	Cost VND million	Carrying value VND million
Vietcombank – Bonday – Ben Thanh Joint-venture Company Limited (i)	Office leasing	52%	410,365	577,574
Vietcombank Fund Management (i)	Investment fund management	51%	135,150	171,321
			<u>545,515</u>	<u>748,895</u>

At 31 December 2020:

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

- (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".

(b) Investments in associates

At 31 December 2021:

	Business sector	Ownership percentage (%)	Cost VND million	Carrying value VND million
Vietcombank – Bonday Joint-venture Company Limited	Office leasing	16%	11,110	10,820

At 31 December 2020:

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

The Bank has significant influence, through its participation in this company's Members' Council, but limited control 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".

(c) Other long-term investments

At 31 December 2021:

	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	4.35%	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	1.02%	379,223
SWIFT, MASTER and VISA	Card and settlement services	-	2,936
			1,661,461
Allowance for other long-term investments			(75,000)
			1,586,461

Joint Stock Commercial Bank for Foreign Trade of Vietnam
198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam
Notes to the consolidated financial statements
for the year ended 31 December 2021 (continued)

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

<i>At 31 December 2020:</i>	Business sector	Ownership percentage (%)	Cost VND million
Vietnam Export – Import Commercial Joint Stock Bank	Banking	4.50%	319,907
Military Commercial Joint Stock Bank	Banking	4.31%	802,269
Small and Medium Enterprises Credit Guarantee Fund	Credit guarantee services	0.80%	1,864
Petrolimex Insurance Corporation	Insurance	8.03%	67,900
Vietnam Credit Information Joint Stock Company	Credit information services	6.64%	7,962
Vietnam Infrastructure Development and Financial Investment JSC.	Highway investment	1.97%	75,000
National Payment Corporation of Vietnam	Card and settlement services	1.83%	4,400
Vietnam Airlines JSC.	Aviation	1.04%	305,585
SWIFT, MASTER and VISA	Card and settlement services	-	2,936
			1,587,823
Allowance for other long-term investments			(75,000)
			1,512,823



13. Tangible fixed assets

Year ended 31 December 2021:

	Buildings and structures VND million	Machinery and equipment VND million	Motor vehicles and means of transmission VND million	Others VND million	Total VND million
Cost					
Opening balance	5,514,381	4,507,863	1,129,540	1,714,405	12,866,189
Additions during the year	407,801	569,783	101,391	145,579	1,224,554
- Purchases	407,801	557,570	101,391	135,101	1,201,863
- Other increases	-	12,213	-	10,478	22,691
Decreases during the year	(99,951)	(225,177)	(22,684)	(17,771)	(365,583)
- Disposals	(6,439)	(224,827)	(19,972)	(17,716)	(268,954)
- Other decreases	(93,512)	(350)	(2,712)	(55)	(96,629)
Closing balance	5,822,231	4,852,469	1,208,247	1,842,213	13,725,160
Accumulated depreciation					
Opening balance	1,524,577	3,966,736	733,520	1,230,217	7,455,050
Additions during the year	237,978	419,560	105,783	223,779	987,100
- Charges for the year	237,935	388,528	105,322	214,776	946,561
- Other increases	43	31,032	461	9,003	40,539
Decreases during the year	(6,492)	(225,550)	(19,972)	(17,600)	(269,614)
- Disposals	(6,439)	(224,827)	(19,972)	(17,482)	(268,720)
- Other decreases	(53)	(723)	-	(118)	(894)
Closing balance	1,756,063	4,160,746	819,331	1,436,396	8,172,536
Net book value					
Opening balance	3,989,804	541,127	396,020	484,188	5,411,139
Closing balance	4,066,168	691,723	388,916	405,817	5,552,624

Included in tangible fixed assets were assets costing VND5,183,965 million which were fully depreciated as of 31 December 2021, but still in use (31 December 2020: VND4,879,798 million).

14. Intangible fixed assets

Year ended 31 December 2021:

	Land use rights VND million	Copyrights and patents VND million	Others VND million	Total VND million
Cost				
Opening balance	2,502,661	1,664,031	45,188	4,211,880
Additions during the year	10,702	407,587	1,355	419,644
- Purchases	10,702	407,587	1,281	419,570
- Other increases	-	-	74	74
Decreases during the year	(8,620)	(675)	-	(9,295)
- Disposals	-	(664)	-	(664)
- Other decreases	(8,620)	(11)	-	(8,631)
Closing balance	2,504,743	2,070,943	46,543	4,622,229
Accumulated amortisation				
Opening balance	104,485	952,551	26,621	1,083,657
Charges for the year	16,570	445,946	3,303	465,819
- Charges for the year	16,570	445,946	3,229	465,745
- Other increases	-	-	74	74
Decreases during the year	-	(666)	-	(666)
- Disposals	-	(664)	-	(664)
- Other decreases	-	(2)	-	(2)
Closing balance	121,055	1,397,831	29,924	1,548,810
Net book value				
Opening balance	2,398,176	711,480	18,567	3,128,223
Closing balance	2,383,688	673,112	16,619	3,073,419

Included in intangible fixed assets were assets costing VND724,061 million which were fully depreciated as of 31 December 2021, but still in use (31 December 2020: VND670,960 million).

15. Other assets

(a) Receivables

	31/12/2021 VND million	31/12/2020 VND million
Internal receivables	1,680,794	1,653,804
External receivables (i)	14,115,347	5,014,791
	15,796,141	6,668,595

(i) External receivables

	31/12/2021 VND million	31/12/2020 VND million
Advances for purchases of fixed assets	1,155,796	800,898
Receivables from the State Budget in relation to the interest subsidy program	338,989	325,088
Overpaid corporate income tax (Note 38)	307	1,182
Deductible value added tax (Note 38)	12,360	14,251
Advances for other taxes (Note 38)	2	230
Construction in progress (*)	314,690	455,357
Receivables from L/C paid in advance	8,805,446	2,289,583
Other receivables	3,487,757	1,128,202
	14,115,347	5,014,791

(*) Details of construction in progress are follows:

	31/12/2021 VND million	31/12/2020 VND million
Construction in progress	314,690	455,357
<i>In which, major constructions:</i>	<i>226,949</i>	<i>88,986</i>
Dong Thap Branch's office project	40,858	30,431
Phu Tho Branch's office project	36,968	20,111
Bac Lieu Branch's office project	35,761	23,972
Thai Binh Branch's office project	32,730	1,893
Vung Tau Branch's office project	30,631	3,396
Tan Dinh Branch's office project	26,912	2,470
Hoan Kiem Branch's office project	17,998	2,259
Binh Duong Branch's office project	2,028	1,986
Dong Binh Duong Branch's office project	1,707	1,457
Ho Chi Minh City Branch's office project	1,356	1,011

(b) **Accrued interest and fee receivables**

	31/12/2021 VND million	31/12/2020 VND million
From loans to customers	2,373,032	2,381,755
From balances with and loans to other credit institutions	585,970	171,405
From investment securities	3,976,278	4,530,898
From derivative transactions	212,234	120,257
Fees receivable	1,799	1,810
	7,149,313	7,206,125

(c) **Deferred tax assets**

	31/12/2021 VND million	31/12/2020 VND million
Deferred tax assets arising from deductible temporary differences	7,137	909,263

(d) **Other assets**

	31/12/2021 VND million	31/12/2020 VND million
Prepaid expenses for office and fixed assets rental	779,336	802,036
Materials	154,271	141,229
Advances for card payments	2,347,368	1,289,754
Prepaid land rental costs	715,347	726,733
Other assets	2,024,165	2,076,886
	6,020,487	5,036,638
Allowance for other assets	(4,020)	(3,934)
	6,016,467	5,032,704

16. Amounts due to the Government and the State Banks

	31/12/2021 VND million	31/12/2020 VND million
Borrowings from the State Bank of Vietnam	1,749,584	2,347,294
Borrowings on the credit files basis	1,415,715	1,800,563
Other borrowings	333,869	546,731
Deposits from the State Treasury	7,694,274	36,393,923
Demand deposits in VND	201,329	463,641
Demand deposits in foreign currencies	492,945	513,282
Term deposits in VND	7,000,000	35,417,000
Deposits from the State Bank of Vietnam	24,258	2,435,778
	9,468,116	41,176,995

17. Deposits and borrowings from other credit institutions

	31/12/2021 VND million	31/12/2020 VND million
Deposits from other credit institutions	104,043,817	100,916,433
Demand deposits in VND	17,340,108	6,654,782
Demand deposits in foreign currencies	39,719,757	42,123,289
Term deposits in VND	40,870,931	33,600,000
Term deposits in foreign currencies	6,113,021	18,538,362
Borrowings in VND from other CIs	5,713,960	2,667,400
	109,757,777	103,583,833

18. Deposits from customers

	31/12/2021 VND million	31/12/2020 VND million
Demand deposits	367,149,083	307,026,182
Demand deposits in VND	291,799,494	238,209,238
Demand deposits in gold, foreign currencies	75,349,589	68,816,944
Term deposits	730,223,470	693,604,644
Term deposits in VND	659,247,019	614,908,265
Term deposits in gold, foreign currencies	70,976,451	78,696,379
Deposits for specific purposes	31,642,014	27,325,921
Margin deposits	6,309,346	4,156,820
	1,135,323,913	1,032,113,567

Deposits from customers by customer type were as follows:

	31/12/2021 VND million	31/12/2020 VND million
Economic entities	569,423,275	522,325,061
Individuals	565,900,638	509,788,506
	1,135,323,913	1,032,113,567

19. Funds for finance, entrusted investments and entrusted loans

	31/12/2021 VND million	31/12/2020 VND million
Funds for finance, entrusted investments and entrusted loans in VND	7,707	14,679

20. Valuable papers issued

	31/12/2021 VND million	31/12/2020 VND million
Certificates of deposit		
Medium-term in VND	115	115
Bills and bonds		
Short-term in VND	47	47
Short-term in foreign currencies	30	30
Medium-term in VND	6,413,775	10,437,945
Medium-term and long-term in foreign currencies	12	12
Long-term in VND	10,973,768	10,802,048
	17,387,747	21,240,197

21. Other liabilities

(a) Accrued interest and fee payables

	31/12/2021 VND million	31/12/2020 VND million
Interest expense for deposits from customers	8,772,456	9,345,530
Interest expense for deposits and borrowings from other credit institutions	77,968	21,387
Interest expense for valuable papers issued	348,464	365,041
Interest expense for derivative financial instruments	127,446	65,876
	9,326,334	9,797,834

(b) Other liabilities

	31/12/2021 VND million	31/12/2020 VND million
Internal payables (i)	3,748,978	3,914,344
External payables (ii)	16,461,244	15,801,471
Bonus and welfare funds	4,073,378	4,440,162
	24,283,600	24,155,977

(i) *Internal payables*

	31/12/2021 VND million	31/12/2020 VND million
Payables to employees	3,030,508	3,253,225
Other liabilities	718,470	661,119
	3,748,978	3,914,344

(ii) *External payables*

	31/12/2021 VND million	31/12/2020 VND million
Tax payables (Note 38)	833,841	2,191,103
- Corporate income tax payable	598,092	1,927,716
- Value added tax payable	63,025	124,718
- Other taxes payable	172,724	138,669
Unearned income	5,038,432	6,718,012
Payables for construction and acquisition of fixed assets	1,491,780	1,212,030
Deposits in custody relating to pending payments	515,295	205,442
Other payables to customers	924,538	834,760
Other pending items in settlement	147,418	204,272
Payables to the State Budget in relation of interest subsidy program	64,528	64,528
Borrowings from the Ministry of Finance	806,617	906,194
Dividends payable (*)	3,329,224	747,619
Other payables	3,309,571	2,717,511
	16,461,244	15,801,471

(*) On 5 January 2022, the Bank fully paid cash dividend of 2020 to the shareholders in accordance with Resolution No. 609A/NQ-VCB-HDQT dated 9 December 2021 of the Board of Directors.

22. Owners' equity

(a) Changes in owners' equity

	Charter capital	Share premium	Other capital	Supplementary charter capital reserve	Financial reserve	Reserves Investment and development fund	Total	Foreign exchange differences	Retained profits	Non-controlling interest	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Balance at 1/1/2021	37,088,774	4,995,389	344,658	4,961,163	9,893,979	70,661	14,925,803	5,103	36,650,228	85,024	94,094,979
Net profit for the year	-	-	-	-	-	-	-	-	21,918,813	20,232	21,939,045
Statutory reserves temporarily appropriated for 2021 of the Bank	-	-	-	1,059,547	2,119,093	-	3,178,640	-	(3,178,640)	-	-
Bonus and welfare funds temporarily appropriated for 2021 of the Bank	-	-	-	-	-	-	-	-	(2,051,535)	-	(2,051,535)
Adjustments for the appropriation of statutory reserves and bonus and welfare funds according to the Resolution of General Meeting of Shareholders	-	-	-	3,590	7,180	-	10,770	-	(353,991)	-	(343,221)
Adjustments according to the Resolution of the subsidiary	-	-	-	(3,255)	2,018	-	(1,237)	-	(20,274)	(628)	(22,139)
Dividends in cash of 2020 to shareholders (Note 23)	-	-	-	-	-	-	-	-	(4,450,653)	-	(4,450,653)
Dividends according to the Resolution of the subsidiary	-	-	-	-	-	-	-	-	-	(17,250)	(17,250)
Utilisation of reserves during the year	-	-	-	-	(10,285)	-	(10,285)	-	-	-	(10,285)
Statutory reserves temporarily appropriated for 2021 of the subsidiaries	-	-	-	31,786	37,591	-	69,377	-	(69,377)	-	-
Bonus and welfare funds temporarily appropriated for 2021 of the subsidiaries	-	-	-	-	-	-	-	-	(12,489)	-	(12,489)
Foreign currency conversion differences	-	-	-	-	-	-	-	(10,212)	-	(265)	(10,477)
Adjustments for joint-ventures and associates accounted under equity method	-	-	-	-	-	-	-	-	1,602	-	1,602
Other movements	-	-	-	-	-	-	-	-	(184)	-	(184)
Balance at 31/12/2021	37,088,774	4,995,389	344,658	6,052,831	12,049,576	70,661	18,173,068	(5,109)	48,433,500	87,113	109,117,393

(b) Details of shareholders of the Bank

	31/12/2021		31/12/2020	
	VND million	%	VND million	%
Ordinary shares				
The Government of Vietnam	27,743,534	74.80%	27,743,534	74.80%
Foreign strategic shareholder (Mizuho Bank Ltd., Japan)	5,563,349	15.00%	5,563,349	15.00%
Other shareholders	3,781,891	10.20%	3,781,891	10.20%
	37,088,774	100%	37,088,774	100%

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

	31/12/2021		31/12/2020	
	Number of shares	VND million	Number of shares	VND million
Authorised share capital	3,708,877,448	37,088,774	3,708,877,448	37,088,774
Issued share capital				
Ordinary shares	3,708,877,448	37,088,774	3,708,877,448	37,088,774
Outstanding shares in circulation				
Ordinary shares	3,708,877,448	37,088,774	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. 14/TN2021/NQ-DHDCD dated 23 April 2021, the Bank's General Shareholders approved for the authorisation to the Bank's Board of Directors to implement profit distribution of 2020 following to official opinion of the SBV. On 9 December 2021, the Bank's Board of Directors issued Resolution No. 609/NQ-VCB-HDQT approving dividend distribution plan of 2020 with dividend in cash of 12% par value, equivalent to VND4,450,653 million and share dividend equivalent to VND8,565,378 million. Also on 9 December 2021, the Bank's Board of Directors issued Resolution No. 609A/NQ-VCB-HDQT approving implementation plan for paying cash dividend of 2020 and share dividend of 2019. The Bank fully paid cash dividend of 2020 to shareholders (12%) on 5 January 2022 and completed the payment of share dividend of 2019 (27.6%) on 6 January 2022.

24. Interest and similar income

	2021 VND million	2020 VND million
Interest income from loans to customers	59,307,940	56,056,454
Interest income from deposits	1,781,197	2,362,665
Interest income from trading and investing in debt securities	8,138,973	9,405,447
- from investment securities	7,980,833	9,197,858
- from trading securities	158,140	207,589
Interest income from finance leases	307,677	330,131
Fees from guarantee activities	476,100	448,022
Other income from credit activities	737,115	602,415
	70,749,002	69,205,134

25. Interest and similar expenses

	2021 VND million	2020 VND million
Interest expense on deposits	26,588,386	31,150,286
Interest expense on borrowings	283,757	197,705
Interest expense on valuable papers issued	1,427,850	1,503,840
Other expenses on credit activities	49,392	67,828
	28,349,385	32,919,659

26. Net fee and commission income

	2021 VND million	2020 VND million
Fee and commission income from		
Settlement services	5,984,352	6,017,661
Treasury services	68,340	74,593
Entrustment and agency activities	35,404	9,289
Other services	5,198,420	4,486,620
	11,286,516	10,588,163
Fee and commission expenses for		
Settlement services	(2,998,989)	(3,192,493)
Treasury services	(119,558)	(109,932)
Telecommunication services	(136,648)	(125,174)
Entrustment and agency activities	(12,085)	(6,107)
Other services	(612,163)	(547,140)
	(3,879,443)	(3,980,846)
	7,407,073	6,607,317

27. Net gain from trading of foreign currencies

	2021 VND million	2020 VND million
Gains from trading of foreign currencies		
From spot currency to contracts	8,202,819	6,841,473
From currency derivative financial instruments	451,852	650,399
From foreign exchange differences	371,356	474,545
From revaluation of derivative contracts	669,968	6,541
	9,695,995	7,972,958
Losses on trading of foreign currencies		
From spot currency to contracts	(3,357,381)	(2,913,034)
From currency derivative financial instruments	(1,374,802)	(1,068,516)
From foreign exchange differences	(539,283)	(39,477)
From revaluation of derivative contracts	(49,709)	(45,532)
	(5,321,175)	(4,066,559)
	4,374,820	3,906,399

28. Net gain from trading securities

	2021 VND million	2020 VND million
Income from trading securities	191,383	113,299
Expenses for trading securities	(68,636)	(162,191)
Allowance (made)/reversed for trading securities (Note 7)	(18,633)	50,702
	104,114	1,810

29. Net loss from investment securities

	2021 VND million	2020 VND million
Income from investment securities	1,270	-
Allowance made for available-for-sale investment securities (Note 11(a))	(86,396)	(98)
	(85,126)	(98)

30. Net other income

	2021 VND million	2020 VND million
Other income		
Income from recoveries of loans previously written off	2,912,230	2,421,725
Income from interest rate swap transactions	-	195
Other income	188,140	122,794
	3,100,370	2,544,714
Other expenses		
Expenses on interest rate swap transactions	(206,197)	(117,968)
Expenses on debts trading activities	(138)	(171)
Expenses on social activities	(426,725)	(301,184)
Other expenses	(74,049)	(325,138)
	(707,109)	(744,461)
	2,393,261	1,800,253

31. Income from capital contributions and equity investments

	2021 VND million	2020 VND million
Dividend income from equity investments (Note 34(a))	93,953	83,959
- <i>Dividend income from capital contribution, share purchases</i>	81,390	69,684
- <i>Dividend income from trading equity securities</i>	12,563	14,275
Profit from disposals of equity investments	3,927	335,274
Share of profits from equity accounted investments in joint- ventures and associates (Note 34(a))	31,930	42,152
	129,810	461,385

32. Operating expenses

	2021 VND million	2020 VND million
Tax, duties and fees	246,056	246,322
Salaries and related expenses	9,586,008	8,603,051
<i>Of which:</i>		
- <i>Salary and allowances (Note 37)</i>	8,499,318	7,674,765
- <i>Contributions based on salary</i>	719,808	683,529
- <i>Other allowances</i>	5,882	5,868
Expenses on assets	3,462,426	2,902,528
<i>Of which:</i>		
- <i>Depreciation of fixed assets</i>	1,412,306	1,168,499
Administrative expenses	3,496,591	3,603,531
Insurance expense for deposits from customers	711,257	631,788
Other expenses	71,850	51,030
	17,574,188	16,038,250

33. Allowance for credit losses

	2021 VND million	2020 VND million
Allowance for balances with and loans to other credit institutions		
Allowance made/(reversed) (Note 6)	3,000,000	(2,000,000)
General allowance for loans to customers		
Allowance made (Note 10)	1,217,908	613,274
Specific allowance for loans to customers		
Allowance made (Note 10)	8,054,170	11,201,979
General allowance for unlisted corporate bonds		
Allowance (reversed)/made for available-for-sale securities (Note 11(a))	(193,478)	69,353
Allowance (reversed)/made for held-to-maturity securities (Note 11(b))	(317,799)	90,124
	11,760,801	9,974,730

34. Corporate income tax

(a) Reconciliation of effective tax rate

	2021 VND million	2020 VND million
Profit before tax	27,388,580	23,049,561
<i>Adjustments:</i>		
Taxable income of subsidiaries	(938,679)	(481,245)
Dividends received during the year (Note 31)	(93,953)	(83,959)
Share of profits from investments in joint-ventures and associates under the equity method (Note 31)	(31,930)	(42,152)
Tax exempt income from consolidation adjustments	(8,411)	(36,959)
Non-deductible expenses	2,728	4,518,833
Reversal of non-deductible expenses of the prior year	(4,511,958)	(2,000,000)
Taxable income	21,806,377	24,924,079
Corporate income tax rate	20%	20%
Corporate income tax of the Bank (tax rate: 20%)	4,361,275	4,984,816
Corporate income tax of subsidiaries	183,968	96,252
Income tax payable on profits received from overseas subsidiaries	2,120	-
Current corporate income tax expense for the year	4,547,363	5,081,068

(b) Deferred corporate income tax expense

	2021 VND million	2020 VND million
Deferred corporate income tax expense arising from deductible temporary differences	902,172	(504,025)

(c) Applicable tax rates

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

35. Basic earnings per share

(a) Net profit used for calculating basic earnings per share

	2021 VND million	2020 VND million (restated)	2020 VND million (as previously reported)
Net profit for the year	21,918,813	18,451,311	18,451,311
Appropriation to bonus and welfare funds (*)	(2,064,024)	(2,423,361)	(1,871,407)
Net profit attributable to the ordinary shareholders for the year	19,854,789	16,027,950	16,579,904

(*) Bonus and welfare funds are temporarily appropriated at the year-end. Therefore, net profit used for calculating basic earnings per share for the years ended 31 December was deducted the amount appropriated to bonus and welfare funds for the respective year.

(b) Weighted average number of ordinary shares

	2021 Number of shares	2020 Number of shares (restated)	2020 Number of shares (as previously reported)
Issued ordinary shares at 1 January	3,708,877,448	3,708,877,448	3,708,877,448
Effect of share dividends (i)	1,023,639,123	1,023,639,123	-
Weighted average number of outstanding ordinary shares for the year	4,732,516,571	4,732,516,571	3,708,877,448

(i) The restatement takes into consideration effect of shares issuance to pay dividends in accordance with Resolution No. 609A/NQ-VCB-HDQT dated 9 December 2021 of the Board of Directors approving for paying the share dividend of 2019 with the rate of 27.6%. The Bank completed the share issuance to pay dividends on 6 January 2022. Refer to Note 45.

(c) Basic earnings per share

	2021	2020 (restated)	2020 (as previously reported)
Basic earnings per share (VND/share)	4,195	3,387	4,470

36. Cash and cash equivalents

	31/12/2021 VND million	31/12/2020 VND million
Cash on hand, gold, silver and gemstones	18,011,766	15,095,394
Balances with the State Banks	22,506,711	33,139,373
Balances with and loans to other credit institutions with original term not exceeding 3 months	192,035,518	244,347,935
	<u>232,553,995</u>	<u>292,582,702</u>

37. Employees' benefits

	2021	2020
Total number of employees (person)	<u>21,670</u>	<u>20,062</u>
Employees' income		
Total salary and allowance (VND million) (Note 32)	<u>8,499,318</u>	<u>7,674,765</u>
Monthly average income/person (VND million)	<u>32.68</u>	<u>31.88</u>

38. Obligations to the State Budget

	Balance at 1/1/2021 VND million	Movements during the year		Balance at 31/12/2021		
		Incurred VND million	Paid VND million	Payables VND million	Advances VND million	Total VND million
Value added tax	110,467	524,553	(584,355)	63,025	(12,360)	50,665
Current corporate income tax	1,926,534	4,549,053	(5,877,802)	598,092	(307)	597,785
In which:						
- Corporate income tax of Vietcombank	1,926,606	4,547,363	(5,876,525)	597,444	-	597,444
- Adjustments on tax of previous years	(14)	1,689	(1,277)	648	(250)	398
- Vinafico's tax obligation in 2008	(58)	1	-	-	(57)	(57)
Other taxes	138,439	1,512,506	(1,478,223)	172,724	(2)	172,722
	2,175,440	6,586,112	(7,940,380)	833,841	(12,669)	821,172

39. Assets and valuable papers for pledging, mortgaging and discount, re-discount

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

	31/12/2021 VND million	31/12/2020 VND million
Deposits	138,879,634	124,105,909
Valuable papers	63,043,823	93,030,576
Real estate	1,162,890,412	957,536,579
Other collaterals	268,181,578	266,888,049
	1,632,995,447	1,441,561,113

40. Contingent liabilities and other commitments

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

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

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

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

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

Vietcombank normally requires margin deposits to support credit-related financial instruments as necessary. The margin deposits ratio required varies from 0% to 100% of the value of a commitment granted depending on the creditworthiness of customers as assessed by Vietcombank.

41. Significant transactions and balances with related parties

(a) Significant transactions with related parties

	Relationship	2021 VND million Income/(expense)	2020 VND million Income/(expense)
The State Bank of Vietnam	Representative of owner		
Interest income from deposits		107,034	147,042
Interest expense on deposits and borrowings		(70,677)	(107,008)
The Ministry of Finance	Related party of owner		
Interest expense on deposits		(120,582)	(539,434)
Interest expense on borrowings		(18,870)	(34,167)

(b) Significant balances with related parties

	Relationship	31/12/2021 VND million Receivable/(payable)	31/12/2020 VND million Receivable/(payable)
The State Bank of Vietnam	Representative of owner		
Deposits at the SBV		22,311,693	33,010,030
Deposits and borrowings from the SBV		(1,773,842)	(4,783,072)
The Ministry of Finance	Related party of owner		
Deposits at the Bank		(7,694,274)	(36,393,923)
Borrowings from the Ministry of Finance		(806,617)	(906,194)
Mizuho Bank Ltd., Japan	Strategic shareholder		
Deposits at Mizuho Bank Ltd., Japan		1,910,189	9,711,861
Deposits from Mizuho Bank Ltd., Japan		(694,909)	(4,236,034)

42. Disclosure of remuneration for members of the Board of Directors and members of the Supervisory Board and salary for members of the Board of Management

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

	2021 VND million	2020 VND million
Members of the Board of Directors	13,678	13,792
Members of the Supervisory Board	3,860	3,651
Members of the Board of Management	17,348	14,710
	34,886	32,153

The average salary in 2021 of Vietcombank's responsible managers (including the Chairman of the Board of Directors, members of the Board of Directors, CEO, Deputy CEO, Chief Accountant, members of the Supervisory Board) is VND203 million/person/month, the average remuneration of independent members of the Board of Directors is VND40.6 million/month. The salary fund for managers in 2021 is VND48.72 billion.

The above salary level was approved by the SBV under Official Letter No. 5580/NHNN-TCCB dated 3 August 2021 regarding the 2021 salary budget of Joint Stock Commercial Bank for Foreign Trade of Vietnam.

43. Segment reporting

(a) Geographical segment

Year ended 31 December 2021

	The North (*)	The Central and Highland	The South	Overseas	Elimination	Total
	VND million	VND million	VND million	VND million	VND million	VND million
1 Interest and similar income	88,090,126	16,632,624	48,626,402	110,246	(82,710,396)	70,749,002
2 Interest and similar expenses	(71,973,457)	(9,966,676)	(29,133,907)	(2,597)	82,727,252	(28,349,385)
I Net interest income	16,116,669	6,665,948	19,492,495	107,649	16,856	42,399,617
3 Fee and commission income	8,334,535	753,894	2,797,100	101,264	(700,277)	11,286,516
4 Fee and commission expenses	(4,268,235)	(38,053)	(106,110)	(29,088)	562,043	(3,879,443)
II Net fee and commission income	4,066,300	715,841	2,690,990	72,176	(138,234)	7,407,073
III Net gain from trading of foreign currencies	2,876,025	169,193	1,326,945	2,657	-	4,374,820
IV Net gain from trading securities	108,130	-	-	-	(4,016)	104,114
V Net loss from investment securities	(85,126)	-	-	-	-	(85,126)
5 Other income	1,358,589	623,009	1,100,765	18,007	-	3,100,370
6 Other expenses	(513,671)	(85,168)	(108,270)	-	-	(707,109)
VI Net other income	844,918	537,841	992,495	18,007	-	2,393,261
VII Income from capital contributions and equity investments	129,810	-	-	-	-	129,810
Total operating income	24,056,726	8,088,823	24,502,925	200,489	(125,394)	56,723,569
VIII Total operating expenses	(11,438,928)	(1,695,398)	(4,477,411)	(100,685)	138,234	(17,574,188)
IX Net operating profit before allowance for credit losses	12,617,798	6,393,425	20,025,514	99,804	12,840	39,149,381
X Allowance for credit losses	(9,163,200)	(537,820)	(2,028,395)	(31,386)	-	(11,760,801)
XI Profit before tax	3,454,598	5,855,605	17,997,119	68,418	12,840	27,388,580
7 Current corporate income tax expense	233,728	(1,171,121)	(3,599,998)	(9,972)	-	(4,547,363)
8 Deferred income tax expense	(902,172)	-	-	-	-	(902,172)
XII Corporate income tax expenses	(668,444)	(1,171,121)	(3,599,998)	(9,972)	-	(5,449,535)
XIII Profit after tax	2,786,154	4,684,484	14,397,121	58,446	12,840	21,939,045

(*) As at 31 December 2021, the Bank's Head Office in the North made several payments of operating expenses for the entire system but did not allocate such expenses to the units within the Bank.

43. Segment reporting (continued)

(b) Business segment

Year ended 31 December 2021:

	Banking financial services VND million	Non-banking financial services VND million	Securities VND million	Others VND million	Elimination VND million	Total VND million
1 Interest and similar income	152,611,731	363,211	451,213	33,243	(82,710,396)	70,749,002
2 Interest and similar expenses	(110,754,826)	(116,867)	(189,021)	(15,923)	82,727,252	(28,349,385)
I Net interest income	41,856,905	246,344	262,192	17,320	16,856	42,399,617
3 Fee and commission income	11,065,250	7,911	654,029	259,603	(700,277)	11,286,516
4 Fee and commission expenses	(4,244,793)	(1,149)	(119,797)	(75,747)	562,043	(3,879,443)
II Net fee and commission income	6,820,457	6,762	534,232	183,856	(138,234)	7,407,073
III Net gain/(loss) from trading of foreign currencies	4,375,901	(1,081)	-	-	-	4,374,820
IV Net (loss)/gain from trading securities	(14,205)	-	122,335	-	(4,016)	104,114
IV Net (loss)/gain from investment securities	(86,287)	-	1,161	-	-	(85,126)
5 Other income	3,058,390	30,676	5,233	6,071	-	3,100,370
6 Other expenses	(698,962)	-	(8,141)	(6)	-	(707,109)
VI Net other income	2,359,428	30,676	(2,908)	6,065	-	2,393,261
VII Income from capital contributions and equity investments	117,247	-	12,563	-	-	129,810
Total operating income	55,429,446	282,701	929,575	207,241	(125,394)	56,723,569
VIII Total operating expenses	(17,189,758)	(136,582)	(281,900)	(104,182)	138,234	(17,574,188)
IX Net operating profit before allowance for credit losses	38,239,688	146,119	647,675	103,059	12,840	39,149,381
X Allowance for credit losses	(11,762,197)	1,396	-	-	-	(11,760,801)
XI Profit before tax	26,477,491	147,515	647,675	103,059	12,840	27,388,580
7 Current corporate income tax expense	(4,373,159)	(29,231)	(127,264)	(17,709)	-	(4,547,363)
8 Deferred income tax expense	(902,392)	-	220	-	-	(902,172)
XII Corporate income tax expenses	(5,275,551)	(29,231)	(127,044)	(17,709)	-	(5,449,535)
XIII Profit after tax	21,201,940	118,284	520,631	85,350	12,840	21,939,045

44. Disclosures of financial instruments

(a) Collateral disclosure

Vietcombank does not hold collaterals which are allowed to be sold or re-pledged in the absence of default by the owner of the collaterals.

(b) Fair value disclosure

Circular 210 requires disclosures on fair value measurement method and related information of financial assets and financial liabilities for the purpose of comparing the carrying values and fair values.

The following table presents carrying value and fair value of Vietcombank's financial assets and liabilities as at 31 December 2021:

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

44. Disclosures of financial instruments (continued)

(b) Fair value disclosure (continued)

As at 31 December 2021

		Carrying value - gross				Total	
		Held for trading	Held-to-maturity	Loans and receivables	Available-for-sale	Recognised at amortised cost	Fair value
		VND million	VND million	VND million	VND million	VND million	VND million
Financial assets							
I	Cash on hand, gold, silver and gemstones	-	-	18,011,766	-	-	18,011,766
II	Balances with the State Banks	-	-	22,506,711	-	-	22,506,711
III	Balances with and loans to other credit institutions	-	-	229,764,546	-	-	229,764,546
IV	Trading securities	2,822,531	-	-	-	-	2,822,531
V	Derivative financial instruments and other financial assets	303,202	-	-	-	-	303,202
VI	Loans to customers	-	-	960,749,955	-	-	960,749,955
VIII	Investment securities	-	99,657,595	-	71,122,502	-	170,780,097
IX	Capital contributions, long-term investments	-	-	-	1,661,461	-	1,661,461
XII	Other financial assets	-	-	23,698,763	-	-	23,698,763
		3,125,733	99,657,595	1,254,731,741	72,783,963	-	1,430,299,032
Financial liabilities							
I	Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	-	-	-	-	119,225,893	119,225,893
II	Deposits from customers	-	-	-	-	1,135,323,913	1,135,323,913
IV	Funds for finance, entrusted investments and entrusted loans	-	-	-	-	7,707	7,707
V	Valuable papers issued	-	-	-	-	17,387,747	17,387,747
VI	Other financial liabilities	-	-	-	-	16,586,083	16,586,083
		-	-	-	-	1,288,531,343	1,288,531,343

(*) 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.

44. Disclosures of financial instruments (continued)

(c) Risk management policies for financial instruments

The Board of Directors has the highest authority and responsibilities for Vietcombank's financial risk management to facilitate its sustainable growth.

Having taken those responsibilities, the Board of Directors appropriately promulgates risk management policies and strategies for each period, establishes risk limits, directly approves high-value business transactions in accordance with legal and internal requirements for each period, and determines organisational structure and key personnel positions.

Risk management strategies and policies of the Board of Directors are adhered to Vietcombank's charter and General Shareholders' Meeting resolution for each period.

The Risk Management Committee was established by the Board of Directors to assist the Board of Directors in managing all risks that may arise from Vietcombank's day-to-day business operations.

The Asset and Liability Credit and Operational Risk Committee ("ALCO") was established and chaired by the Chief Executive Officer. ALCO members are key personnel of the Bank being in-charge of risk management.

ALCO is responsible for comprehensively monitoring and managing assets and liabilities in the consolidated and separate balance sheet of Vietcombank in order to maximise profit while minimising losses arising from negative market trends, manage liquidity risk and appropriately direct interest and foreign exchange rate schemes.

Within its authority, ALCO has the authority to make risk management decisions.

(i) Credit risk

Vietcombank is exposed to credit risk, which is the risk of incurring a loss because its customers or counterparties fail to discharge their contractual obligations. Credit exposures arise mainly in lending activities relating to loans to customers, and in investments in debt securities. Off-balance sheet financial instruments, such as loan commitments, also contain credit risk. Vietcombank controls and manages credit risk by setting up related policies and procedures, including the credit risk management policies and operational risk management policy by the Risk Management Committee and Credit Committee.

Vietcombank classifies loans to customers and other credit institutions, off-balance sheet commitments, entrusted loans and unlisted corporate bonds in accordance with Circular 11 (Note 2(i)), and regularly assesses credit risks of non-performing loans in order to have appropriate resolutions.

In order to manage credit risks, Vietcombank has established policies and procedures relating to credit risk management; established credit manuals; performed credit risk assessment; set up internal credit rating systems and loan classification and decentralised authorisation in credit activities.

44. Disclosures of financial instruments (continued)

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

(i) Credit risk (continued)

Vietcombank's maximum exposure amounts to credit risk as at 31 December 2021, excluding collaterals and credit risk mitigations as follows:

	Neither past due nor impaired	Past due but not impaired	Impaired and allowance made	Total
	VND million	VND million	VND million	VND million
Balances with the State Banks	22,506,711	-	-	22,506,711
Balances with and loans to other CIs – gross	225,764,546	-	4,000,000	229,764,546
Balances with other CIs	181,036,981	-	-	181,036,981
Loans to other CIs	44,727,565	-	4,000,000	48,727,565
Trading securities - gross	2,492,178	-	-	2,492,178
Loans to customers – gross	915,069,549	9,427,931	36,252,475	960,749,955
Investment securities – gross	170,771,907	-	-	170,771,907
Available-for-sale securities	71,114,312	-	-	71,114,312
Held-to-maturity securities	99,657,595	-	-	99,657,595
Other assets	23,694,743	-	4,020	23,698,763
	1,360,299,634	9,427,931	40,256,495	1,409,984,060

Description and the carrying value of collaterals held by Vietcombank at the reporting date are described in Note 39.

44. Disclosures 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 date of the items in the consolidated balance sheet.

The following assumptions and conditions have been adopted in the analysis of actual interest re-pricing term of asset and liabilities items in the consolidated balance sheet of Vietcombank:

- Cash, gold, silver and gemstones, capital contributions, long-term investments, and other assets (including fixed assets and other assets) are classified as free of interest items;
- Trading securities being 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 Vietcombank’s assets and liabilities as at 31 December 2021:

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

44. Disclosures 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
Assets									
I Cash on hand, gold, silver and gemstones	-	18,011,766	-	-	-	-	-	-	18,011,766
II Balances with the State Banks	-	-	22,506,711	-	-	-	-	-	22,506,711
III Balances with and loans to other	-	-	-	-	-	-	-	-	-
IV CLs – gross	-	10,669	183,794,282	34,952,243	7,715,554	3,291,798	-	-	229,764,546
V Trading securities – gross	-	330,353	2,492,178	-	-	-	-	-	2,822,531
VI Derivative financial instruments and other financial assets	-	303,202	-	-	-	-	-	-	303,202
VII Loans to customers – gross	14,993,990	-	172,448,117	310,676,371	260,819,163	98,564,288	98,299,142	4,948,884	960,749,955
VIII Investment securities – gross	-	8,190	2,111,059	3,324,665	17,325,548	16,855,031	102,658,355	28,497,249	170,780,097
IX Capital contributions, long-term investments – gross	-	2,421,176	-	-	-	-	-	-	2,421,176
X Fixed assets	-	8,626,043	-	-	-	-	-	-	8,626,043
Other assets – gross	-	28,973,078	-	-	-	-	-	-	28,973,078
Total assets	14,993,990	58,684,477	383,352,347	348,953,279	285,860,265	118,711,117	200,957,497	33,446,133	1,444,959,105

Liabilities

I Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	-	-	106,192,785	10,750,186	1,900,858	382,064	-	-	119,225,893
II Deposits from customers	-	150,208	640,725,084	171,006,753	128,539,559	175,235,307	19,662,565	4,437	1,135,323,913
IV Funds for finance, entrusted investments and entrusted loans	-	-	-	-	-	-	7,707	-	7,707
V Valuable papers issued	-	-	459	-	3,000,000	6,022,518	2,999,770	5,365,000	17,387,747
VI Other liabilities	-	32,803,317	739,171	67,446	-	-	-	-	33,609,934
Total liabilities	-	32,953,525	747,657,499	181,824,385	133,440,417	181,639,889	22,670,042	5,369,437	1,305,555,194
Interest sensitivity gap – on balance sheet	14,993,990	25,730,952	(364,305,152)	167,128,894	152,419,848	(62,928,772)	178,287,455	28,076,696	139,403,911

44. Disclosures 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 Vietcombank transacts is VND. Vietcombank's loans to customers are mainly denominated in VND, USD and EUR. Some of Vietcombank's other assets and other liabilities are in currencies other than VND, USD and EUR. Vietcombank has set limits on currency positions based on its internal risk management system and relevant statutory requirements stipulated by the SBV. Currency positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

The followings are the major exchange rates applied by Vietcombank at the reporting date:

	Exchange rate as at	
	31/12/2021	31/12/2020
USD/VND	22,780	23,125
EUR/VND	25,969	28,499

The following table presents Vietcombank's assets and liabilities denominated in foreign currencies that were converted into VND as at 31 December 2021:

44. Disclosures 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	VND million	VND million	VND million	VND million	VND million
Assets										
I Cash on hand, gold, silver and gemstones	14,703,937	2,641,854		340,080		325,895		18,011,766		
II Balances with the State Banks	11,152,830	11,252,471		-		101,410		22,506,711		
III Balances with and loans to other CIs – gross	146,723,738	69,219,626		3,763,009		10,058,173		229,764,546		
IV Trading securities – gross	2,822,531	-		-		-		2,822,531		
V Derivative financial instruments and other financial assets	37,484,864	(37,199,449)		71		17,716		303,202		
VI Loans to customers – gross	845,200,615	113,074,620		1,424,830		1,049,890		960,749,955		
VII Investment securities – gross	148,000,097	22,780,000		-		-		170,780,097		
VIII Capital contributions, long-term investments – gross	2,421,176	-		-		-		2,421,176		
IX Fixed assets	8,584,402	34,855		-		6,786		8,626,043		
X Other assets – gross	25,975,824	2,915,758		1,417		80,079		28,973,078		
Total assets	1,243,070,014	184,719,735		5,529,407		11,639,949		1,444,959,105		
Liabilities										
I Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	72,875,914	36,744,634		1,497,186		8,108,159		119,225,893		
II Deposits from customers	984,153,159	143,954,865		4,092,955		3,122,934		1,135,323,913		
IV Funds for finance, entrusted investments and entrusted loans	7,707	-		-		-		7,707		
V Valuable papers issued	17,387,705	42		-		-		17,387,747		
VI Other liabilities	32,160,137	1,268,727		86,977		94,093		33,609,934		
Total liabilities	1,106,584,622	181,968,268		5,677,118		11,325,186		1,305,555,194		
Currency position on balance sheet	136,485,392	2,751,467		(147,711)		314,763		139,403,911		

44. Disclosures of financial instruments (continued)

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

(iv) Liquidity risk

Liquidity risk occurs when Vietcombank fails to fulfil its financial commitments with customers or counterparties due to unavailability of funds or liquidity.

The maturity of assets and liabilities represents the remaining terms of these assets and liabilities from the end of the annual accounting period to the maturity date according to the underlying contractual agreements or term of issuance.

The following assumptions and conditions have been adopted in the preparation of Vietcombank's assets and liabilities maturity analysis in the consolidated balance sheet:

- Balances with the SBV are considered as current accounts with maturity less than one month, including the compulsory deposits;
- The maturity of trading securities is considered to have maturity of less than one month because they are held in the short term for profit taking on 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 loan/deposit contract is extended;
- The maturity of capital contributions, equity investments is considered to be over five years as equity investments have no specified 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, demand deposits of other credit institutions at Vietcombank and current accounts of Vietcombank at other credit institutions paid upon customers' demand are considered to be demand deposits, the maturity of term deposits and borrowings is based on the contractual maturity date. In practice, such items may be rolled over and maintained for longer period.

The following table analyses the remaining terms to maturity of Vietcombank's assets and liabilities from 31 December 2021:

44. Disclosures of financial instruments (continued)

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

(iv) Liquidity risk (continued)

		Overdue		Current					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	Over 5 years	
		VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Assets									
I	Cash on hand, gold, silver and gemstones	-	-	18,011,766	-	-	-	-	18,011,766
II	Balances with the State Banks	-	-	22,506,711	-	-	-	-	22,506,711
III	Balances with and loans to other credit institutions – gross	-	-	183,804,951	34,952,243	10,332,042	675,310	-	229,764,546
IV	Trading securities – gross	-	-	2,822,531	-	-	-	-	2,822,531
V	Derivative financial instruments and other financial assets	-	-	-	303,202	-	-	-	303,202
VI	Loans to customers – gross	2,295,917	12,698,073	62,283,447	181,948,352	306,657,758	155,036,446	239,829,962	960,749,955
VII	Investment securities – gross	-	-	969,249	2,716,665	21,755,579	106,336,355	39,002,249	170,780,097
VIII	Capital contributions, long-term investments – gross	-	-	-	-	-	-	2,421,176	2,421,176
IX	Fixed assets	-	-	-	-	-	-	8,626,043	8,626,043
X	Other assets – gross	-	-	-	28,973,078	-	-	-	28,973,078
	Total assets	2,295,917	12,698,073	290,398,655	248,893,540	338,745,379	262,048,111	289,879,430	1,444,959,105
Liabilities									
I	Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	-	-	105,859,143	10,751,763	1,634,460	937,407	43,120	119,225,893
II	Deposits from customers	-	-	282,882,615	186,742,490	322,343,976	46,328,445	297,026,387	1,135,323,913
IV	Funds for finance, entrusted investments and entrusted loans	-	-	-	-	-	7,707	-	7,707
V	Valuable papers issued	-	-	905	-	3,000,000	5,788,750	8,598,092	17,387,747
VI	Other liabilities	-	-	3,573,962	22,019,883	7,078,607	-	937,482	33,609,934
	Total liabilities	-	-	392,316,625	219,514,136	334,057,043	53,062,309	306,605,081	1,305,555,194
	Net liquidity gap	2,295,917	12,698,073	(101,917,970)	29,379,404	4,688,336	208,985,802	(16,725,651)	139,403,911

45. Subsequent events

On 6 January 2022, the Bank completed the payment of share dividend from the retained profit of 2019 at the rate of 27.6%. According to the Report on results of shares issuance to pay dividends No. 2061/VCB-CLTG&TKTH dated 6 January 2021 of the Bank and Official Letter No. 218/UBCKNN-QLCB dated 12 January 2022 of the State Securities Commission of Vietnam in relation to the report on results of the shares issuance to pay dividends of the Bank, the number of shares distributed is 1,023,639,123 shares. Accordingly, the total number of shares after the share issuance to pay dividends is 4,732,516,571 shares. The effect of this event on basic earnings per share was disclosed in Note 35.

Except for the above event, until the issuance date of these consolidated financial statements, there was no significant event subsequent to 31 December 2021 that may have material effect to financial position of Vietcombank and require adjustments or disclosures in the on consolidated financial statements for the year ended 31 December 2021.

46. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Management of the Bank on 21 March 2022.

Hanoi, 21 March 2022

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