

Joint Stock Commercial Bank for Foreign Trade of Vietnam

Consolidated financial statements
for the year ended 31 December 2022



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Joint Stock Commercial Bank for Foreign Trade of Vietnam

Content

	<i>Pages</i>
Bank's Information	1 – 2
Report of the Board of Management	3
Independent Auditor's Report	4 – 5
Consolidated statement of financial position	6 – 8
Consolidated income statement	9 – 10
Consolidated cash flow statement	11 – 12
Notes to the consolidated financial statements	13 – 82

Joint Stock Commercial Bank for Foreign Trade of Vietnam Bank's 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, Decision No. 2447/QD-NHNN dated 25 November 2019, Decision No. 346/QD-NHNN dated 10 March 2022 and Decision No. 700/QD-NHNN dated 19 April 2022 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 15th time on 14 April 2022.

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. Nguyen Thanh Tung	Member	Appointed on 30 January 2023
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. Pham Anh Tuan	Member	Resigned on 1 December 2022
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. Nguyen Thanh Tung	Chief Executive Officer ("CEO")	Appointed on 30 January 2023
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 1 June 2020
Ms. Phung Nguyen Hai Yen	Deputy CEO	Re-appointed on 15 December 2022
Mr. Le Quang Vinh	Deputy CEO	Re-appointed on 15 December 2022
Mr. Dang Hoai Duc	Deputy CEO	Appointed on 1 April 2019
Mr. Shorijo Mizoguchi	Deputy CEO	Appointed on 23 April 2021
Mr. Nguyen Viet Cuong	Deputy CEO	Appointed on 26 April 2022

Joint Stock Commercial Bank for Foreign Trade of Vietnam
Bank's 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
Ms. Tran My Hanh	Member	Appointed on 29 April 2022

Chief Accountant	Mr. Le Hoang Tung Re-appointed on 15 December 2022
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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 <i>(According to Letter of Authorisation No. 337/UQ-VCB-CSTCKT dated 29 September 2021)</i>	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	Ernst & Young Vietnam Limited
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Joint Stock Commercial Bank for Foreign Trade of Vietnam Report of the Board of Management

The Board of Management of Joint Stock Commercial Bank for Foreign Trade of Vietnam (“the Bank”) is pleased to present this report and the consolidated financial statements of the Bank and its subsidiaries for year ended 31 December 2022.

The Board of Management’s responsibility in respect of the consolidated financial statements

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank and its subsidiaries will continue their business.

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

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

Statement by the Board of Management

The Board of Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2022 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 for Credit Institutions issued by the State Bank of Vietnam and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements .

For and on behalf of the Board of Management:



Ms. Phung Nguyen Hai Yen
Deputy CEO

Hanoi, 31 March 2023

Reference: 60755043/23046448-HN

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of
 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 as prepared on 31 March 2023 and set out on pages 6 to 82, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

The Board of Management's responsibility

The Board of Management of the Bank is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and statutory requirements relevant to preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 of the Bank and its subsidiaries are free from material misstatement.

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

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

Opinion


In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2022, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of consolidated financial statements.

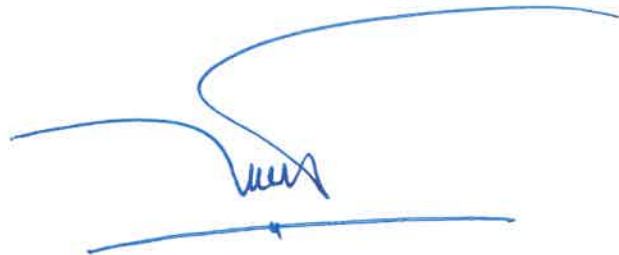
Other Matter

The consolidated financial statements of the Bank and its subsidiaries for the year ended 31 December 2021 were audited by another audit firm which expressed an unmodified opinion on those statements on 21 March 2022.

Ernst & Young Vietnam Limited




Đặng Phương Ha
Deputy General Director
Audit Practicing Registration
Certificate No. 2400-2023-004-1



Nguyen Van Trung
Auditor
Audit Practicing Registration
Certificate No. 3847-2021-004-1

Hanoi, Vietnam

31 March 2023

Joint Stock Commercial Bank for Foreign Trade of Vietnam
198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam
Consolidated statement of financial position as at 31 December 2022

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

No.	Items	Note	31/12/2022 VND million	31/12/2021 VND million (restated)
A	ASSETS			
I	Cash, gold, silver and gemstones	4	18,348,534	18,011,766
II	Balances with the State Banks	5	92,557,809	22,506,711
III	Balances with and loans to other credit institutions	6	313,637,444	225,811,765
1	Balances with other credit institutions		283,727,719	181,036,981
2	Loans to other credit institutions		40,749,725	48,727,565
3	Provision for balances with and loans to other credit institutions		(10,840,000)	(3,952,781)
IV	Trading securities	7	1,499,687	2,799,649
1	Trading securities		1,543,575	2,856,082
2	Provision for trading securities		(43,888)	(56,433)
V	Derivatives and other financial assets	8	156,515	303,202
VI	Loans to customers		1,120,286,832	935,009,671
1	Loans to customers	9	1,145,066,250	960,749,955
2	Provision for loans to customers	10	(24,779,418)	(25,740,284)
VIII	Investment securities	11	196,171,213	170,596,896
1	Available-for-sale securities		100,739,670	71,114,698
2	Held-to-maturity securities		95,513,376	99,657,595
3	Provision for investment securities		(81,833)	(175,397)
IX	Capital contributions, long-term investments		2,193,535	2,346,176
2	Investments in joint-ventures	12(a)	771,075	748,895
3	Investments in associates	12(b)	11,314	10,820
4	Other long-term investments	12(c)	1,529,145	1,661,461
5	Provision for long-term investments	12(d)	(117,999)	(75,000)
X	Fixed assets		7,985,400	8,636,306
1	Tangible fixed assets	13	5,170,083	5,562,887
a	Cost		13,950,174	13,736,855
b	Accumulated depreciation		(8,780,091)	(8,173,968)
3	Intangible fixed assets	14	2,815,317	3,073,419
a	Cost		4,789,089	4,622,229
b	Accumulated amortisation		(1,973,772)	(1,548,810)
XII	Other assets		60,978,201	28,964,117
1	Receivables	15(a)	24,483,406	15,803,945
2	Accrued interest and fee receivables	15(b)	9,209,121	7,147,524
3	Deferred tax assets	15(c)	958,065	349
4	Other assets	15(d)	26,339,829	6,016,319
5	Provision for other assets	15(d)	(12,220)	(4,020)
	TOTAL ASSETS		1,813,815,170	1,414,986,259

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 financial position as at 31 December 2022
(continued)

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

No.	Items	Note	31/12/2022 VND million	31/12/2021 VND million (restated)
B	LIABILITIES AND OWNERS' EQUITY			
I	Amounts due to the Government and the State Banks	16	67,314,816	9,468,116
1	Amounts due to the Government and the State Bank		67,314,816	9,468,116
II	Deposits and borrowings from other credit institutions	17	232,510,850	109,757,777
1	Deposits from other credit institutions		222,040,585	104,043,817
2	Borrowings from other credit institutions		10,470,265	5,713,960
III	Customer deposits	18	1,243,468,471	1,135,323,913
V	Fund for finance, entrusted investments and entrusted loans	19	3,298	7,707
VI	Valuable papers issued	20	25,337,894	17,387,747
VII	Other liabilities		109,533,756	33,854,570
1	Accrued interest and fee payables	21(a)	12,485,332	9,326,371
3	Other liabilities	21(b)	97,048,424	24,528,199
	TOTAL LIABILITIES		1,678,169,085	1,305,799,830
VIII	Shareholders' equity			
1	Capital		53,130,392	42,428,821
a	Charter capital		47,325,166	37,088,774
c	Share premium		4,995,389	4,995,389
g	Other capital		809,837	344,658
2	Reserved		22,556,958	18,173,068
3	Foreign exchange differences		(863,071)	(5,109)
5	Retained earnings		60,733,423	48,502,536
a	Previous years' retained earnings		37,607,427	31,826,451
b	Current year's retained earnings		23,125,996	16,676,085
6	Non-controlling interest		88,383	87,113
	TOTAL SHAREHOLDERS' EQUITY	22(a)	135,646,085	109,186,429
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,813,815,170	1,414,986,259

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 financial position as at 31 December 2022
(continued)

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

No.	Items		31/12/2022 VND million	31/12/2021 VND million (restated)
OFF-BALANCE SHEET ITEMS				
1	Credit guarantees		2,151,637	2,447,477
2	Foreign exchange commitments		83,320,732	81,044,022
	<i>Foreign exchange commitments - buy</i>		1,027,038	3,470,214
	<i>Foreign exchange commitments - sell</i>		1,028,925	3,466,305
	<i>Swap commitments</i>		81,264,769	74,107,503
3	Letters of credit		84,748,838	65,378,199
4	Other guarantees		48,477,552	51,543,638
5	Other commitments		35,760,608	11,586,990
6	Uncollected interests and fees receivable	46	1,301,468	2,317,333
7	Bad debts written-off	47	60,213,929	55,457,529
8	Other assets and receipts	48	521,264,498	349,305,079

Hanoi, 31 March 2023

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 income statement for the year ended 31 December 2022

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

No.	Items	Note	2022 VND million	2021 VND million (restated)
1	Interest and similar income	23	88,112,700	70,621,957
2	Interest and similar expenses	24	(34,866,222)	(28,349,385)
I	Net interest and similar income		53,246,478	42,272,572
3	Fee and commission income	25	12,425,007	11,286,516
4	Fee and commission expenses	25	(5,585,907)	(3,879,443)
II	Net fee and commission income	25	6,839,100	7,407,073
III	Net gain from trading of foreign currencies	26	5,768,445	4,374,820
IV	Net (loss)/gain from trading securities	27	(115,194)	137,665
V	Net gain/(loss) from investment securities	28	81,595	(85,235)
5	Other income	29	2,928,339	3,100,370
6	Other expenses	29	(874,378)	(707,109)
VI	Net other income	29	2,053,961	2,393,261
VII	Income from capital contributions and equity investments	30	208,436	129,810
	TOTAL OPERATING INCOME		68,082,821	56,629,966
VIII	TOTAL OPERATING EXPENSES	31	(21,250,512)	(17,665,925)
IX	Net operating profit before provision for credit losses		46,832,309	38,964,041
X	Provision expense for credit losses	32	(9,464,218)	(11,478,198)
XI	TOTAL PROFIT BEFORE TAX (CARRIED TO THE NEXT PAGE)		37,368,091	27,485,843

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 income statement for the year ended 31 December 2022
(continued)

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

No.	Items	Note	2022 VND million	2021 VND million (restated)
XI	TOTAL PROFIT BEFORE TAX (BROUGHT FROM THE PREVIOUS PAGE)		37,368,091	27,485,843
7	Current corporate income tax expense	33(a)	(8,406,860)	(4,560,128)
8	Deferred income tax income/(expense)	33(b)	957,823	(908,882)
XII	Corporate income tax expense		(7,449,037)	(5,469,010)
XIII	NET PROFIT AFTER TAX		29,919,054	22,016,833
XIV	Non-controlling interest		(20,040)	(20,232)
XV	Net profit attributable to the Bank's shareholders		29,899,014	21,996,601
XVI	Earnings per share (VND/share)	34	5,821	4,162

Hanoi, 31 March 2023

Prepared by:

Ms. Nguyen Thi Thu Huong

Mr. Le Hoang Tung

Approved by:

Ms. Phung Nguyen Hai Yen



*Deputy Director of
Financial and Accounting
Policy Department*



Chief Accountant



Deputy CEO

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

Joint Stock Commercial Bank for Foreign Trade of Vietnam
198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam
Consolidated cash flow statement for the year ended 31 December 2022
(Direct method)

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

No.	Items	2022 VND million	2021 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Interest and similar income received	86,084,771	70,805,813
02	Interest and similar expenses paid	(31,709,129)	(28,835,100)
03	Net fee and commission income received	5,160,000	5,727,973
04	Net receipts from foreign currencies, gold, and securities trading activities	6,001,404	4,666,765
05	Other expenses paid	(351,728)	(526,224)
06	Receipts from recovery of bad debts previously written off	2,394,744	2,912,230
07	Payments to employees and for other operating activities	(19,834,116)	(16,384,599)
08	Corporate income tax paid during the year	(3,976,351)	(5,877,802)
Net cash flows from operating activities before changes in operating assets and liabilities		43,769,595	32,489,056
(Increase)/decrease in operating assets			
09	Balances with and loans to other credit institutions	(15,019,465)	(13,107,318)
10	Trading securities	5,431,755	(14,079,392)
11	Derivative other financial assets	146,687	(303,202)
12	Loans to customers	(184,316,295)	(120,961,694)
13	Utilisation of provision for credit losses	(3,530,346)	(2,538,370)
14	Other operating assets	(28,925,742)	(9,978,820)
Increase/(decrease) in operating liabilities			
15	Amounts due to the Government and the SBV	57,846,700	(31,708,879)
16	Deposits and borrowings from other credit institutions	122,753,073	6,173,944
17	Customer deposits	108,144,558	103,210,346
18	Valuable papers issued	7,950,797	(3,853,426)
19	Funds for finance, entrusted investments and entrusted loans	(4,409)	(6,972)
20	Derivative and other financial liabilities	-	(52,031)
21	Other operating liabilities	71,713,235	950,748
22	Payments from reserves	(2,538,654)	(2,786,463)
I	Net cash flows from/(used in) operating activities	183,421,489	(56,552,473)

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

No.	Items	2022 VND million	2021 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
01	Purchases of fixed assets	(711,567)	(1,621,433)
02	Proceeds from disposals of fixed assets	15,753	8,456
03	Payments for disposals of fixed assets	(4,808)	(1,201)
07	Proceeds from investments in other entities	-	(83,502)
08	Collections from investments in other entities	201,899	13,791
09	Dividends and profits received from long-term investments and capital contributions	106,555	93,953
II	Net cash flows used in investing activities	(392,168)	(1,589,936)
CASH FLOWS FROM FINANCING ACTIVITIES			
03	Dividend paid to shareholders	(3,348,022)	(1,886,298)
III	Net cash flows used in financing activities	(3,348,022)	(1,886,298)
IV	Net cash flows during the year	179,681,299	(60,028,707)
V	Cash and cash equivalents at the beginning of the year	232,553,995	292,582,702
VII	Cash and cash equivalents at the end of the year (Note 35)	412,235,294	232,553,995

Hanoi, 31 March 2023

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 Authority for Planning and Investment and Enterprise Code No. 0100112437 was reissued for the fifteenth time on 14 April 2022.

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, Decision No. 2447/QD-NHNN dated 25 November 2019, Decision No. 346/QD-NHNN dated 10 March 2022 and Decision No. 700/QD-NHNN dated 19 April 2022 amending and supplementing to Establishment and Operation Licence No. 138/GP-NHNN on the contents of the Bank’s operations are to mobilise and receive short, medium and long-term deposits from organisations and individuals; lend to organisations and individuals up to the nature and capability of the Bank’s capital resources; conduct settlement and cash services; provide other banking services as approved by the SBV; invest in associates, joint-ventures and other companies; invest in stocks and bonds and real-estate business in accordance with the relevant regulations; trade in and supply interest rates derivatives and commodity price derivatives in accordance with the relevant regulations; purchase debts; trade in and provide foreign exchange services in the domestic and international markets in accordance with the relevant regulations of the SBV.

(b) Ordinary shares

Under Establishment and Operation Licence No. 138/GP-NHNN dated 23 May 2008 issued by the SBV and Business Registration Certificate No. 0103024468 dated 2 June 2008 issued by Hanoi Authority for Planning and Investment, the Bank’s charter capital was VND12,100,860,260,000. Under 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. Under Business Registration Certificate with Enterprise Code No. 0100112437 as reissued for the 15th time on 14 April 2022 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. 346/QD-NHNN dated 10 March 2022, the Bank’s charter capital was VND47,325,165,710,000. The par value of share is VND10,000.

	31/12/2022		31/12/2021	
	Number of shares	%	Number of shares	%
Shares owned by the Government of Vietnam	3,540,074,921	74.80%	2,774,353,387	74.80%
Shares owned by foreign strategic shareholder (Mizuho Bank Ltd., Japan)	709,883,374	15.00%	556,334,933	15.00%
Shares owned by other shareholders	482,558,276	10.20%	378,189,128	10.20%
	4,732,516,571	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 2022, 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.

(d) Subsidiaries, joint-ventures and associates

Subsidiaries

As at 31 December 2022 and 31 December 2021:

Subsidiaries	Operating Licence	Business sector	Ownership percentage of the Bank
Vietcombank Financial Leasing Company Limited	Operation Licence No. 66/GP-NHNN dated 31 October 2017 granted 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. 93/GPDC-UBCK dated 27 September 2022 granted 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 granted 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 granted by Ho Chi Minh City Authority for Investment and Planning	Money remittance	100%
Vietcombank Laos Limited	Operation Licence No. 88/BOL dated 25 May 2018 granted by Bank of the Lao P.D.R	Banking	100%

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 2022 (continued)

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

Vietcombank Money Inc.	Business Registration No. E0321392009-6 dated 15 June 2009 granted 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 granted by the Ministry of Planning and Investment	Office leasing	70%

The Bank and its subsidiaries are hereinafter referred to as “Vietcombank”.

Joint-ventures

As at 31 December 2022 and 31 December 2021:

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

Associates

As at 31 December 2022 and 31 December 2021:

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

(e) Number of employees

As at 31 December 2022, Vietcombank had 22,599 employees (31 December 2021: 21,670 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, specifically Circular No. 96/2020/TT-BTC 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 2022 ("the separate financial statements"), which were issued on 31 March 2023.

(b) Basis of 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 for Credit Institutions ("CIs") issued by the State Bank of Vietnam and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

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

(c) Accounting period

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

(d) Changes in accounting policies

The accounting policies adopted by Vietcombank in preparation of the consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31 December 2021, except for the following:

Circular No. 24/2022/TT-BTC ("Circular 24") dated 7 April 2022 on amending and supplementing several articles of Circular 48/2019/TT-NHNN dated 8 August 2019 of the Ministry of Finance providing regulations on making and settlement of provisions for devaluation of inventory, losses of financial investments and bad debts and warranty for products, goods, services or construction works at enterprises.

Circular 24 takes effect from 25 May 2022, amending and supplementing regulations on the provisioning requirement. Accordingly, securities subject to the provisioning requirement are types of securities issued by domestic business entities in accordance with law; under the ownership of enterprises; listed or registered for trades to be performed on the domestic securities market; freely traded on the market at the actual price determined at the time of completion of annual financial statements which is less than the book value of investments in securities.

Government, government-guaranteed, and municipal bonds are exempted from such provisioning requirements.

Circular 27/2021/TT-NHNN ("Circular 27") amends and supplements to several Articles of the accounting account system of credit institutions issued together with Decision No. 479/2004/QĐ-NHNN dated 29 April 2004 ("Decision 479") and the financial reporting regime for credit institutions issued together with the Decision No. 16/2007/QĐ-NHNN dated 18 April 2007, of the Governor of State Bank of Vietnam ("Decision 16").

The State Bank of Vietnam issued Circular 27 on 31 December 2021 to amend and supplement several articles on the system of accounting accounts and the financial reporting regime for credit institutions, issued together with Decision 479 and Decision 16. The main changes of Circular 27 are as follows:

- Amending and supplementing a number of accounts and corresponding accounting contents in the chart of accounts for credit institutions;
- Amending and supplementing several financial statement items and related notes to the financial statements; and
- Replacing the names of the financial reporting templates; replacing and removing some other phrases previously prescribed in Decision 16.

Circular 27 took effect on 1 April 2022.

(e) Foreign currency transactions

According to accounting system in Vietcombank, all transactions are recorded in original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated into VND at the exchange rate at the transactions date. Income and expenses arising in foreign currencies are converted into VND in the consolidated income statement at the spot exchange rates at the transactions date.

Foreign exchange differences arising during the year are recorded in the consolidated income statement.

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, associates and joint-ventures are converted to VND at spot exchange rates at the reporting date, and the consolidated income statement are converted to VND at the average exchange rate for the accounting period. In case the fluctuation range of the exchange rate between the beginning and the end of the period is above 20%, the spot exchange rate at the reporting date is applied.

Exchange differences arising from the conversion are recognised in equity in the consolidated statement of financial position.

(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 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 incomes/expenses 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 if necessary to ensure the consistency with the policies adopted by the Bank.

Non-controlling interest is the portion of the profit or loss and net assets of a subsidiary attributable to equity 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 from the date that it commences until the date that significant influence or joint control ceases and is recognised in the consolidated income statement. 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, Government treasury bills and other short-term valuable papers eligible for rediscounting with the SBV, balances with and loans to other credit institutions with an original maturity of not more than three months from the transaction date, securities with recovery or maturity period of not more than three months from date of purchase which are readily convertible into defined amounts of cash and that are subject to an insignificant risk of change in value, and held for the purpose of meeting short-term payment 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, deposit with Vietnam Bank for Social Policies according to SBV's regulation of maintaining deposit balance with Vietnam Bank for Social Policies for State-owned credit institutions), are term deposits with other credit institutions and foreign bank branches with original maturity terms 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 provision for credit risk.

Loan classification of term deposits with and loans to other credit institutions and provision for credit risk thereof is made in accordance with the requirements of Circular No. 11/2021/TT-NHNN issued

by the SBV on 30 July 2021, stipulating the classification of assets, rates and method of setting up risk provision and the use of provisions against credit risks in banking activity of credit institutions and foreign bank branches ("Circular 11"). Accordingly, Vietcombank has made specific provision 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 provision 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 statement of financial position at the principal amounts outstanding as at the reporting date.

Provision for credit loss on loans to customers is accounted and presented in a separate line on the consolidated statement of financial position. Provision for credit loss comprises specific provision for credit risk and general provision for credit risk.

(ii) Loan classification

Prior to 1 October 2021

Vietcombank performed loan classification for loans to customers in accordance with the requirements of Circular No. 02/2013/TT-NHNN dated 21 January 2013 issued by SBV on classification of assets, levels and method of setting up of risk provisions, and use of provisions against credit risks in the banking activity of credit institutions, foreign banks' branches ("Circular 02") and Circular No. 09/2014/TT-NHNN dated 18 March 2014 issued by SBV on amending, supplementing a number of Articles of the Circular 02 ("Circular 09").

Since 1 January 2010, the Vietcombank has applied Article 7, Decision No. 493/2005/QĐ-NHNN dated 22 April 2005 issued by the SBV to make loan classification based on the qualitative method as approved by the SBV. However, according to Circular 02, Vietcombank is required to classify loans and off-balance sheet commitments in accordance with both Article 10 and Clause 1 of Article 11, Circular 02. Accordingly, in case the classifications of a debt in accordance with Article 10 and Clause 1 of Article 11, Circular 02 is different, the debt is to be classified into the group of higher risk.

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

From 1 October 2021

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

Since 1 January 2010, Vietcombank has applied Article 7, Decision No. 493/2005/QĐ-NHNN dated 22 April 2005 issued by the SBV to make loan classification based on the qualitative method as approved by the SBV. According to Circular 11, Vietcombank continues to classify loans 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 loan group of customers at the time of loan classification to adjust the loan group, off-balance sheet commitments. If a customer’s debts and off-balance sheet commitments are classified in a loan group that has a lower risk than the loan groups provided in CIC’s list, Vietcombank shall adjust its classification of debts and off-balance commitments following the loan groups provided by CIC.

Loan 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 (“Circular 01”) issued by the SBV regulating credit institutions and foreign bank branches to reschedule the debt repayment term, exempting, reducing interests and fees, keeping loan group unchanged in order to support customers affected by Covid-19 pandemic. Accordingly, for customers with obligations 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 due to decrease in revenue, profit caused by the effect of Covid-19 pandemic, Vietcombank is allowed to reschedule the repayment period for these debts while maintaining the same loan group as classified at 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 period, exempt or reduce interest and fees, and keep the loan 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 loan group unchanged
Before 23/01/2020	From 23/01/2020 to 31/12/2021	Not past due or overdue up to 10 days	From 30/03/2020 to before 31/12/2021	Keeping the loan group unchanged as classified at the most recent date before 23/01/2020 .
		Overdue	From 23/01/2020 to 29/03/2020	

From 23/01/2020 to before 10/06/2020	Not past due or overdue up to 10 days	From 17/05/2021 to before 31/12/2021	Keeping the loan group unchanged as classified at the most recent date before the date of first rescheduling loan repayment period.
	Overdue	From 23/01/2020 to before 17/05/2021	Keeping the loan 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 loan group unchanged as follow:

Loan disbursement timing	Period of debt payment obligation occurrence	Overdue status	Period of overdue occurrence	Principle of keeping loan 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 loan 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 loan 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 loan 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	

From 10/6/2020 to before 1/8/2021		Overdue	From 17/7/2021 to before 7/9/2021	Keeping the loan group unchanged as classified at the most recent date before the date the loan becomes overdue.
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For the loan balances having rescheduled repayment term, interest exempted or reduced and loan 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 loan group unchanged (regardless of whether the debt has passed the probation period or not).

(iii) Specific provision for credit risk

Prior to 1 October 2021

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

From 1 October 2021

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

Specific provision is calculated based on the following provision rates corresponding to the outstanding principals of loans less deductible value of collaterals:

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

Bad debts are loans 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 provision 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 loan classification in accordance with Circular 11 (without applying the provision of keeping loan group unchanged under Circular 03) as follows:

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

As at 31 December 2022, Vietcombank has made 100% of the additional specific provision to be made as above.

(iv) General provision for credit

Prior 1 to October 2021

Vietcombank made general provision 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 provision 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 loans classified in Group 1 to Group 4.

From 1 October 2021

Vietcombank makes general provision at 0.75% total outstanding principals at the last day of each month of the loans 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 acquired and held for the purpose of reselling within one year to gain profit on price variances.

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 income statement.

(ii) Investment securities

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

Available-for-sale investment 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 income statement on an accrual basis.

Held-to-maturity investment securities

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

Post-acquisition interest income from held-to-maturity securities is recognised in the consolidated income statement 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 provision for investment securities. Premiums and discounts arising from purchases of debt securities are amortised in the consolidated income statement using the straight-line method over the period from the acquisition date to the maturity date.

Provision for investment securities

Investment securities which are unlisted corporate bonds except for bonds issued by credit institution are classified and made provision for credit risk in accordance with the requirements of Circular 11 as described at Note 2(i). For other available-for-sale investment securities, provision for diminution in the value of securities is made if their market price decreases to below their cost. For other held-to-maturity securities, provision 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.

According to Circular 24, Vietcombank is not required to make provision for Government, Government-guaranteed, and municipal bonds from the fiscal year 2022.

(iii) 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 provision for diminution in the value of investment.

For investments in unlisted equity securities, the provision 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 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 provision amount for the investment is the difference between the parties' actual investment capital at the economic entity receiving capital contribution and actual equity capital of economic entity at the time of provisioning multiplied (x) by the actual rate of chartered capital (%) of Vietcombank at the economic entity at the time of provisioning. For an investment in listed securities or investments which market price can be determined reliably, provision is made based on the securities' market price.

(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 statement of financial position as a liability. The difference between the sale price and repurchase price is amortised in the consolidated income statement 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 statement of financial position in "Loans to customers". The difference between the purchase price and resale price is amortised in the consolidated income statement 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 reliably determinable, with a minimum value of VND30,000,000

Expenditures incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to the consolidated income statement for the period 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 calculated on a straight-line basis over the estimated useful life of each asset as follows:

- | | |
|--|--------------|
| • Buildings and structures | 5 - 25 years |
| • Machinery and equipment | 3 - 5 years |
| • Motor vehicles and means of transportation | 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 of:

- 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 leveling, registration fee (excluding costs of construction on that land) or the value of land use rights with contributed capital.

Land use rights not recognised as intangible assets comprise of:

- Land use rights granted by the State without land use fee;
- For lease of land whose payment is made 1 time at the beginning for the entire lease period (the land is leased after the effective date of Law on lands 2003, whose land use right certificated is not grant), the lease payment is amortised gradually to operating expenses of the Bank over the lease term;
- In case lease payment is made annually, rental fee is accounted into operating expense of the period in accordance with the annual lease payment

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

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

(ii) Other intangible fixed assets

Other intangible fixed assets are stated at cost less accumulated amortisation. These intangible fixed assets are amortised on a straight-line basis over 3 years.

(n) **Other assets**

Except for receivables from uncollectible income as presented in Note 2(u)(iv), provision for overdue 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, provision for these other 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 the Bank 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.

<u>Overdue period</u>	<u>Provision rate</u>
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 provision similarly to loans to customers 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) Customer deposits

Customer deposits 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.

(s) Bonus and welfare fund

Bonus and welfare funds is appropriated from profit after tax in accordance with the Resolution of the General Meeting of Shareholders and recorded as liabilities in the consolidated statement of financial position. The bonus and welfare fund is 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 issuance price and the par value of the shares is recorded in share premium under equity.

(iii) Treasury shares

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. Odd shares are shares representing the share capital formed by the combination of fractional shares divided proportionally to investors. 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.

(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 rate for this reserve does not exceed charter capital of the Bank/VCBL.
- Financial reserve: 10% of net profit after tax of each entity. The maximum rate for this reserve is not specified 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 relevant statutory requirement.

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

(v) Foreign exchange differences

Foreign exchange differences are differences arising when financial statements in foreign currencies of overseas subsidiaries are converted to 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 debt as defined in Note 2(i) on accrual basis. Interest receivable from debts being kept loan group as Group 1 – Current debt as a result of the implementation of the State’s policies and interest receivable from debts classified in Group 2 to Group 5 are recognised in the consolidated income statement upon receipt.

Interest expenses are recorded on accrual basis.

(ii) Fee and commission income and cash dividend income

Fee and commission income are recognised on an accrual basis.

Cash dividends from investment activities are recognised in the consolidated income statement 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 income statement. Instead, the additional shares received are reflected as increase in the number of shares held by Vietcombank.

(iv) Recognition of receivables not yet collected

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 not yet collected at the due date are recorded as a reduction of income if the due date is within the same accounting period, or recorded as an expense if the due date is not within the accounting period, and must be monitored on the off-balance sheet for following-up on collection. Upon actual receipt of these receivables, Vietcombank recognised them in other income.

(v) Leases

(i) Lessee

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

(ii) Lessor

Vietcombank recognises finance leased assets as “Loans to customers” in the consolidated statement of financial position at the net value of the investment defined in the lease contract. Financial leases are recognized as principal outstanding for loans to customers and income from finance leases is recognised as “Income from interest and similar income”. Instalment income is amortised over the lease term using interest rate over the net investment of the leased assets. The loan classification of finance lease receivables is made in accordance with the quantitative method as stipulated in Article 10 of Circular 11.

Vietcombank recognises operating lease assets in the consolidated statement of financial position. Operating lease 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 period.

(w) Corporate income tax

Corporate income tax comprises of current and deferred tax. Corporate income tax is recognised in the consolidated income statement 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 period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payables in respect of the previous periods.

Deferred income tax is calculated 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 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 realized.

(x) Related parties

Related parties of Vietcombank include:

- Individuals or organisations which have the authority to appoint managers or members of the Supervisory Board of the parent company of Vietcombank;
- Management personnel or members of the Supervisory Board of the Bank;
- Companies 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, son-in-law, daughter-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 Bank; and
- Representatives for the Bank's paid-in capital and shares.

The Government of Vietnam, through the State Bank of Vietnam, is a shareholder of the Bank. Therefore, in these 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) Currency contracts

Vietcombank involves in currency forward and currency swap contracts to facilitate customers' transferring, adjusting or reducing foreign exchange risk or other market risks, and also serve Vietcombank's business purposes.

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 is recorded in the consolidated income statement at the end of the 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 income statement 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 immediately on the effective date of the contracts as an asset if they are positive or as a liability if they are negative in the consolidated statement of financial position. This difference is amortised to the consolidated income statement on a straight-line basis.

(ii) Interest swap contracts

Interest swap contracts are commitments to settle interest amounts based on a floating rate or a fixed rate calculated on the same notional amount. The value of commitment in interest rate swap contracts is not recognised on the consolidated statement of financial position. Differences in interest rate swaps are recognized in the consolidated income statement 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 to management purpose (Note 2(i)).

(aa) Offsetting

Financial assets and liabilities are offsetted and the net amounts are reported in the consolidated statement of financial position 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 period.

If new shares issued during the period only change the number of shares without changing the equity, Vietcombank will adjust the weighted average number of ordinary shares outstanding during the period presented in the consolidated financial statements, 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 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;
- Customer deposits;
- Funds for finance, entrusted investments and entrusted loans;
- Valuable papers issued;
- Derivative 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) Recognition

Financial assets and financial liabilities are recognized in the statement of financial position if and only if Vietcombank enters into a contractual relationship for the supply of the relevant financial instrument. Vietcombank recognizes financial assets and financial liabilities at the date Vietcombank signs and performs in accordance with the effective contract terms (transaction date accounting).

(c) Derecognition

Vietcombank derecognizes financial assets when and only when the right to receive cash flows from the financial asset terminates or Vietcombank has transferred substantially all risks and rewards of ownership of the financial asset. A financial liability is derecognised only when the liability has been paid (the obligation has been fulfilled, canceled or expired).

(d) 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 43(b).

The disclosure of fair value of the financial instruments is only for the disclosure purpose in Note 43(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, gold, silver and gemstones

	31/12/2022 VND million	31/12/2021 VND million
Cash on hand in VND	14,798,349	14,633,327
Cash on hand in foreign currencies	3,549,739	3,377,966
Valuable papers in foreign currencies	446	473
	18,348,534	18,011,766

5. Balances with the State Banks

	31/12/2022 VND million	31/12/2021 VND million
Balances with the State Bank of Vietnam (i)	92,451,768	22,311,693
Balances with Bank of the Lao L.D.R (ii)	106,041	195,018
	92,557,809	22,506,711

- (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	31/12/2022	31/12/2021
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	31/12/2022	31/12/2021
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

Type of deposits	31/12/2022	31/12/2021
Over compulsory reserve in USD	0%/p.a	0%/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	31/12/2022	31/12/2021
Deposits in LAK with terms of 12 months and below	5%	3%
Deposits in foreign currencies with terms of 12 months and below	5%	5%

6. Balances with and loans to other credit institutions

	31/12/2022 VND million	31/12/2021 VND million (restated)
Balances with other credit institutions		
Demand deposits in VND	43,785,687	7,454
Demand deposits in foreign currencies	67,839,420	39,098,058
Term deposits in VND	134,985,297	104,007,836
Term deposits in foreign currencies	37,117,315	37,923,633
	283,727,719	181,036,981
Loans to other credit institutions		
Loans in VND	38,642,157	42,708,446
Loans in foreign currencies	2,107,568	6,019,119
	40,749,725	48,727,565
Provision for balances with and loans to other credit institutions	(10,840,000)	(3,952,781)
	313,637,444	225,811,765

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

	31/12/2022 VND million	31/12/2021 VND million
Current debts	181,762,038	168,745,198
Loss debts	11,000,000	4,000,000
	192,762,038	172,745,198

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

	2022 VND million	2021 VND million (restated)
Opening balance	3,952,781	1,000,000
Provision made during the year (Note 32)	6,887,219	2,952,781
Closing balance	10,840,000	3,952,781

7. Trading securities

	31/12/2022 VND million	31/12/2021 VND million (restated)
Debt securities		
Government bonds	357,773	1,493,814
Bonds issued by other local credit institutions	693,769	499,364
Securities issued by local economic entities	345,925	499,000
Equity securities		
Equity securities issued by other credit institutions	12,531	77,084
Equity securities issued by local economic entities	133,577	286,820
	1,543,575	2,856,082
Provision for trading securities	(43,888)	(56,433)
	1,499,687	2,799,649

Trading securities by listing status were as follows:

	31/12/2022 VND million	31/12/2021 VND million (restated)
Debt securities	1,397,467	2,492,178
Listed	357,773	1,521,064
Unlisted	1,039,694	971,114
Equity securities	146,108	363,904
Listed	105,392	281,547
Unlisted	40,716	82,357
	1,543,575	2,856,082

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

	2022 VND million	2021 VND million
Opening balance	56,433	37,800
Provision made during the year (Note 27)	21,006	18,633
Other adjustments	(33,551)	-
Closing balance	43,888	56,433

8. Derivative and other financial assets

	31/12/2022		31/12/2021	
	Contract value	Carrying value	Contract value	Carrying value
	VND million	Assets/ (liabilities) VND million	VND million	Assets/ (liabilities) VND million
Currency derivative				
Currency swap contracts	81,264,769	169,699	73,505,048	190,674
Currency forward contracts	22,250,388	(13,184)	23,984,714	112,528
	103,515,157	156,515	97,489,762	303,202

9. Loans to customers

	31/12/2022 VND million	31/12/2021 VND million
Loans to local economic entities and individuals	1,136,450,786	951,443,830
Discounted bills and valuable papers	2,908,120	3,879,226
Finance lease receivables	4,991,115	4,376,120
Loans given to make payments on behalf of customers	7,409	889
Loans to foreign organisations and individuals	708,820	1,049,890
	1,145,066,250	960,749,955

Analysis of loan portfolio by quality:

	31/12/2022 VND million	31/12/2021 VND million (restated)
Current debts	1,133,162,470	951,130,994
Special mentioned debts	4,083,359	3,497,833
Sub-standard debts	414,767	737,811
Doubtful debts	782,370	965,987
Loss debts	6,623,284	4,417,330
	1,145,066,250	960,749,955

Analysis of loan portfolio by original maturity:

	31/12/2022 VND million	31/12/2021 VND million
Short-term debts	651,421,776	508,285,894
Medium-term debts	41,726,956	40,535,854
Long-term debts	451,917,518	411,928,207
	1,145,066,250	960,749,955

Analysis of loan portfolio by type of borrowers:

	31/12/2022 VND million	31/12/2021 VND million
State-owned enterprises	63,930,380	60,146,527
Limited companies	203,088,337	169,542,086
Foreign invested enterprises	85,943,755	66,611,876
Co-operative and private companies	2,289,294	2,819,975
Individuals and individual business households	540,349,776	448,102,945
Others	249,464,708	213,526,546
	1,145,066,250	960,749,955

Analysis of loan portfolio by industry sector:

	31/12/2022 VND million	31/12/2021 VND million
Processing and manufacturing	243,683,447	203,057,429
Trading and services	184,463,459	152,212,435
Electricity, gas, water processing and supplying	58,615,950	59,813,456
Construction	75,113,942	86,628,722
Transportation, logistics and communication	31,585,533	28,715,341
Mining	19,084,011	15,084,113
Agriculture, forestry and aquaculture	36,100,729	25,096,242
Hotel and restaurant	18,278,882	16,921,726
Others	478,140,297	373,220,491
	1,145,066,250	960,749,955

10. Provision for loans to customers

	31/12/2022 VND million	31/12/2021 VND million (restated)
General provision	8,468,771	7,054,861
Specific provision	16,310,647	18,685,423
	24,779,418	25,740,284

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

	2022 VND million	2021 VND million (restated)
Opening balance	7,054,861	5,895,579
Provision made during the year (Note 32)	1,416,142	1,159,282
Foreign currency translation difference	(2,232)	-
Closing balance	8,468,771	7,054,861

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

	2022 VND million	2021 VND million (restated)
Opening balance	18,685,423	13,347,215
Provision made during the year (Note 32)	1,167,748	7,877,412
Provision utilised for writing-off bad debts	(3,530,346)	(2,538,370)
Foreign exchange translation difference	(12,178)	(834)
Closing balance	16,310,647	18,685,423

11. Investment securities

	31/12/2022 VND million	31/12/2021 VND million (restated)
Available-for-sale securities (a)	100,739,670	71,028,025
Held-to-maturity securities (b)	95,431,543	99,568,871
	196,171,213	170,596,896

(a) Available-for-sale securities

	31/12/2022 VND million	31/12/2021 VND million (restated)
Available-for-sale securities		
<i>Debt securities</i>		
Government bonds	34,180,448	30,327,312
Treasury bills, SBV bills	29,600,000	-
Debt securities issued by other local credit institutions	36,887,000	40,687,000
Debt securities issued by other local economic institutions	72,222	100,000
<i>Equity securities</i>		
Equity securities issued by other local economic institutions	-	386
	100,739,670	71,114,698
Provision for available-for-sale securities (i)	-	(86,673)
Total available-for-sale securities	100,739,670	71,028,025

(i) *Details of provision for available-for-sale securities:*

	31/12/2022 VND million	31/12/2021 VND million
General provision for unlisted corporate bonds	-	-
Provision for diminution in value of available-for-sale securities	-	86,673
	-	86,673

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

	2022 VND million	2021 VND million
Opening balance	-	193,478
Provision reversed during the year (Note 32)	-	(193,478)
Closing balance	-	-

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

	2022 VND million	2021 VND million
Opening balance	86,673	277
Provision (reversed)/made during the year (Note 28)	(86,673)	86,396
Closing balance	-	86,673

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

	31/12/2022 VND million	31/12/2021 VND million
Held-to-maturity securities		
Government bonds	37,915,262	40,325,603
Debt securities issued by other local credit institutions	46,589,000	47,502,241
Debt securities issued by local economic institutions	11,009,114	11,829,751
	95,513,376	99,657,595
Provision for held-to-maturity securities (ii)	(81,833)	(88,724)
Total held-to-maturity securities	95,431,543	99,568,871

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

	31/12/2022 VND million	31/12/2021 VND million
General provision for unlisted corporate bonds	81,833	88,724

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

	2022 VND million	2021 VND million
Opening balance	88,724	406,523
Provision reversed during the year (Note 32)	(6,891)	(317,799)
Closing balance	81,833	88,724

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

	31/12/2022 VND million	31/12/2021 VND million
Current debts	94,557,336	98,402,751

12. Capital contributions, long-term investments

(a) Investments in joint-ventures

As at 31 December 2022:

	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	597,319
Vietcombank Fund Management (i)	Investment fund management	51%	135,150	173,756
			545,515	771,075

As 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
			545,515	748,895

- (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

As at 31 December 2022:

	Business sector	Ownership percentage (%)	Cost VND million	Carrying value VND million
Vietcombank – Bonday Joint-venture Company Limited	Office leasing	16%	11,110	11,314

As 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

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

As at 31 December 2022:

	Business sector	Ownership percentage (%)	Cost VND million
Vietnam Export – Import Commercial Joint Stock Bank	Banking	4.50%	319,908
Military Commercial Joint Stock Bank	Banking	4.35%	802,269
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	0.67%	248,770
SWIFT, MASTER and VISA	Card and settlement services	-	2,936
			1,529,145
Provision for other long-term investments			(117,999)
			1,411,146

As 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
Provision for other long-term investments			(75,000)
			1,586,461

(d) Provision for diminution in value of long-term investment

	31/12/2022 VND million	31/12/2021 VND million
Provision for diminution in value of other long-term investment	117,999	75,000
	117,999	75,000

Movements in provision for diminution in value of long-term investment during the year were as follows:

	2022 VND million	2021 VND million
Opening balance	75,000	75,000
Provision made during the year (Note 31)	42,999	-
Closing balance	117,999	75,000

13. Tangible fixed assets

Year ended 31 December 2022:

	Buildings and structures VND million	Machinery and equipment VND million	Motor vehicles and means of transmission VND million	Others VND million	Total VND million
Cost					
Opening balance (restated)	5,833,926	4,852,469	1,208,247	1,842,213	13,736,855
Additions during the year	235,962	159,340	62,493	90,301	548,096
- Purchases	235,962	159,340	62,493	88,748	546,543
- Other increases	-	-	-	1,553	1,553
Decreases during the year	(24,200)	(268,717)	(24,877)	(16,983)	(334,777)
- Disposals	(11,804)	(265,318)	(20,262)	(15,546)	(312,930)
- Other decreases	(12,396)	(3,399)	(4,615)	(1,437)	(21,847)
Closing balance	6,045,688	4,743,092	1,245,863	1,915,531	13,950,174
Accumulated depreciation					
Opening balance (restated)	1,757,495	4,160,746	819,331	1,436,396	8,173,968
Additions during the year	251,124	397,036	101,212	172,708	922,080
- Charges for the year	250,124	394,920	101,212	172,708	918,964
- Other increases	1,000	2,116	-	-	3,116
Decreases during the year	(9,803)	(266,863)	(22,481)	(16,810)	(315,957)
- Disposals	(9,803)	(265,288)	(20,262)	(15,513)	(310,866)
- Other decreases	-	(1,575)	(2,219)	(1,297)	(5,091)
Closing balance	1,998,816	4,290,919	898,062	1,592,294	8,780,091
Net book value					
Opening balance (restated)	4,076,431	691,723	388,916	405,817	5,562,887
Closing balance	4,046,872	452,173	347,801	323,237	5,170,083

Included in tangible fixed assets were assets costing VND5,393,998 million which were fully depreciated as of 31 December 2022, but still in use (31 December 2021: VND5,183,965 million).

14. Intangible fixed assets

Year ended 31 December 2022:

	Land use rights VND million	Copyrights and patents VND million	Others VND million	Total VND million
Cost				
Opening balance	2,504,743	2,070,943	46,543	4,622,229
Additions during the year	-	161,145	6,053	167,198
- Purchases	-	160,963	4,061	165,024
- Other increases	-	182	1,992	2,174
Decreases during the year	-	-	(338)	(338)
- Other decreases	-	-	(338)	(338)
Closing balance	2,504,743	2,232,088	52,258	4,789,089
Accumulated amortisation				
Opening balance	121,054	1,397,831	29,925	1,548,810
Charges for the year	12,329	429,217	3,238	444,784
- Charges for the year	12,329	411,946	1,959	426,234
- Other increases	-	17,271	1,279	18,550
Decreases during the year	-	(19,484)	(338)	(19,822)
- Other decreases	-	(19,484)	(338)	(19,822)
Closing balance	133,383	1,807,564	32,825	1,973,772
Net book value				
Opening balance	2,383,689	673,112	16,618	3,073,419
Closing balance	2,371,360	424,524	19,433	2,815,317

Included in intangible fixed assets were assets costing VND1,041,279 million which were fully depreciated as of 31 December 2022, but still in use (31 December 2021: VND724,061 million).

15. Other assets

(a) Receivables

	31/12/2022 VND million	31/12/2021 VND million (restated)
Internal receivables	2,590,521	1,680,794
External receivables (i)	21,892,885	14,123,151
	24,483,406	15,803,945

(i) External receivables

	31/12/2022 VND million	31/12/2021 VND million
Advances for purchases of fixed assets	874,302	1,155,796
Receivables from the State Budget in relation to the interest subsidy program	271,746	338,989
Overpaid corporate income tax (Note 37)	45,670	307
Deductible value added tax (Note 37)	10,789	12,360
Advances for other taxes (Note 37)	2	2
Construction in progress (*)	241,910	314,690
Receivables from L/C paid in advance	17,041,450	8,805,446
Other receivables	3,407,016	3,495,561
	21,892,885	14,123,151

(*) Details of construction in progress are follows:

	31/12/2022 VND million	31/12/2021 VND million
Construction in progress	241,910	314,690
<i>In which, major constructions:</i>	<i>118,378</i>	<i>296,236</i>
Phu Tho Branch's office project	24,016	36,968
Dong Thap Branch's office project	19,136	40,858
Vung Tau Branch's office project	18,178	30,631
Thai Binh Branch's office project	17,983	32,730
Bac Lieu Branch's office project	10,824	35,761
Thu Duc Branch's office project	7,809	22,032
Tan Dinh Branch's office project	5,070	26,912
Lao Cai Branch's office project	5,028	16,729
Can Tho Branch's office project	3,065	28,127
Bac Sai Gon Branch's office project	2,504	8,273
Phu Yen Branch's office project	2,478	1,351
Lang Son Branch's office project	2,287	15,864

(b) Accrued interest and fee receivables

	31/12/2022 VND million	31/12/2021 VND million (restated)
From loans to customers	4,061,964	2,371,243
From balances with and loans to other credit institutions	871,211	585,970
From investment securities	3,833,550	3,976,278
From derivative transactions	440,092	212,234
Fees receivable	2,304	1,799
	9,209,121	7,147,524

(c) Deferred tax assets

	31/12/2022 VND million	31/12/2021 VND million (restated)
Deferred tax assets arising from deductible temporary differences	958,065	349

(d) Other assets

	31/12/2022 VND million	31/12/2021 VND million (restated)
Prepaid expenses for office and fixed assets rental	910,960	779,336
Materials	154,678	154,271
Advances for card payments	4,340,977	2,347,368
Prepaid land rental costs	700,787	715,347
Other assets	20,232,427	2,019,997
	26,339,829	6,016,319
Provision for other assets	(12,220)	(4,020)
	26,327,609	6,012,299

16. Amounts due to the Government and the SBV

	31/12/2022 VND million	31/12/2021 VND million
Borrowings from the SBV	1,253,828	1,749,584
Borrowings on the credit files basis	1,055,777	1,415,715
Other borrowings	198,051	333,869
Deposits from the State Treasury	49,548,100	7,694,274
Demand deposits in VND	371,652	201,329
Demand deposits in foreign currencies	455,448	492,945
Term deposits in VND	48,721,000	7,000,000
Deposits from the SBV	16,512,888	24,258
	67,314,816	9,468,116

17. Deposits and borrowings from other credit institutions

	31/12/2022 VND million	31/12/2021 VND million
Deposits from other credit institutions	222,040,585	104,043,817
Demand deposits in VND	72,377,392	17,340,108
Demand deposits in foreign currencies	68,876,433	39,719,757
Term deposits in VND	69,600,000	40,870,931
Term deposits in foreign currencies	11,186,760	6,113,021
Borrowings from other CIs	10,470,265	5,713,960
Borrowings in VND	2,004,350	5,713,960
Borrowings in foreign currencies	8,465,915	-
	232,510,850	109,757,777

18. Customer deposits

	31/12/2022 VND million	31/12/2021 VND million
Demand deposits	402,103,803	367,149,083
Demand deposits in VND	308,500,428	291,799,494
Demand deposits in gold, foreign currencies	93,603,375	75,349,589
Term deposits	821,676,266	730,223,470
Term deposits in VND	744,187,471	659,247,019
Term deposits in gold, foreign currencies	77,488,795	70,976,451
Deposits for specific purposes	9,839,982	31,642,014
Margin deposits	9,848,420	6,309,346
	1,243,468,471	1,135,323,913

Analysis of customer deposit by type of customer:

	31/12/2022 VND million	31/12/2021 VND million
Economic entities	637,317,087	569,423,275
Individuals	606,151,384	565,900,638
	1,243,468,471	1,135,323,913

19. Funds for finance, entrusted investments and entrusted loans

	31/12/2022 VND million	31/12/2021 VND million
Funds for finance, entrusted investments and entrusted loans in VND	3,298	7,707
	3,298	7,707

20. Valuable papers issued

	31/12/2022 VND million	31/12/2021 VND million
Certificates of deposit		
Short-term in VND	11,000,000	-
Medium-term in VND	115	115
Bills and bonds		
Short-term in VND	47	47
Short-term in foreign currencies	31	30
Medium-term in VND	3,393,568	6,413,775
Medium-term and long-term in foreign currencies	14	12
Long-term in VND	10,944,119	10,973,768
	25,337,894	17,387,747

21. Other liabilities

(a) Accrued interest and fee payables

	31/12/2022 VND million	31/12/2021 VND million (restated)
Interest expense for Customer deposits	11,797,019	8,772,456
Interest expense for deposits and borrowings from other credit institutions	131,091	77,968
Interest expense for valuable papers issued	242,622	348,464
Interest expense for derivative financial instruments	311,143	127,446
Other interest expense	3,457	37
	12,485,332	9,326,371

(b) Other liabilities

	31/12/2022 VND million	31/12/2021 VND million (restated)
Internal payables (i)	24,377,682	3,755,018
External payables (ii)	68,546,533	16,699,803
Bonus and welfare funds	4,124,209	4,073,378
	97,048,424	24,528,199

(i) *Internal payables*

	31/12/2022 VND million	31/12/2021 VND million (restated)
Payables to employees	3,107,748	3,036,548
Other liabilities	21,269,934	718,470
	24,377,682	3,755,018

(ii) *External payables*

	31/12/2022 VND million	31/12/2021 VND million (restated)
Tax payables (Note 38)	5,359,694	943,443
- Corporate income tax payable	5,086,976	610,856
- Value added tax payable	57,863	146,789
- Other taxes payable	214,855	185,798
Unearned income	3,457,340	5,038,432
Payables for construction and acquisition of fixed assets	1,014,573	1,491,780
Deposits in custody relating to pending payments	527,533	515,295
Other payables to customers	1,139,739	1,049,795
Other pending items in settlement	355,725	147,418
Payables to the State Budget in relation of interest subsidy program	64,533	64,528
Borrowings from the Ministry of Finance	707,141	806,617
Dividends payable	-	3,329,224
Other payables	55,920,255	3,313,271
	68,546,533	16,699,803

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

22. Owners' equity

(a) Changes in owner's equity

	Charter capital	Share premium	Other capital	Reserves			Foreign exchange differences	Retained profits	Non-controlling interest	Total Investment and development fund
				Supplementary charter capital reserve	Financial reserve	Investment and development fund				
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Balance at 1/1/2022 (restated)	37,088,774	4,995,389	344,658	6,052,831	12,049,576	70,661	(5,109)	48,502,536	87,113	109,186,429
Net profit for the year	-	-	-	-	-	-	-	29,899,014	20,040	29,919,054
Increase of equity during the year	10,236,392	-	-	-	-	-	-	(10,236,392)	-	-
Increase of equity of subsidiaries	-	-	465,179	(21,265)	-	(30,762)	-	(413,152)	-	-
Statutory reserves temporarily appropriated for 2022 of the Bank	-	-	-	1,469,350	2,938,701	-	-	(4,408,051)	-	-
Bonus and welfare funds temporarily appropriated for 2022 of the Bank	-	-	-	-	-	-	-	(2,336,696)	-	(2,336,696)
Adjustments for the appropriation of statutory reserves and bonus and welfare funds according to the Resolution of General Meeting of Shareholders	-	-	-	3,614	7,227	-	-	(199,508)	-	(188,667)
Appropriation of subsidiaries	-	-	-	5,289	10,578	-	-	(28,271)	-	(12,404)
Adjustments according to the Resolution of the subsidiary	-	-	-	(315)	2,612	-	-	(48,106)	(661)	(46,470)
Dividends according to the Resolution of the subsidiary	-	-	-	-	-	-	-	-	(18,798)	(18,798)
Utilisation of reserves during the year	-	-	-	-	(1,139)	-	-	-	-	(1,139)
Foreign currency conversion differences	-	-	-	-	-	-	(857,962)	-	689	(857,273)
Asset revaluation differences	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	986	-	986
Adjustments for joint-ventures and associates accounted under equity method	-	-	-	-	-	-	-	1,063	-	1,063
Balance at 31/12/2022	47,325,166	4,995,389	809,837	7,509,504	15,007,555	39,899	(863,071)	60,733,423	88,383	135,646,085

(b) Details of shareholders of the Bank

	31/12/2022		31/12/2021	
	VND million	%	VND million	%
Ordinary shares				
The Government of Vietnam	35,400,749	74.80%	27,743,534	74.80%
Foreign strategic shareholder (Mizuho Bank Ltd., Japan)	7,098,834	15.00%	5,563,349	15.00%
Other shareholders	4,825,583	10.20%	3,781,891	10.20%
	47,325,166	100%	37,088,774	100%

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

	31/12/2022		31/12/2021	
	Number of shares	VND million	Number of shares	VND million
Authorised share capital	4,732,516,571	47,325,166	3,708,877,448	37,088,774
Issued share capital				
Ordinary shares	4,732,516,571	47,325,166	3,708,877,448	37,088,774
Outstanding shares in circulation				
Ordinary shares	4,732,516,571	47,325,166	3,708,877,448	37,088,774

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

23. Interest and similar income

	2022 VND million	2021 VND million (restated)
Interest income from loans to customers	75,333,189	59,306,151
Interest income from deposits	3,774,188	1,781,197
Interest income from trading and investing in debt securities	7,469,553	8,138,973
- from investment securities	7,366,362	7,980,833
- from trading securities	103,191	158,140
Interest income from finance leases	355,970	307,677
Fees from guarantees activities	572,041	476,100
Other income from credit activities	607,759	611,859
	88,112,700	70,621,957

24. Interest and similar expenses

	2022 VND million	2021 VND million
Interest expense on deposits	33,290,697	26,588,386
Interest expense on borrowings	494,179	283,757
Interest expense on valuable papers issued	1,025,298	1,427,850
Other expenses on credit activities	56,048	49,392
	34,866,222	28,349,385

25. Net fee and commission income

	2022 VND million	2021 VND million
Fee and commission income from		
Settlement services	6,001,029	5,984,352
Treasury services	75,478	68,340
Entrustment and agency activities	57,110	35,404
Other services	6,291,390	5,198,420
	12,425,007	11,286,516
Fee and commission expenses for		
Settlement services	(4,424,834)	(2,998,989)
Treasury services	(127,938)	(119,558)
Telecommunication services	(146,125)	(136,648)
Entrustment and agency activities	(21,587)	(12,085)
Other services	(865,423)	(612,163)
	(5,585,907)	(3,879,443)
	6,839,100	7,407,073

26. Net gain from trading of foreign currencies

	2022 VND million	2021 VND million
Gains from trading of foreign currencies		
From spot currency to contracts	9,559,507	8,202,819
From currency derivative financial instruments	918,924	451,852
From foreign exchange differences	8,842	371,356
From revaluation of derivative contracts	168,965	669,968
	10,656,238	9,695,995
Losses on trading of foreign currencies		
From spot currency to contracts	(2,445,062)	(3,357,381)
From currency derivative financial instruments	(1,932,701)	(1,374,802)
From foreign exchange differences	(372,565)	(539,283)
From revaluation of derivative contracts	(137,465)	(49,709)
	(4,887,793)	(5,321,175)
	5,768,445	4,374,820

27. Net (loss)/gain from trading securities

	2022 VND million	2021 VND million (restated)
Income from trading securities	139,260	224,934
Expenses on trading securities	(233,448)	(68,636)
Provision made for trading securities (Note 7)	(21,006)	(18,633)
	(115,194)	137,665

28. Net gain/(loss) from investment securities

	2022 VND million	2021 VND million (restated)
Income from investment securities	35,281	1,161
Expenses for investment securities	(40,359)	-
Provision reversed/(made) for available-for-sale investment securities (Note 11(a))	86,673	(86,396)
	81,595	(85,235)

29. Net other income

	2022 VND million	2021 VND million
Other income		
Income from recoveries of loans previously written off	2,394,744	2,912,230
Income from interest rate swap transactions	217,602	-
Other income	315,993	188,140
	2,928,339	3,100,370
Other expenses		
Expenses on interest rate swap transactions	(221,584)	(206,197)
Expenses on debts trading activities	(52)	(138)
Expenses on social activities	(316,342)	(426,725)
Other expenses	(336,400)	(74,049)
	(874,378)	(707,109)
	2,053,961	2,393,261

30. Income from capital contributions and equity investments

	2022 VND million	2021 VND million
Dividend income from equity investments (Note 33(a))	117,241	93,953
- <i>Dividend income from long-term investments</i>	104,347	81,390
- <i>Dividend income from trading equity securities</i>	12,894	12,563
Profit from disposals of equity investments	69,582	3,927
Share of profits from equity accounted investments in joint-ventures and associates (Note 33(a))	21,613	31,930
	208,436	129,810

31. Operating expenses

	2022 VND million	2021 VND million (restated)
Tax, duties and fees	356,671	342,894
Salaries and related expenses	10,704,534	9,586,008
<i>Of which:</i>		
- <i>Salary and allowances (Note 36)</i>	9,564,154	8,499,318
- <i>Contributions based on salary</i>	754,534	719,808
- <i>Other allowances</i>	6,381	5,882
Expenses on assets	4,017,315	3,463,858
<i>Of which:</i>		
- <i>Depreciation of fixed assets</i>	1,345,198	1,413,738
Administrative expenses	5,226,349	3,490,020
Insurance expense for Customer deposits	802,452	711,257
Provision for diminution in value of long-term investment (Note 12(d))	42,999	-
Other expenses	100,192	71,888
	21,250,512	17,665,925

32. Provision for credit losses

	2022 VND million	2021 VND million
Provision for balances with and loans to other credit institutions		
Provision made (Note 6)	6,887,219	2,952,781
General provision for loans to customers		
Provision made (Note 10)	1,416,142	1,159,282
Specific provision for loans to customers		
Provision made (Note 10)	1,167,748	7,877,412
General provision for unlisted corporate bonds		
Provision reversed for available-for-sale securities (Note 11(a))	-	(193,478)
Provision reversed for held-to-maturity securities (Note 11(b))	(6,891)	(317,799)
	9,464,218	11,478,198

33. Corporate income tax

(a) Reconciliation of effective tax rate

	2022 VND million	2021 VND million (restated)
Profit before tax	37,368,091	27,485,843
<i>Adjustments:</i>		
Taxable income of subsidiaries	(724,243)	(972,084)
Dividends received during the year (Note 30)	(117,241)	(93,953)
Share of profits from investments in joint-ventures and associates under the equity method (Note 30)	(21,613)	(31,930)
Tax exempt income from consolidation adjustments	12,876	(8,411)
Non-deductible expenses	4,832,253	2,728
Adjustments for reductions	(24,618)	-
Reversal of non-deductible expenses of the prior year	-	(4,511,958)
Taxable income	41,325,505	21,870,235
Corporate income tax rate	20%	20%
Corporate income tax of the Bank (tax rate: 20%)	8,265,101	4,374,047
Corporate income tax of subsidiaries	141,759	183,961
Income tax payable on profits received from overseas subsidiaries	-	2,120
Current corporate income tax expense for the year	8,406,860	4,560,128

(b) Deferred corporate income tax benefit/(expense)

	2022 VND million	2021 VND million
Deferred corporate income tax benefit/(expense) arising from deductible temporary differences	957,823	(908,882)

(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% and Vietcombank Money Inc. which pays tax at the rate in the United States of America, California and 23 other states where it operates. Corporate income tax computation is subject to review and approval by tax authorities.

34. Basic earnings per share

(a) Profit used for calculating basic earnings per share

	2022 VND million	2021 VND million (restated)	2021 VND million (previously presented)
Net profit for the year	29,899,014	21,996,601	21,918,813
Appropriation to bonus and welfare funds (*)	(2,349,100)	(2,299,162)	(2,064,024)
Profit attributable to the ordinary shareholders for the year	27,549,914	19,697,439	19,854,789

- (*) Bonus and welfare fund is appropriated at the year-end. Therefore, net profit after tax used for calculating earnings per share for the years ended 31 December was not deducted the amount appropriated to bonus and welfare fund for the respective year.

(b) Weighted average number of ordinary shares

	2022 Number of shares	2021 Number of shares (restated)	2021 Number of shares (previously presented)
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	1,023,639,123
Weighted average number of outstanding ordinary shares for the year	4,732,516,571	4,732,516,571	4,732,516,571

- (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.

(c) Basic earnings per share

	2022	2021 (restated)	2021 (as previously reported)
Basic earnings per share (VND/share)	5,821	4,162	4,195

35. Cash and cash equivalents

	31/12/2022 VND million	31/12/2021 VND million
Cash on hand, gold, silver and gemstones	18,348,534	18,011,766
Balances with the State Banks	92,557,809	22,506,711
Balances with and loans to other credit institutions with original term not exceeding 3 months	271,728,951	192,035,518
Securities with a term of redemption or maturity not exceeding 3 months from the date of purchase	29,600,000	-
	412,235,294	232,553,995

36. Employees' benefits

	2022	2021
Total number of employees (person)	22,599	21,670
Employees' income		
Total salary and allowance (VND million) (Note 31)	9,564,154	8,499,318
Monthly average income/person (VND million)	35.27	32.68

37. Obligations to the State Budget

	Balance at 1/1/2022 VND million (restated)	Movements during the year		Balance at 31/12/2022		
		Incurred VND million	Paid VND million	Payables VND million	Advances VND million	Total VND million
Value added tax	134,429	498,672	(586,027)	57,863	(10,789)	47,074
Current corporate income tax	610,549	8,407,108	(3,976,351)	5,086,976	(45,670)	5,041,306
<i>In which:</i>						
- Corporate income tax of Vietcombank	610,208	8,406,860	(3,975,703)	5,086,976	(45,611)	5,041,365
- Adjustments on tax of previous years	398	250	(648)	-	-	-
- Vinafico's tax obligation in 2008	(57)	(2)	-	-	(59)	(59)
Other taxes	185,796	1,892,470	(1,863,413)	214,855	(2)	214,853
	930,774	10,798,250	(6,425,791)	5,359,694	(56,461)	5,303,233

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

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

	31/12/2022 VND million	31/12/2021 VND million
Deposits	167,169,560	138,879,634
Valuable papers	46,448,485	63,043,823
Real estate	1,560,299,529	1,162,890,412
Other collaterals	336,270,072	268,181,578
	2,110,187,646	1,632,995,447

39. 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.

40. Significant transactions and balances with related parties

(a) Significant transactions with related parties

	Relationship	2022 VND million Income/(expense)	2021 VND million Income/(expense)
The State Bank of Vietnam	Representative of owner		
Interest income from deposits		122,037	107,034
Interest expense on deposits and borrowings		(76,435)	(70,677)
The Ministry of Finance	Related party of owner		
Interest expense on deposits		(1,477,093)	(120,582)
Interest expense on borrowings		(14,360)	(18,870)

(b) Significant balances with related parties

	Relationship	31/12/2022 VND million Receivable/(payable)	31/12/2021 VND million Receivable/(payable)
The State Bank of Vietnam	Representative of owner		
Deposits at the SBV		92,451,066	22,311,693
Deposits and borrowings from the SBV		(17,766,716)	(1,773,842)
The Ministry of Finance	Related party of owner		
Deposits at the Bank		(49,548,100)	(7,694,274)
Borrowings from the Ministry of Finance		(707,141)	(806,617)
Mizuho Bank Ltd., Japan	Strategic shareholder		
Deposits at Mizuho Bank Ltd., Japan		5,743,851	1,910,189
Deposits from Mizuho Bank Ltd., Japan		(2,018,199)	(694,909)

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

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

		2022 VND million	2021 VND million
Members of the Board of Directors			
Remuneration		14,434	13,678
Mr. Pham Quang Dung	Chairman	1,671	1,620
Mr. Nghiem Xuan Thanh	Chairman (until 03 July 2021)	-	813
Mr. Do Viet Hung	Member	1,671	1,620
Mr. Nguyen Manh Hung	Member	2,437	2,069
Mr. Nguyen My Hao	Member	2,209	1,860
Mr. Eiji Sasaki	Member (resigned on 23 April 2021)	-	747
Mr. Pham Anh Tuan	Member (resigned on 01 December 2022)	2,035	1,860
Mr. Hong Quang	Member	2,209	1,850
Mr. Shorijo Mizoguchi	Member	2,202	1,239
Members of the Supervisory Board			
Remuneration		5,451	3,860
Members of the Board of Management, Chief Accountant			
Salary		19,141	17,348
Mr. Nguyen Thanh Tung	Members of the Board of Directors Chief Executive Officer ("CEO") (appointed on 30 January 2023)	2,212	1,897
Mr. Pham Manh Thang	Deputy CEO	2,307	2,054
Mr. Le Quang Vinh	Deputy CEO	2,195	1,905
Ms. Nguyen Thi Kim Oanh	Deputy CEO	2,238	2,012
Ms. Dinh Thi Thai	Deputy CEO	2,390	2,065
Mr. Dang Hoai Duc	Deputy CEO	2,214	1,827
Mr. Dao Minh Tuan	Deputy CEO (retired on 01 December 2021)	-	1,944
Ms. Phung Nguyen Hai Yen	Deputy CEO	2,161	1,869
Mr. Nguyen Viet Cuong	Deputy CEO (appointed on 26 April 2022)	1,352	-
Mr. Le Hoang Tung	Chief Accountant	2,072	1,775
		39,026	34,886

42. Segment reporting

(a) Geographical segment

Year ended 31 December 2022:

	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	114,061,990	20,398,788	60,797,388	100,745	(107,246,211)	88,112,700
2 Interest and similar expenses	(93,298,802)	(12,461,684)	(36,317,251)	(24,734)	107,236,249	(34,866,222)
I Net interest and similar income	20,763,188	7,937,104	24,480,137	76,011	(9,962)	53,246,478
3 Fee and commission income	8,974,411	890,715	3,405,801	115,801	(961,721)	12,425,007
4 Fee and commission expenses	(6,217,860)	(39,285)	(116,644)	(31,439)	819,321	(5,585,907)
II Net fee and commission income	2,756,551	851,430	3,289,157	84,362	(142,400)	6,839,100
III Net gain from trading of foreign currencies	3,700,231	246,348	1,821,560	306	-	5,768,445
IV Net loss from trading securities	(112,280)	-	-	-	(2,914)	(115,194)
V Net gain from investment securities	81,595	-	-	-	-	81,595
5 Other income	1,273,917	634,594	1,000,022	19,806	-	2,928,339
6 Other expenses	(654,431)	(57,024)	(161,695)	(1,228)	-	(874,378)
VI Net other income	619,486	577,570	838,327	18,578	-	2,053,961
VII Income from capital contributions and equity investments	208,436	-	-	-	-	208,436
Total operating income	28,017,207	9,612,452	30,429,181	179,257	(155,276)	68,082,821
VIII Total operating expenses	(12,642,899)	(2,315,148)	(6,327,632)	(107,196)	142,363	(21,250,512)
IX Net operating profit before provision for credit losses	15,374,308	7,297,304	24,101,549	72,061	(12,913)	46,832,309
X Provision for credit losses	(4,678,225)	(934,953)	(3,832,540)	(18,500)	-	(9,464,218)
XI Profit before tax	10,696,083	6,362,351	20,269,009	53,561	(12,913)	37,368,091
7 Current corporate income tax expense	(3,077,096)	(1,272,470)	(4,053,513)	(3,781)	-	(8,406,860)
8 Deferred income tax expense	957,823	-	-	-	-	957,823
XII Corporate income tax expenses	(2,119,273)	(1,272,470)	(4,053,513)	(3,781)	-	(7,449,037)
XIII Profit after tax	8,576,810	5,089,881	16,215,496	49,780	(12,913)	29,919,054

(*) As at 31 December 2022, 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.

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

42. Segment reporting (continued)

(b) Business segment

Year ended 31 December 2022:

		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	194,231,573	473,911	591,529	61,898	(107,246,211)	88,112,700
2	Interest and similar expenses	(141,618,712)	(223,332)	(231,413)	(29,014)	107,236,249	(34,866,222)
I	Net interest and similar income	52,612,861	250,579	360,116	32,884	(9,962)	53,246,478
3	Fee and commission income	12,642,080	9,235	462,359	273,054	(961,721)	12,425,007
4	Fee and commission expenses	(6,234,218)	(1,606)	(94,112)	(75,292)	819,321	(5,585,907)
II	Net fee and commission income	6,407,862	7,629	368,247	197,762	(142,400)	6,839,100
III	Net gain from trading of foreign currencies	5,761,004	7,441	-	-	-	5,768,445
IV	Net (loss)/gain from trading securities	(164,587)	-	52,307	-	(2,914)	(115,194)
IV	Net gain from investment securities	81,209	-	386	-	-	81,595
5	Other income	2,896,517	10,980	19,928	914	-	2,928,339
6	Other expenses	(799,091)	-	(75,283)	(4)	-	(874,378)
VI	Net other income	2,097,426	10,980	(55,355)	910	-	2,053,961
VII	Income from capital contributions and equity investments	195,542	-	12,894	-	-	208,436
	Total operating income	66,991,317	276,629	738,595	231,556	(155,276)	68,082,821
VIII	Total operating expenses	(20,830,216)	(139,317)	(293,466)	(129,876)	142,363	(21,250,512)
IX	Net operating profit before provision for credit losses	46,161,101	137,312	445,129	101,680	(12,913)	46,832,309
X	Provision for credit losses	(9,464,489)	271	-	-	-	(9,464,218)
XI	Profit before tax	36,696,612	137,583	445,129	101,680	(12,913)	37,368,091
7	Current corporate income tax expense	(8,268,082)	(26,974)	(94,625)	(17,179)	-	(8,406,860)
8	Deferred income tax expense	949,616	-	8,207	-	-	957,823
XII	Corporate income tax expenses	(7,318,466)	(26,974)	(86,418)	(17,179)	-	(7,449,037)
XIII	Profit after tax	29,378,146	110,609	358,711	84,501	(12,913)	29,919,054

43. 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 2022:

43. Disclosures of financial instruments (continued)

(b) Fair value disclosure (continued)

As at 31 December 2022

	Held for trading VND million	Held-to-maturity VND million	Loans and receivables VND million	Available-for-sale VND million	Recognised at amortised cost VND million	Total carrying value VND million	Fair value VND million
Financial assets							
I Cash, gold, silver and gemstones	-	-	18,348,534	-	-	18,348,534	18,348,534
II Balances with the State Banks	-	-	92,557,809	-	-	92,557,809	92,557,809
III Balances with and loans to other credit institutions	-	-	324,477,444	-	-	324,477,444	(*)
IV Trading securities	1,543,575	-	-	-	-	1,543,575	(*)
V Derivative and other financial assets	156,515	-	-	-	-	156,515	(*)
VI Loans to customers	-	-	1,145,066,250	-	-	1,145,066,250	(*)
VIII Investment securities	-	95,513,376	-	100,739,670	-	196,253,046	(*)
IX Capital contributions, long-term investments	-	-	-	1,529,145	-	1,529,145	(*)
XII Other financial assets	-	-	32,992,302	-	-	32,992,302	(*)
	1,700,090	95,513,376	1,613,442,339	102,268,815	-	1,812,924,620	
Financial liabilities							
I Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	-	-	-	-	299,825,666	299,825,666	(*)
II Customer deposits	-	-	-	-	1,243,468,471	1,243,468,471	(*)
IV Funds for finance, entrusted investments and entrusted loans	-	-	-	-	3,298	3,298	(*)
V Valuable papers issued	-	-	-	-	25,337,894	25,337,894	(*)
VI Other financial liabilities	-	-	-	-	72,214,829	72,214,829	(*)
	-	-	-	-	1,640,850,158	1,640,850,158	

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

43. 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.

43. 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 2022, excluding collaterals and credit risk mitigations as follows:

	Neither past due nor impaired VND million	Past due but not impaired VND million	Impaired and provision made VND million	Total VND million
Balances with the State Banks	92,557,809	-	-	92,557,809
Balances with and loans to other CIs – gross	313,477,444	-	11,000,000	324,477,444
Balances with other CIs	283,727,719	-	-	283,727,719
Loans to other CIs	29,749,725	-	11,000,000	40,749,725
Trading securities - gross	1,397,467	-	-	1,397,467
Loans to customers – gross	1,112,933,704	11,675,599	20,456,947	1,145,066,250
Investment securities – gross	196,253,046	-	-	196,253,046
Available-for-sale securities	100,739,670	-	-	100,739,670
Held-to-maturity securities	95,513,376	-	-	95,513,376
Other assets	32,980,082	-	12,220	32,992,302
	1,749,599,552	11,675,599	31,469,167	1,792,744,318

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

43. 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, Customer deposits, 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 2022:

43. 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, gold, silver and gemstones	-	18,348,534	-	-	-	-	-	-	18,348,534
II Balances with the State Banks	-	-	92,557,809	-	-	-	-	-	92,557,809
III Balances with and loans to other CIs – gross	-	13,150	281,812,168	25,430,230	13,202,981	4,018,915	-	-	324,477,444
IV Trading securities – gross	-	146,108	1,397,467	-	-	-	-	-	1,543,575
V Derivative and other financial assets	-	156,515	-	-	-	-	-	-	156,515
VI Loans to customers – gross	19,037,969	-	215,577,212	392,329,073	346,304,304	81,161,689	87,530,802	3,125,201	1,145,066,250
VII Investment securities – gross	-	-	32,268,369	20,984,364	17,028,782	17,478,351	78,252,955	30,240,225	196,253,046
VIII Capital contributions, long-term investments – gross	-	2,311,534	-	-	-	-	-	-	2,311,534
IX Fixed assets	-	7,985,400	-	-	-	-	-	-	7,985,400
X Other assets – gross	-	60,990,421	-	-	-	-	-	-	60,990,421
Total assets	19,037,969	89,951,662	623,613,025	438,743,667	376,536,067	102,658,955	165,783,757	33,365,426	1,849,690,528
Liabilities									
I Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	-	-	281,551,209	11,942,445	6,307,800	24,212	-	-	299,825,666
II Customer deposits	-	125,370	677,536,375	162,631,235	165,568,831	216,316,746	21,274,574	15,340	1,243,468,471
IV Funds for finance, entrusted investments and entrusted loans	-	-	-	-	1,473	-	1,825	-	3,298
V Valuable papers issued	-	-	905	11,000,000	3,000,000	5,282,869	4,180,000	1,874,120	25,337,894
VI Other liabilities	-	108,826,615	-	707,141	-	-	-	-	109,533,756
Total liabilities	-	108,951,985	959,088,489	186,280,821	174,878,104	221,623,827	25,456,399	1,889,460	1,678,169,085
Interest sensitivity gap – on balance sheet	19,037,969	(19,000,323)	(335,475,464)	252,462,846	201,657,963	(118,964,872)	140,327,358	31,475,966	171,521,443

43. 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	
	31/12/2022	31/12/2021
USD/VND	23.570	22.780
EUR/VND	25.280	25.969

The following table presents Vietcombank's assets and liabilities denominated in foreign currencies that were converted into VND as at 31 December 2022:

43. 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
Assets					
I Cash, gold, silver and gemstones	14,830,007	2,696,454	381,973	440,100	18,348,534
II Balances with the State Banks	52,889,251	39,664,439	-	4,119	92,557,809
III Balances with and loans to other CIs – gross	217,413,144	79,738,132	7,690,049	19,636,119	324,477,444
IV Trading securities – gross	1,543,575	-	-	-	1,543,575
V Derivative and other financial assets	2,781,061	(2,524,061)	(106,082)	5,597	156,515
VI Loans to customers – gross	1,032,573,071	110,215,376	1,568,983	708,820	1,145,066,250
VII Investment securities – gross	172,636,517	23,616,529	-	-	196,253,046
VIII Capital contributions, long-term investments – gross	2,311,534	-	-	-	2,311,534
IX Fixed assets	7,943,168	34,440	-	7,792	7,985,400
X Other assets – gross	57,869,872	3,020,511	159	99,879	60,990,421
Total assets	1,562,791,200	256,461,820	9,535,082	20,902,426	1,849,690,528
Liabilities					
I Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	194,328,222	83,852,681	4,519,700	17,125,063	299,825,666
II Customer deposits	1,067,136,828	168,149,119	4,908,069	3,274,455	1,243,468,471
IV Funds for finance, entrusted investments and entrusted loans	3,298	-	-	-	3,298
V Valuable papers issued	25,337,849	45	-	-	25,337,894
VI Other liabilities	106,377,208	2,979,690	19,020	157,838	109,533,756
Total liabilities	1,393,183,405	254,981,535	9,446,789	20,557,356	1,678,169,085
Currency position on balance sheet	169,607,795	1,480,285	88,293	345,070	171,521,443

43. 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, Customer deposits, 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 2022:

43. 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	
	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Assets							
I Cash, gold, silver and gemstones	-	-	18,348,534	-	-	-	18,348,534
II Balances with the State Banks	-	-	92,557,809	-	-	-	92,557,809
III Balances with and loans to other credit institutions – gross	-	-	281,825,316	25,430,232	15,549,411	1,672,485	324,477,444
IV Trading securities – gross	-	-	1,543,575	-	-	-	1,543,575
V Derivative and other financial assets	-	-	-	156,515	-	-	156,515
VI Loans to customers – gross	4,309,133	14,728,836	99,318,578	243,033,252	351,068,995	165,697,081	1,145,066,250
VII Investment securities – gross	-	-	29,900,006	14,800,365	50,203,497	61,778,954	196,253,046
VIII Capital contributions, long-term investments – gross	-	-	-	-	-	2,311,534	2,311,534
IX Fixed assets	-	-	-	-	-	7,985,400	7,985,400
X Other assets – gross	-	-	-	60,990,421	-	-	60,990,421
Total assets	4,309,133	14,728,836	523,493,818	344,430,785	416,821,903	229,148,520	1,849,690,528
Liabilities							
I Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	-	-	281,401,789	11,897,138	3,413,142	2,365,117	299,825,666
II Customer deposits	-	-	297,467,685	183,110,651	425,516,493	105,562,877	1,243,468,471
IV Funds for finance, entrusted investments and entrusted loans	-	-	-	-	1,473	1,825	3,298
V Valuable papers issued	-	-	905	11,000,000	3,000,000	2,788,750	25,337,894
VI Other liabilities	-	-	28,235,060	70,022,229	8,690,321	1,879,005	109,533,756
Total liabilities	-	-	607,105,439	276,030,018	440,621,429	112,597,574	1,678,169,085
Net liquidity gap	4,309,133	14,728,836	(83,611,621)	68,400,767	(23,799,526)	116,550,946	171,521,443

44. Comparative figures

The Bank has revised some corresponding figures on its separate financial statements for the financial year ended 31 December 2022 in accordance with the conclusion of the State Audit of Vietnam in the Financial Statement Audit Report for fiscal year 2021 attached to Notification No. 553/KTNH-TH dated 9 September 2022. Details are as follows:

(i) Impact on total assets:

	31/12/2021 VND million (restated)	31/12/2021 VND million (initial figures)	Difference VND million
Balances with and loans to other credit institutions	225,811,765	225,764,546	47,219
Balances with other credit institutions	181,036,981	181,036,981	-
Loans to other credit institutions	48,727,565	48,727,565	-
Provision for balances with and loans to other credit institutions	(3,952,781)	(4,000,000)	47,219
Trading securities	2,799,649	2,766,098	33,551
Trading securities	2,856,082	2,822,531	33,551
Provision for trading securities	(56,433)	(56,433)	-
Loans to customers	935,009,671	934,774,287	235,384
Loans to customers	960,749,955	960,749,955	-
Provision for loans to customers	(25,740,284)	(25,975,668)	235,384
Investment securities	170,596,896	170,604,700	(7,804)
Available-for-sale securities	71,114,698	71,122,502	(7,804)
Held-to-maturity securities	99,657,595	99,657,595	-
Provision for investment securities	(175,397)	(175,397)	-
Fixed assets	8,636,306	8,626,043	10,263
Tangible fixed assets	5,562,887	5,552,624	10,263
Cost	13,736,855	13,725,160	11,695
Accumulated depreciation	(8,173,968)	(8,172,536)	(1,432)
Other assets	28,964,117	28,969,058	(4,941)
Receivables	15,803,945	15,796,141	7,804
Accrued interest and fee receivables	7,147,524	7,149,313	(1,789)
Deferred tax assets	349	7,137	(6,788)
Other assets	6,016,319	6,020,487	(4,168)
Provision for other assets	(4,020)	(4,020)	-
Overall impact			313,672

(ii) Impact on total liabilities and shareholders' equity:

	31/12/2021 VND million (restated)	31/12/2021 VND million (initial figures)	Difference VND million
Other liabilities	33,854,570	33,609,934	244,636
Accrued interest and fee payables	9,326,371	9,326,334	37
Other liabilities	24,528,199	24,283,600	244,599
Retained earnings	48,502,536	48,433,500	69,036
Previous years' retained earnings	31,826,451	31,826,728	(277)
Current year's retained earnings	16,676,085	16,606,772	69,313
Overall impact			313,672

(iii) Impact on off-balance sheet items:

	31/12/2021 VND million (restated)	31/12/2021 VND million (initial figures)	Difference VND million
Other guarantees	51,543,638	51,576,893	(33,255)

(iv) Impact on operating result:

	31/12/2021 VND million (restated)	31/12/2021 VND million (initial figures)	Difference VND million
Interest and similar income	70,621,957	70,749,002	(127,045)
Net interest and similar income	42,272,572	42,399,617	(127,045)
Net gain from trading securities	137,665	104,114	33,551
Net loss from investments securities	(85,235)	(85,126)	(109)
TOTAL OPERATING INCOME	56,629,966	56,723,569	(93,603)
OPERATING EXPENSES	(17,665,925)	(17,574,188)	(91,737)
Net operating profit before provision for credit losses	38,964,041	39,149,381	(185,340)
Provision expense for credit losses	(11,478,198)	(11,760,801)	282,603
TOTAL PROFIT BEFORE TAX	27,485,843	27,388,580	97,263
Current corporate income tax expense	(4,560,128)	(4,547,363)	(12,765)
Deferred corporate income tax expense	(908,882)	(902,172)	(6,710)
Corporate income tax expense	(5,469,010)	(5,449,535)	(19,475)
NET PROFIT AFTER TAX	22,016,833	21,939,045	77,788

45. Changes in comparative figures due to changes in accounting policies

In compliance with Circular No. 27/2021/TT-NHNN dated 31 December 2021 of the Governor of the SBV, effective from 1 April 2022, to ensure comparability, the Bank supplemented and restate some indicators as at 31 December 2021 as follows:

Off-balance sheet items:

	31/12/2021 VND million (restated in accordance with Circular No. 27 and SAV's adjustment)	31/12/2021 VND million (previously presented)	Cause
Off-balance sheet items			
Uncollected interests and fees receivable	2,317,333	Not disclosed	Supplemented
Bad debts written-off	55,457,529	Not disclosed	under Circular
Other assets and documents	349,305,079	Not disclosed	No.27

46. Uncollected interests and fees receivable

	31/12/2022 VND million	31/12/2021 VND million
Uncollected interests	1,301,116	2,317,076
Uncollected fees receivable	352	257
	1,301,468	2,317,333

47. Bad debts written-off

	31/12/2022 VND million	31/12/2021 VND million
Principal amounts of bad debts written-off is under monitoring	29,780,833	28,160,107
Interest amounts of bad debts written-off is under monitoring	30,420,568	27,293,959
Other bad debts written-off	12,528	3,463
	60,213,929	55,457,529

48. Other assets and documents

	31/12/2022 VND million	31/12/2021 VND million
Other assets in custody	328,556,825	239,952,480
Outsourced assets	(*)	(*)
The collateral is accepted as a substitute for the performance of the obligation of the guarantor pending	8,530	8,530
Other valuable documents in preservation	192,699,143	109,344,069
	521,264,498	349,305,079

(*) The Bank did not assess the value of this item because of a lack information, as well as no guidance on valuation according to the Vietnamese Accounting Standards System and the Vietnamese Accounting System for Credit Institutions issued by the State Bank of Vietnam.

49. Subsequent events

There was no significant event subsequent to 31 December 2022 that may have material effect to financial position of the Bank and require adjustments or disclosures in the consolidated financial statements for the year ended 31 December 2022.

50. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Management of the Bank on 31 March 2023.

Hanoi, 31 March 2023

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