

Joint Stock Commercial Bank for Foreign Trade of Vietnam

Separate financial statements
for the year ended 31 December 2022



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for the year ended 31 December 2022



Joint Stock Commercial Bank for Foreign Trade of Vietnam

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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 separate 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 separate 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 separate 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

Legal Representative Since 30 August 2021
Mr. Pham Quang Dung
Title: Chairman of the Board of Directors

Authorised signature on financial statements Since 29 September 2021
(According to Letter of Authorisation No. 337/UQ-VCB-CSTCKT dated 29 September 2021)
Ms. Phung Nguyen Hai Yen
Title: Deputy CEO

The Bank's Head Office 198 Tran Quang Khai Street
Hoan Kiem District, Hanoi, Vietnam

Auditor Ernst & Young Vietnam Limited

Joint Stock Commercial Bank for Foreign Trade of Vietnam Report of the Board of Management

The Board of Management of Joint Stock Commercial Bank for Foreign Trade of Vietnam (“the Bank”) presents this report and the accompanying separate financial statements of the Bank for year ended 31 December 2022.

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

The Board of Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Bank, and of its separate results of operations and its separate cash flows for the year. In preparing the separate 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 separate financial statements; and
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue 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 separate financial position of the Bank and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement by the Board of Management

The Board of Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Bank as at 31 December 2022, and of its separate results of operations and its separate 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 separate 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-RL

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying separate financial statements of Joint Stock Commercial Bank for Foreign Trade of Vietnam ("the Bank") as prepared on 31 March 2022 and set out on pages 6 to 80, which comprise the separate statement of financial position as at 31 December 2022, the separate income statement and the separate 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 separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and statutory requirements relevant to preparation and presentation of separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the separate 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 separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate 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 separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Bank as at 31 December 2022, and of the separate results of its operations and its separate 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 the preparation and presentation of separate financial statements.

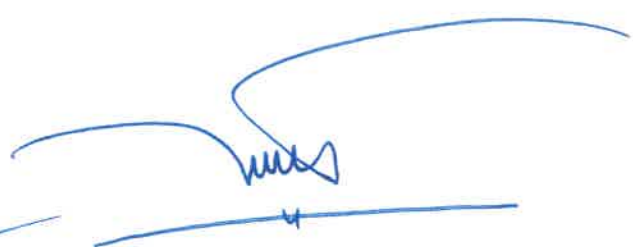
Other Matter

The separate financial statements of the Bank 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




Dang Phuong Ha
Deputy General Director
Audit Practising Registration
Certificate No. 2400-2023-004-1


Nguyen Van Trung
Auditor
Audit Practising 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
Separate statement of financial position as at 31 December 2022

Form B02/TCTD
(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	18,310,646	17,930,467
II	Balances with the State Bank of Vietnam	5	92,451,066	22,310,992
III	Balances with and loans to other credit institutions	6	315,838,424	227,601,730
1	Balances with other credit institutions		281,713,759	179,461,016
2	Loans to other credit institutions		44,964,665	52,093,495
3	Provision for balances with and loans to other credit institutions		(10,840,000)	(3,952,781)
IV	Trading securities	7	-	779,371
1	Trading securities		-	799,376
2	Provision for trading securities		-	(20,005)
V	Derivatives and other financial assets	8	156,515	303,202
VI	Loans to customers		1,111,524,064	926,376,110
1	Loans to customers	9	1,136,203,902	952,018,701
2	Provision for loans to customers	10	(24,679,838)	(25,642,591)
VIII	Investment securities	11	196,000,627	170,396,896
1	Available-for-sale securities		100,667,447	71,014,312
2	Held-to-maturity securities		95,415,013	99,557,595
3	Provision for investment securities		(81,833)	(175,011)
IX	Capital contributions, long-term investments		6,563,191	5,703,686
1	Investments in subsidiaries	12(a)	4,595,420	3,560,600
2	Investments in joint-ventures	12(b)	545,515	545,515
3	Investments in associates	12(c)	11,110	11,110
4	Other long-term investments	12(d)	1,529,145	1,661,461
5	Provision for long-term investments	12(e)	(117,999)	(75,000)
X	Fixed assets		7,774,214	8,382,739
1	Tangible fixed assets	13	4,979,561	5,322,921
a	Cost		12,976,162	12,780,609
b	Accumulated depreciation		(7,996,601)	(7,457,688)
3	Intangible fixed assets	14	2,794,653	3,059,818
a	Cost		4,719,202	4,563,318
b	Accumulated amortisation		(1,924,549)	(1,503,500)
XII	Other assets		59,588,764	27,359,427
1	Receivables	15(a)	23,355,542	14,164,925
2	Accrued interest and fee receivables	15(b)	9,082,140	6,954,169
3	Deferred tax assets	15(c)	949,616	-
4	Other assets	15(d)	26,201,466	6,240,333
	TOTAL ASSETS		1,808,207,511	1,407,144,620

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

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

Form B02/TCTD
(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	Balances with and borrowings from the Government and the State Bank of Vietnam	16	67,314,816	9,468,116
1	Balances with and borrowings from the Government and the State Bank of Vietnam		67,314,816	9,468,116
II	Deposits and borrowings from other credit institutions	17	231,430,363	105,578,800
1	Deposits from other credit institutions		222,964,448	104,878,800
2	Borrowings from other credit institutions		8,465,915	700,000
III	Customer deposits	18	1,244,500,889	1,136,759,508
V	Funds for finance, entrusted investments and entrusted loans	19	3,298	7,707
VI	Valuable papers issued	20	25,393,775	17,413,979
VII	Other liabilities		106,105,392	31,320,792
1	Accrued interest and fee payables	21(a)	12,467,149	9,328,950
3	Other liabilities	21(b)	93,638,243	21,991,842
	TOTAL LIABILITIES		1,674,748,533	1,300,548,902
VIII	Owners' equity			
1	Capital		52,320,967	42,084,575
a	Charter capital		47,325,166	37,088,774
c	Share premium		4,995,389	4,995,389
g	Other capital		412	412
2	Reserves		22,217,256	17,799,503
5	Retained earnings		58,920,755	46,711,640
a	Previous year's retained earnings		36,278,497	30,678,442
b	Current year's retained earnings		22,642,258	16,033,198
	TOTAL OWNERS' EQUITY	22(a)	133,458,978	106,595,718
	TOTAL LIABILITIES AND OWNERS' EQUITY		1,808,207,511	1,407,144,620

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

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

Form B02/TCTD
(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>		<i>1,027,038</i>	<i>3,470,214</i>
	<i>Foreign exchange commitments – sell</i>		<i>1,028,925</i>	<i>3,466,305</i>
	<i>Swap commitments</i>		<i>81,264,769</i>	<i>74,107,503</i>
3	Letters of credit		84,726,842	65,378,199
4	Other guarantees		48,474,833	51,543,638
5	Other commitments		35,604,961	11,390,000
6	Uncollected interest and fees receivable	45	1,260,754	2,279,152
7	Bad debts written-off	46	59,948,269	55,196,223
8	Other assets and receipts	47	521,008,120	349,009,694

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 separate financial statements

Joint Stock Commercial Bank for Foreign Trade of Vietnam
198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam
Separate income statement for the year ended 31 December 2022

Form B03/TCTD
(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	87,197,336	69,811,192
2	Interest and similar expenses	24	(34,643,785)	(28,177,488)
I	Net interest and similar income		52,553,551	41,633,704
3	Fee and commission income	25	11,846,916	10,517,314
4	Fee and commission expenses	25	(5,439,525)	(3,702,596)
II	Net fee and commission income	25	6,407,391	6,814,718
III	Net gain from trading of foreign currencies	26	5,760,910	4,374,657
IV	Net loss from trading securities	27	(164,586)	(14,205)
V	Net gain/(loss) from investment securities	28	81,209	(86,287)
5	Other income	29	2,877,900	3,046,437
6	Other expenses	29	(797,863)	(698,962)
VI	Net other income	29	2,080,037	2,347,475
VII	Income from capital contributions and equity investments	30	233,381	167,973
	TOTAL OPERATING INCOME		66,951,893	55,238,035
VIII	TOTAL OPERATING EXPENSES	31	(20,803,391)	(17,245,169)
IX	Net operating profit before provision for credit losses		46,148,502	37,992,866
X	Provision for credit losses	32	(9,446,011)	(11,448,190)
XI	TOTAL PROFIT BEFORE TAX (CARRIED TO THE NEXT PAGE)		36,702,491	26,544,676

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

Joint Stock Commercial Bank for Foreign Trade of Vietnam
198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam
Separate income statement for the year ended 31 December 2022
(continued)

Form B03/TCTD
(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)		36,702,491	26,544,676
7	Current corporate income tax expense	33(a)	(8,265,101)	(4,376,167)
8	Deferred income tax income/(expense)	33(b)	949,616	(902,392)
XII	Corporate income tax expenses		(7,315,485)	(5,278,559)
XIII	NET PROFIT AFTER TAX		29,387,006	21,266,117

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 separate financial statements

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

Form B04/TCTD
(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	85,103,034	70,063,639
02	Interest and similar expenses paid	(31,507,455)	(28,662,770)
03	Net fee and commission income received	4,728,291	5,135,618
04	Net receipts from foreign currencies, gold and securities trading activities	5,910,788	4,547,134
05	Other expenses paid	(315,893)	(542,083)
06	Receipts from bad debts previously written off	2,392,724	2,884,567
07	Payments to employees and for other operating activities	(19,420,404)	(16,050,745)
08	Corporate income tax paid during the year	(3,820,917)	(5,708,091)
Net cash flows from operating activities before changes in operating assets and liabilities		43,070,168	31,667,269
(Increase)/decrease in operating assets			
09	Balances with and loans to other credit institutions	(15,609,475)	(12,111,648)
10	Trading securities	4,888,823	(13,785,475)
11	Derivatives and other financial assets	146,687	(303,202)
12	Loans to customers	(184,185,201)	(119,142,589)
13	Utilisation of provision for credit losses	(3,530,346)	(2,538,370)
14	Other operating assets	(29,076,495)	(8,865,107)
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	125,851,563	3,981,258
17	Customer deposits	107,741,381	104,495,957
18	Valuable papers issued	7,980,446	(3,956,846)
19	Funds for finance, entrusted investments and entrusted loans	(4,409)	(6,972)
20	Derivatives and other financial liabilities	-	(52,031)
21	Other operating liabilities	71,682,513	283,588
22	Payments from reserves	(2,483,749)	(2,764,093)
I	Net cash flows from/(used in) operating activities	184,318,606	(54,807,140)

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

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

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

No.	Items	2022 VND million	2021 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
01	Purchases of fixed assets	(678.089)	(1.604.109)
02	Proceeds from disposals of fixed assets	8.014	6.192
03	Payments for disposals of fixed assets	(4.808)	(1.201)
04	Proceeds from investments in other entities	(1.034.820)	(201.822)
05	Collections from investments in other entities	201.899	13.791
06	Dividends and profits received from equity investments and capital contributions	153.113	139.949
II	Net cash flows used in investing activities	(1.354.691)	(1.647.200)
CASH FLOWS FROM FINANCING ACTIVITIES			
03	Dividends paid to shareholders	(3.329.224)	(1.869.048)
III	Net cash flows used in financing activities	(3.329.224)	(1.869.048)
IV	Net cash flows during the year	179.634.691	(58.323.388)
V	Cash and cash equivalents at the beginning of the year	232.843.012	291.166.400
VII	Cash and cash equivalents at the end of the year (Note 34Error! Reference source not found.)	412.477.703	232.843.012

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 separate financial statements

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

1. Reporting entity

(a) Establishment and operations

Joint Stock Commercial Bank for Foreign Trade of Vietnam (“the Bank”) was established upon the transformation from a state-owned commercial bank following the approval of the Prime Minister on the equitisation plan of the Bank for Foreign Trade of Vietnam and in accordance with other relevant regulations. The Bank was granted Establishment and Operation Licence No. 138/GP-NHNN dated 23 May 2008 by the State Bank of Vietnam (“the SBV”) for a period of 99 years, Business Registration Certificate No. 0103024468 dated 2 June 2008 by Hanoi Department of 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 include mobilise and receive short, medium and long-term deposits from organisations and individuals; lend to organisations and individuals up to the nature and capability of the Bank’s capital resources; conduct settlement and cash services; provide other banking services as approved by the SBV; invest in associates, joint-ventures and other companies; invest in stocks and bonds and real-estate business in accordance with the relevant regulations; trade in and supply interest rates derivatives and commodity price derivatives in accordance with the relevant regulations; purchase debts; trade in and provide foreign exchange services in the domestic and international markets in accordance with the relevant regulations of the SBV.

(b) Charter capital

Under Establishment and Operation Licence No. 138/GP-NHNN dated 23 May 2008 issued by the SBV and Business Registration Certificate No. 0103024468 dated 2 June 2008 issued by Hanoi 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 Enterprise Registration Certificate with Enterprise Code No. 0100112437 was 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 of the SBV, the Bank’s charter capital was VND47,325,165,710,000. The par value of share is VND10,000.

Joint Stock Commercial Bank for Foreign Trade of Vietnam
198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam
Notes to the separate financial statements
for the year ended 31 December 2022 (continued)

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

	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 of Investment and Planning	Money remittance	100%

Joint Stock Commercial Bank for Foreign Trade of Vietnam
198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam
Notes to the separate financial statements
for the year ended 31 December 2022 (continued)

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49/2014/TT-NHNN dated 31
December 2014)

Vietcombank Laos Limited	Operation Licence No. 88/BOL dated 25 May 2018 granted by Bank of the Lao P.D.R	Banking	100%
Vietcombank Money Inc.	Business Registration No. E0321392009-6 dated 15 June 2009 granted by the Authority of the State of Nevada, United States	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%

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 Operation Licence No. 06/UBCK-GPHDQLQ dated 2 December 2005 granted by the State Securities Commission of Vietnam and the most recent amendment No. 17/GPDC-UBCK dated 9 February 2018	Investment fund management	51%

Associates

As at 31 December 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 amendment No. 283/GPDC4 dated 4 March 2002	Office leasing	16%

(e) Number of employees

As at 31 December 2022, Vietcombank had 21,865 employees (31 December 2021: 20,982 employees).

2. Summary of significant accounting policies

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

(a) Purpose of preparing the separate financial statements

The Bank has subsidiaries as disclosed in Note 1(d) and Note 12(a). The Bank has prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specified under Circular No. 96/2020/TT-BTC dated 16 November 2020 issued by the Ministry of Finance on disclosure of information on the securities market ("Circular 96"). In addition, as required by Circular 96, the Bank has also prepared the consolidated financial statements of the Bank and its subsidiaries for the year ended 31 December 2022 ("the consolidated financial statements"), which were issued on 31 March 2023.

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

(b) Basis of financial statement preparation

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

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

(c) Annual accounting period

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

(d) Changes in accounting policies

The accounting policies adopted by the Bank in preparation of the separated financial statements are consistent with those followed in the preparation of the separate 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 took effect on 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 the 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

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

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

(f) 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.

(g) Balances with and loans to other credit institutions

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

Loans to other credit institutions are loans with original terms to maturity 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, the Bank classifies debts and makes specific provision for term deposits with and loans to other credit institutions in accordance with the accounting policy described in Note 2(h).

According to Circular 11, the Bank is not required to make general provision for balances with and loans to other credit institutions.

(h) Loans to customers

(i) Loans to customers

Loans to customers are stated in the separate statement of financial position at the outstanding amount of principal at the reporting date.

Provision for credit loss on loans to customers is accounted and presented in a separate line on the separate 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

The Bank 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 Bank 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, the Bank 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, the Bank 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, the Bank shall adjust its classification of loans and off-balance commitments following the loan groups provided by CIC.

From 1 October 2021

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

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

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

The Bank has applied Circular No. 01/2020/TT-NHNN (“Circular 01”) issued by the SBV regulating credit institutions and foreign bank branches to reschedule the debt repayment term, exempting, reducing interests and fees, keeping loan group unchanged 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, the Bank 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

The Bank 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, the Bank is allowed to reschedule loan repayment term, 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 23/1/2020	From 23/1/2020 to 31/12/2021	Not past due or overdue up to 10 days	From 30/3/2020 to before 31/12/2021	Keeping the loan group unchanged as classified at the most recent date before 23/01/2020.
		Overdue	From 23/1/2020 to 29/3/2020	
From 23/1/2020 to before 10/6/2020		Not past due or overdue up to 10 days	From 17/5/2021 to before 31/12/2021	Keeping the loan group unchanged as classified at the most recent date before the date of first rescheduling loan repayment period.
		Overdue	From 23/1/2020 to before 17/5/2021	Keeping the loan group unchanged as classified at the most recent date before the date the loan becomes overdue.

From 7 September 2021

The Bank 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, the Bank is allowed to reschedule loan repayment term, exempt or reduce interest and fees, and keep the loan group unchanged as follows:

Loan disbursement timing	Period of debt payment obligation occurrence	Overdue status	Period of overdue occurrence	Principle of keeping loan group unchanged
Before 23/1/2020	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.

Loan disbursement timing	Period of debt payment obligation occurrence	Overdue status	Period of overdue occurrence	Principle of keeping loan group unchanged
From 23/1/2020 to before 10/6/2020		Overdue	From 23/1/2020 to before 17/5/2021	Keeping the loan group unchanged as classified at the most recent date before the date the loan becomes overdue.
From 10/6/2020 to before 1/8/2021		Overdue	From 17/7/2021 to before 7/9/2021	

For the loan balances having rescheduled repayment term, interest exempted or reduced and loan group being kept unchanged during the restructured term and their repayment period is not further rescheduled by the Bank in accordance with prevailing regulations: the Bank 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 debts	0%
Group 2 – Special mentioned debts	5%
Group 3 – Sub-standard debts	20%
Group 4 – Doubtful debts	50%
Group 5 – Loss debts	100%

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

For the loans having rescheduled repayment term, exempted or reduced interest and fees in order to support customers affected by Covid-19 pandemic, the Bank 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, the Bank has made 100% of the additional specific provision to be made as above.

(iv) General provision for credit risk

Prior to 1 October 2021

The Bank 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

The Bank 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, the Bank writes off bad debts in the following cases:

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

(i) Investments

(i) Trading securities

Trading securities are debt securities, equity securities and other securities which are 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 separate 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 Bank is allowed to reclassify investment securities once, at maximum, after the acquisition date.

Available-for-sale securities

Available-for-sale securities are debt securities, equity securities or other securities, which are acquired for an indefinite period and may be sold at any time. For equity securities, the investee is not a subsidiary, associate or joint-venture of the Bank and the Bank is neither a founding shareholder nor a strategic partner; nor has the impact on the enterprise's planning and determining of financial and operating policies under agreements to appoint personnel to the Members' Council/Board of Directors/Board of Management.

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

Held-to-maturity securities

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

Post-acquisition interest income from held-to-maturity securities is recognised in the separate 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 separate income statement using the straight-line method over the period from the purchase dates to the maturity dates.

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(h). 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, the Bank is not required to make provision for Government, Government-guaranteed, and municipal bonds from the fiscal year 2022.

(iii) Capital contributions and long-term investments

Investments in subsidiaries, joint-ventures and associates

Subsidiaries are entities that fall in one of the followings:

- The Bank or the Bank and its related parties hold more than 50% of charter capital or more than 50% share capital with voting rights in that entity;

- The Bank has the power, directly or indirectly, to appoint most of or all of the members of the Board of Directors, the Members' Council or General Director of the entity;
- The Bank has the power to amend, supplement to the entity's charter;
- The Bank and its related parties control, directly or indirectly, the resolution and decision of the annual general shareholders' meeting, the Board of Directors, the Members' Council of the entity.

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

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

Other long-term investments

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

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

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

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 the Bank at the end of the annual accounting period which has signs of decrease in value compared to the Bank'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 the Bank at the economic entity at the time of provisioning. For an investment in listed securities or investments which market price can be determined reliably, provision is made based on the securities' market price.

(j) Repurchase and reverse repurchase agreements

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

(k) 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 separate 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 transmission | 6 years |
| • Other tangible fixed assets | 4 years |

(l) 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;
- Land lease rent paid annually, the rent is recorded into the business expenses in the year in proportion to the rent annually paid.

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

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

(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.

(m) Other assets

Except for receivables from uncollectible income as presented in Note 2(t)(iv), provision for overdue other assets which are not classified as assets bearing credit risk are made in accordance with Circular 48 and Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200"). Accordingly, provision for these other assets is based on their overdue period or estimated irrevocable loss for debts that are not due but the Bank has collected evidence to identify that debtor has become bankrupt, filing for bankruptcy or has absconded; or being prosecuted, detained or tried by law enforcement bodies or serving a sentence; or suffering from a serious illness (certified by the hospital); deceased; or those remains irrecoverable after the Bank filing a lawsuit due to its debtor had fled from his/her residence; the debt which has been sued for debt collection by the Bank but the case has been suspended.

<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, the Bank classifies and makes provision similarly to loans to customers as described in Note 2(h).

(n) Deposits and borrowings from other credit institutions

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

(o) Deposits from customers

Deposits from customers are stated at cost.

(p) Valuable papers issued

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

(q) Severance allowance

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

(r) Bonus and welfare fund

Bonus and welfare fund is appropriated from profit after tax in accordance with the Resolution of the General Meeting of Shareholders and recorded as liabilities in the separate 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”).

(s) Capital and reserves

(i) Ordinary shares

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

(ii) Share premium

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

(iii) Treasury shares

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 at prescribed rates as below:

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

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

(t) Income and expenses

(i) Interest income and interest expenses

The Bank recognises interest income from debts classified in Group 1 – Current debts as defined in Note 2(h) on an accrual basis. Interest receivable from debts being kept debt group as Group 1 – Current debts as a result of adopting the State's regulations and interest receivable from debts classified in Group 2 to Group 5 are recognised in the separate income statement upon receipt.

Interest expenses are recognised on an 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 separate income statement when the Bank'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 separate income statement. Instead, the additional shares received are reflected as increase in the number of shares held by the Bank.

(iv) Uncollectible income

According to Circular No. 16/2018/TT-BTC dated 7 February 2018 issued by the Ministry of Finance, receivables that are recognised as income but uncollectible at the due date are reversed as a reduction of income if the due date is within the same 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. When the receivable is collected, the Bank will record it in other income.

(u) Operating leases

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

(v) Corporate income tax

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

(w) Related parties

Related parties of the Bank include:

- The parent company or the credit institution considered as the parent company of the Bank;
- The Bank's subsidiaries;
- The entity that has the same parent company or parent credit institution with the Bank;
- Management personnel or members of the Supervisory Board of the parent company or parent credit institution of the Bank;
- Individuals or organisations which have the authority to appoint management personnel or members of the Supervisory Board of the parent company or parent credit institution of the Bank;
- Management personnel or members of the Supervisory Board of the Bank;
- Entities or organisations which have the authority to appoint management personnel, members of the Supervisory Board of the Bank;
- Wives, husbands, parents, children (including foster parents, foster children, parents-in-law, sons-in-law, daughters-in-law, step parents, step children), siblings (including half siblings), brothers-in-law, sisters-in-law of management personnel, members of the Supervisory Board, capital contributors or shareholders who hold at least 5% of charter capital or share capital with voting rights of the Bank;
- Individuals or organisations that hold at least 5% of charter capital or share capital with voting rights of the Bank; and
- Authorised representatives of owners of contributed capital and shares of the Bank.

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

(x) Segment reporting

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

(y) Off-balance sheet items

(i) Currency contracts

The Bank 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 The Bank'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 separate 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 separate 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 separate statement of financial position. This difference is amortised to the separate 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 separate statement of financial position. Differences in interest rate swaps are recognized in the separate income statement on an accrual basis.

(iii) Commitments and contingent liabilities

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

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

(z) Offsetting

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

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

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

Financial assets of the Bank mainly include:

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

Financial liabilities of the Bank mainly include:

- Amounts due to the Government and the SBV;
- Deposits and borrowings from other credit institutions;
- Customer deposits;
- Funds for finance, entrusted investments and entrusted loans;
- Valuable papers issued;
- Derivatives and other financial liabilities; and
- Other financial liabilities.

(a) Classification of financial assets and liabilities

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

Financial assets are classified as:

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

Financial liabilities are classified as:

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

(b) Recognition

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

(c) Derecognition

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

(d) Measurement and disclosures of fair value

In accordance with Circular 210, the Bank has to disclose the fair value of financial assets and financial liabilities to compare with the book value of those financial assets and financial liabilities as disclosed in Note 42(b).

The disclosure of fair value of the financial instruments is only for the disclosure purpose in Note 42(b). The financial instruments of the Bank 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, the Bank measures the fair value of that instrument using its quoted price in the active market. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions.

In case there is not enough information to utilise valuation techniques, fair value of the financial instruments without 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	31/12/2021
	VND million	VND million
Cash on hand in VND	14,797,952	14,633,162
Cash on hand in foreign currencies	3,512,248	3,296,832
Valuable papers in foreign currencies	446	473
	18,310,646	17,930,467

5. Balances with the State Bank of Vietnam

	31/12/2022	31/12/2021
	VND million	VND million
Demand deposits in VND	52,888,548	11,152,128
Demand deposits in USD	39,562,518	11,158,864
	92,451,066	22,310,992

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
Over compulsory reserve in USD	0%/p.a	0%/p.a

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	43,782,211	3,219
Demand deposits in foreign currencies	68,188,466	39,184,110
Term deposits in VND	132,806,297	101,865,836
Term deposits in foreign currencies	36,936,785	38,407,851
	281,713,759	179,461,016
Loans to other credit institutions		
Loans in VND	41,867,157	45,083,446
Loans in foreign currencies	3,097,508	7,010,049

	31/12/2022 VND million	31/12/2021 VND million (restated)
Balances with and loans to other credit institutions	44,964,665	52,093,495
Provision for balances with and loans to other credit institutions	(10,840,000)	(3,952,781)
	315,838,424	227,601,730

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	183,617,447	170,453,346
Loss debts	11,000,000	4,000,000
	194,617,447	174,453,346

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
Debt securities		
Government bonds	-	799,376
Provision for trading securities	-	(20,005)
Total trading securities	-	779,371

Trading securities by listing status were as follows:

	31/12/2022 VND million	31/12/2021 VND million
Debt securities		
Listed	-	799,376

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

	2022 VND million	2021 VND million
Opening balance	20,005	-
Provision (reserved)/made during the year (Note 27)	(20,005)	20,005
Closing balance	-	20,005

8. Derivatives 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 derivatives				
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	1,133,288,372	948,138,586
Discounted bills and transferrable valuable papers	2,908,120	3,879,226
Loans given to make payments on behalf of customers	7,410	889
	1,136,203,902	952,018,701

Analysis of loan portfolio by debt group:

	31/12/2022 VND million	31/12/2021 VND million (restated)
Current debts	1,124,481,633	942,426,159
Special mentioned debts	3,947,002	3,493,497
Sub-standard debts	406,136	737,811
Doubtful debts	772,146	965,564
Loss debts	6,596,985	4,395,670
	1,136,203,902	952,018,701

Analysis of loan portfolio by term:

	31/12/2022 VND million	31/12/2021 VND million
Short-term debts	647,643,685	504,123,297
Medium-term debts	37,674,307	36,853,649
Long-term debts	450,885,910	411,041,755
	1,136,203,902	952,018,701

Analysis loan portfolio by type of borrowers:

	31/12/2022 VND million	31/12/2021 VND million
State-owned enterprises	63,728,951	59,887,784
Limited companies	201,611,767	168,335,994
Foreign invested enterprises	85,038,283	65,544,746
Co-operative and private companies	2,288,184	2,817,871
Individuals and individual business households	537,352,799	444,524,086
Others	246,183,918	210,908,220
	1,136,203,902	952,018,701

Analysis of loan portfolio by industry sector:

	31/12/2022 VND million	31/12/2021 VND million
Processing and manufacturing	240,570,935	200,514,031
Trading and services	184,009,464	151,837,857
Electricity, gas, water processing and supplying	58,387,513	59,500,501
Construction	74,855,031	86,303,088
Transportation, logistics and communication	31,071,441	28,272,993
Mining	18,972,138	14,981,933
Agriculture, forestry and aquaculture	36,056,472	25,074,762
Hotel and restaurant	18,260,623	16,894,103
Others	474,020,285	368,639,433
	1,136,203,902	952,018,701

10. Provision for loans to customers

	31/12/2022 VND million	31/12/2021 VND million (restated)
General provision	8,407,116	7,017,165
Specific provision	16,272,722	18,625,426
	24,679,838	25,642,591

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

	2022 VND million	2021 VND million (restated)
Opening balance	7,017,165	5,859,047
Provision made during the year (Note 32)	1,389,951	1,158,118
Closing balance	8,407,116	7,017,165

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

	2022 VND million	2021 VND million
Opening balance	18,625,426	13,316,062
Provision made during the year (Note 32)	1,175,732	7,848,568
Provision utilised for bad debts written-off	(3,530,346)	(2,538,370)
Foreign exchange difference	1,910	(834)
Closing balance	16,272,722	18,625,426

11. Investment securities

	31/12/2022 VND million	31/12/2021 VND million
Available-for-sale securities (a)	100,667,447	70,928,025
Held-to-maturity securities (b)	95,333,180	99,468,871
	196,000,627	170,396,896

(a) Available-for-sale securities

	31/12/2022 VND million	31/12/2021 VND million
Government bonds	34,180,447	30,327,312
Treasury bills, SBV bills	29,600,000	-
Debt securities issued by other local credit institutions	36,887,000	40,687,000
	100,667,447	71,014,312
Provision for available-for-sale securities (i)	-	(86,287)
Total available-for-sale securities	100,667,447	70,928,025

(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	-	86,287

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	86,287	-
Provision (reserved)/made during the year (Note 28)	(86,287)	86,287
Closing balance	-	86,287

(b) Held-to-maturity securities

	31/12/2022 VND million	31/12/2021 VND million
Government bonds	37,915,262	40,325,603
Debt securities issued by other local credit institutions	46,589,000	47,402,241
Debt securities issued by local economic entities	10,910,751	11,829,751
	95,415,013	99,557,595
Provision for held-to-maturity securities (ii)	(81,833)	(88,724)
Total held-to-maturity securities	95,333,180	99,468,871

(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	94,386,751	98,402,751

12. Capital contributions, long-term investments

(a) Investments in subsidiaries

As at 31 December 2022:

	Business sector	Ownership percentage (%)	Cost VND million
Vietcombank Financial Leasing Company Limited	Finance lease	100%	500,000
Vietcombank Securities Company Limited	Securities	100%	1,734,820
Vietnam Finance Company Limited in Hong Kong	Financial services	100%	235,222
Vietcombank Remittance Company Limited	Foreign exchange remittance	100%	30,000
Vietcombank Laos Limited	Banking	100%	1,820,400
Vietcombank Money Inc.	Remittance	87.5%	204,978
Vietcombank Tower 198 Ltd	Office leasing	70%	70,000
			4,595,420

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As at 31 December 2021:

	Business sector	Ownership percentage (%)	Cost VND million
Vietcombank Financial Leasing Company Limited	Finance lease	100%	500,000
Vietcombank Securities Company Limited	Securities	100%	700,000
Vietnam Finance Company Limited in Hong Kong	Financial services	100%	235,222
Vietcombank Remittance Company Limited	Foreign exchange remittance	100%	30,000
Vietcombank Laos Limited	Banking	100%	1,820,400
Vietcombank Money Inc.	Remittance	87.5%	204,978
Vietcombank Tower 198 Ltd	Office leasing	70%	70,000
			3,560,600

(b) Investments in joint-ventures

As at 31 December 2022 and 31 December 2021:

	Business sector	Ownership percentage (%)	Cost VND million
Vietcombank – Bonday – Ben Thanh Joint-venture Company Limited (i)	Office leasing	52.0%	410,365
Vietcombank Fund Management (i)	Investment fund management	51.0%	135,150
			545,515

- (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".

(c) Investments in associates

As at 31 December 2022 and 31 December 2021:

	Business sector	Ownership percentage (%)	Cost VND million
Vietcombank – Bonday Joint-venture Company Limited	Office leasing	16%	11,110
			<u>11,110</u>

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".

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(d) 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

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	4.31%	802,269
Small and Medium Enterprises Credit Guarantee Fund	Credit guarantee services	0.80%	1,864
Petrolimex Insurance Corporation	Insurance	8.03%	67,900
Vietnam Credit Information Joint Stock Company	Credit information services	6.64%	7,962
Vietnam Infrastructure Development and Financial Investment JSC.	Highway investment	1.97%	75,000
National Payment Corporation of Vietnam	Card and settlement services	1.83%	4,400
Vietnam Airlines JSC.	Aviation	1.02%	379,223
SWIFT, MASTER and VISA	Card and settlement services	-	2,936
			1,661,461

(e) Provision for diminution in value of long-term investments

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

Movements in provision for diminution in value of other long-term investments 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	Machinery and equipment	Motor vehicles and means of transmission	Others	Total
	VND million	VND million	VND million	VND million	VND million
Cost					
Opening balance (restated)	5,375,177	4,668,466	1,183,310	1,553,656	12,780,609
Additions during the year	235,542	137,002	62,493	87,621	522,658
- Purchases	235,542	137,002	62,493	87,350	522,387
- Other increases	-	-	-	271	271
Decreases during the year	(24,200)	(266,083)	(21,475)	(15,347)	(327,105)
- Disposals	(11,804)	(265,318)	(20,262)	(15,226)	(312,610)
- Other decreases	(12,396)	(765)	(1,213)	(121)	(14,495)
Closing balance	5,586,519	4,539,385	1,224,328	1,625,930	12,976,162
Accumulated depreciation					
Opening balance (restated)	1,405,675	3,993,844	801,524	1,256,645	7,457,688
Additions during the year	233,128	389,249	98,945	128,506	849,828
- Charges for the year	232,126	387,133	98,945	128,506	846,710
- Other increases	1,002	2,116	-	-	3,118
Decreases during the year	(9,803)	(265,288)	(20,262)	(15,562)	(310,915)
- Disposals	(9,803)	(265,288)	(20,262)	(15,192)	(310,545)
- Other decreases	-	-	-	(370)	(370)
Closing balance	1,629,000	4,117,805	880,207	1,369,589	7,996,601
Net book value					
Opening balance (restated)	3,969,502	674,622	381,786	297,011	5,322,921
Closing balance	3,957,519	421,580	344,121	256,341	4,979,561

Included in tangible fixed assets were assets costing VND5,339,881 million which were fully depreciated as of 31 December 2022 but still in use (31 December 2021: VND5,132,364 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	2,477,163	2,070,942	15,213	4,563,318
Additions during the year	-	155,884	-	155,884
- Purchases	-	155,702	-	155,702
- Other increases	-	182	-	182
Closing balance	2,477,163	2,226,826	15,213	4,719,202
Accumulated amortisation				
Opening balance	105,669	1,397,831	-	1,503,500
Addition during the year	11,584	428,949	-	440,533
- Charges for the year	11,584	411,678	-	423,262
- Other increases	-	17,271	-	17,271
Decreases during the year	-	(19,484)	-	(19,484)
- Other decreases	-	(19,484)	-	(19,484)
Closing balance	117,253	1,807,296	-	1,924,549
Net book value				
Opening balance	2,371,494	673,111	15,213	3,059,818
Closing balance	2,359,910	419,530	15,213	2,794,653

Included in intangible fixed assets were assets costing VND1,025,623 million which were fully depreciated as of 31 December 2022, but still in use (31 December 2021: VND699,309 million).

15. Other assets

(a) Receivables

	31/12/2022 VND million	31/12/2021 VND million (restated)
Internal receivables	2,590,516	1,680,789
External receivables (i)	20,765,026	12,484,136
	23,355,542	14,164,925

(i) External receivables

	31/12/2022 VND million	31/12/2021 VND million (restated)
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 36)	44,457	307
Deductible value added tax (Note 36)	-	92
Advances for other taxes (Note 36)	2	2
Construction in progress (*)	241,567	302,160
Receivables from L/C paid in advance	17,041,450	8,805,446
Other receivables	2,291,502	1,881,344
	20,765,026	12,484,136

(*) Details of construction in progress are follows:

	31/12/2022 VND million	31/12/2021 VND million
Construction in progress	241,567	302,160
<i>In which, significant projects are:</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 Duong 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	4,008,654	2,323,037
From balances with and loans to other credit institutions	827,947	481,991
From investment securities	3,803,143	3,935,108
From derivative transactions	440,092	212,234
Fees receivable	2,304	1,799
	9,082,140	6,954,169

(c) Deferred tax assets

	31/12/2022 VND million	31/12/2021 VND million
Deferred tax assets arising from deductible temporary differences	949,616	-

(d) Other assets

	31/12/2022 VND million	31/12/2021 VND million (restated)
Prepaid expenses for office and fixed assets rental	910,960	851,491
Materials	153,757	152,913
Advances for card payments	4,340,977	2,347,368
Prepaid land rental costs	700,787	715,347
Other assets	20,094,985	2,173,214
	26,201,466	6,240,333
Provision for other assets	-	-
	26,201,466	6,240,333

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 State Bank of Vietnam	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	222,964,448	104,878,800
Demand deposits in VND	72,390,590	17,351,132
Demand deposits in foreign currencies	68,936,433	39,851,169
Term deposits in VND	70,125,000	41,380,931
Term deposits in foreign currencies	11,512,425	6,295,568
Borrowings from other CIs	8,465,915	700,000
Borrowings in VND	-	700,000
Borrowings in foreign currencies	8,465,915	-
	231,430,363	105,578,800

18. Deposits from customers

	31/12/2022 VND million	31/12/2021 VND million
Demand deposits	402,530,083	367,894,452
Demand deposits in VND	308,809,464	292,282,649
Demand deposits in gold, foreign currencies	93,720,619	75,611,803
Term deposits	822,694,790	731,279,416
Term deposits in VND	745,267,895	660,343,325
Term deposits in gold, foreign currencies	77,426,895	70,936,091
Deposits for specific purposes	9,839,982	31,642,014
Margin deposits	9,436,034	5,943,626
	1,244,500,889	1,136,759,508

Analysis of deposits by type of customers were as follows:

	31/12/2022 VND million	31/12/2021 VND million
Economic entities	638,455,670	570,996,375
Individuals	606,045,219	565,763,133
	1,244,500,889	1,136,759,508

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

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	11,000,000	11,000,000
	25,393,775	17,413,979

21. Other liabilities

(a) Accrued interest and fee payables

	31/12/2022 VND million	31/12/2021 VND million
Interest expense for deposits from customers	11,799,752	8,788,802
Interest expense for deposits and borrowings from other credit institutions	113,377	64,802
Interest expense for valuable papers issued	242,877	347,900
Interest expense for derivatives	311,143	127,446
	12,467,149	9,328,950

(b) Other liabilities

	31/12/2022 VND million	31/12/2021 VND million (restated)
Internal payables (i)	24,302,888	3,681,407
External payables (ii)	65,242,341	14,269,008
Bonus and welfare funds	4,093,014	4,041,427
	93,638,243	21,991,842

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(i) Internal payables

	31/12/2022 VND million	31/12/2021 VND million
Payables to employees	3,032,953	2,962,937
Other liabilities	21,269,935	718,470
	24,302,888	3,681,407

(ii) External payables

	31/12/2022 VND million	31/12/2021 VND million (restated)
Tax payables (Note 36)	5,306,030	865,588
- Corporate income tax payable	5,057,074	568,492
- Value added tax payable	57,075	145,075
- Other taxes payable	191,881	152,021
Unearned income	3,374,817	5,038,224
Payables for construction and acquisition of fixed assets	1,014,573	1,491,780
Deposits in custody relating to pending payments	523,608	512,661
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	52,756,175	963,173
	65,242,341	14,269,008

22. Owners' equity

(a) Changes in owners' equity

	Charter capital VND million	Share premium VND million	Other capital VND million	Reserves		Retained profits VND million	Total VND million
				Supple-mentary charter capital reserve VND million	Financial reserve VND million		
Balance at 1/1/2022 (restated)	37,088,774	4,995,389	412	5,960,709	11,838,794	17,799,503	106,595,718
Net profit for the year	-	-	-	-	-	29,387,006	29,387,006
Bonus share issue during the year	10,236,392	-	-	-	-	(10,236,392)	-
Statutory reserves temporarily appropriated for 2022	-	-	-	1,469,350	2,938,701	(4,408,051)	-
Bonus and welfare funds temporarily appropriated for 2022	-	-	-	-	-	(2,336,696)	(2,336,696)
Adjustments for the appropriation of statutory reserves and bonus and welfare fund according to the Resolution of General Meeting of Shareholders	-	-	-	3,614	7,227	10,841	(188,667)
Utilisation of reserves during the year	-	-	-	-	(1,139)	(1,139)	(1,139)
Other movements	-	-	-	-	-	2,756	2,756
Balance at 31/12/2022	47,325,166	4,995,389	412	7,433,673	14,783,583	22,217,256	133,458,978

(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	75,024,129	59,063,726
Interest income from deposits	3,631,672	1,616,824
Interest income from trading and investing in debt securities	7,363,951	8,042,683
- from investment securities	7,356,577	7,980,833
- from trading securities	7,374	61,850
Fees from guaranteed activities	572,000	476,100
Other income from credit activities	605,584	611,859
	87,197,336	69,811,192

24. Interest and similar expenses

	2022 VND million	2021 VND million
Interest expense on deposits	33,358,587	26,620,075
Interest expense on borrowings	200,973	80,315
Interest expense on valuable papers issued	1,028,212	1,427,773
Other expenses on credit activities	56,013	49,325
	34,643,785	28,177,488

25. Net fee and commission income

	2022 VND million	2021 VND million
Fee and commission income from		
Settlement services	5,918,314	5,911,275
Treasury services	75,478	68,340
Entrustment and agency activities	510	2,161
Other services	5,852,614	4,535,538
	11,846,916	10,517,314
Fee and commission expenses for		
Settlement services	(4,409,430)	(2,983,731)
Treasury services	(127,938)	(119,558)
Telecommunication services	(146,125)	(136,648)
Entrustment and agency activities	(21,587)	(12,085)
Other services	(734,445)	(450,574)
	(5,439,525)	(3,702,596)
	6,407,391	6,814,718

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	9,559,295	8,201,406
From currency derivative financial instruments	918,924	451,852
From foreign exchange differences	1,519	370,112
From revaluation of derivative contracts	168,965	669,968
	10,648,703	9,693,338
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)	(536,789)
From revaluation of derivatives contracts	(137,465)	(49,709)
	(4,887,793)	(5,318,681)
	5,760,910	4,374,657

27. Net loss from trading securities

	2022 VND million	2021 VND million
Income from trading securities	4,532	55,947
Expenses for trading securities	(189,123)	(50,147)
Provision reversed/(made) for trading securities (Note 7)	20,005	(20,005)
	(164,586)	(14,205)

28. Net gain/(loss) from investment securities

	2022 VND million	2021 VND million
Income from investment securities	35,281	-
Expenses for investment securities	(40,359)	-
Provision reversed/(made) for available-for-sale investment securities (Note 11(a))	86,287	(86,287)
	81,209	(86,287)

29. Net other income

	2022 VND million	2021 VND million
Other income		
Income from recoveries of loans previously written off	2,392,724	2,884,567
Income from interest rate swap transactions	217,602	-
Other income	267,574	161,870
	2,877,900	3,046,437
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	(259,885)	(65,902)
	(797,863)	(698,962)
	2,080,037	2,347,475

30. Income from capital contributions and equity investments

	2022 VND million	2021 VND million (restated)
Dividend income from equity investments (Note 33(a))	163,798	164,046
Profit from disposals of equity investments	69,583	3,927
	233,381	167,973

31. Operating expenses

	2022 VND million	2021 VND million (restated)
Tax, duties and fees	353,315	338,590
Salaries and related expenses	10,426,759	9,296,127
<i>Of which:</i>		
- <i>Salary and allowances (Note 35)</i>	9,371,184	8,229,791
- <i>Contributions based on salary</i>	740,013	705,773
- <i>Other allowances</i>	5,050	3,212
Expenses on assets	4,065,083	3,506,831
<i>Of which:</i>		
- <i>Depreciation of fixed assets</i>	1,269,972	1,339,035
Administrative expenses	5,112,883	3,392,547
Insurance expense for deposits from customers	802,352	711,074
Provision reversed for other long-term investments (Note 12(e))	42,999	-
	20,803,391	17,245,169

32. Provision for credit losses

	2022 VND million	2021 VND million (restated)
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)	1,389,951	1,158,118
Specific provision for loans to customers		
Provision made (Note 10)	1,175,732	7,848,568
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)
	9,446,011	11,448,190

33. Corporate income tax

(a) Reconciliation of effective tax rate

	2022 VND million	2021 VND million (restated)
Profit before tax	36,702,491	26,544,676
<i>Adjustments:</i>		
Dividends received during the year (Note 30)	(163,798)	(164,046)
Non-deductible expenses	4,786,812	1,563
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	8,265,101	4,374,047
Income tax payable on profits received from overseas subsidiaries	-	2,120
Current corporate income tax expense for the year	8,265,101	4,376,167

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

	2022 VND million	2021 VND million
Deferred corporate income tax benefit/(expense) arising from deductible temporary differences	949,616	(902,392)

(c) Applicable tax rates

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

34. Cash and cash equivalents

	31/12/2022 VND million	31/12/2021 VND million
Cash on hand, gold, silver and gemstones	18,310,646	17,930,467
Balances with the State Bank of Vietnam	92,451,066	22,310,992
Balances with and loans to other credit institutions with original term not exceeding 3 months	272,115,991	192,601,553
Securities with withdrawal or maturity term not exceeding 3 months	29,600,000	-
	412,477,703	232,843,012

35. Employees' benefits

	2022	2021
Total number of employees (person)	21,865	20,982
Employees' income		
Total salary and allowance (VND million) (Note 31)	9,371,184	8,229,791
Monthly average income/person (VND million)	35,72	32,69

36. Obligations to the State Budget

	Balance as at 1/1/2022 VND million (restated)	Movement during the year		Balance as at 31/12/2022		
		Incurred VND million	Paid VND million	Payables VND million	Advances VND million	Total VND million
Value added tax	144,983	485,326	(573,234)	57,075	-	57,075
Current corporate income tax	568,185	8,265,349	(3,820,917)	5,057,074	(44,457)	5,012,617
In which:						
- Corporate income tax of the Bank	568,492	8,265,101	(3,820,917)	5,057,074	(44,398)	5,012,676
- Adjustments on tax of previous years	(250)	250	-	-	-	-
- Vinafico's tax obligation in 2008	(57)	(2)	-	-	(59)	(59)
Other taxes	152,019	1,661,994	(1,622,134)	191,881	(2)	191,879
	865,187	10,412,669	(6,016,285)	5,306,030	(44,459)	5,261,571

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

	31/12/2022	31/12/2021
	VND million	VND million
Deposits	167,169,560	138,675,691
Valuable papers	46,316,142	63,004,723
Real estate	1,559,579,334	1,162,010,080
Other collaterals	335,310,583	267,480,790
	2,108,375,619	1,631,171,284

38. Contingent liabilities and other commitments

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

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

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

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

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

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

39. 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)
Vietcombank Financial Leasing Company Limited	Subsidiary		
Interest income from loan granted		128,174	74,114
Interest expense on deposits		(16,033)	(3,086)
Fee and commission income		2,654	2,592
Vietcombank Securities Company Limited	Subsidiary		
Interest expense on deposits		(161)	(92)
Fee and commission income		10,378	8,595
Vietcombank Tower 198 Ltd.	Subsidiary		
Interest expense on deposits		(10,669)	(11,036)
Office rental expenses		(113,392)	(106,815)
Profits distributed to the Bank		43,863	40,249
Vietnam Finance Company Limited in Hong Kong	Subsidiary		
Interest income from deposits		23,146	730
Vietcombank Money Inc.	Subsidiary		
Operating expenses		(15,947)	(12,711)
Vietcombank Laos Limited	Subsidiary		
Interest expense on deposits		(39)	(1)
Vietcombank Remittance Company Limited	Subsidiary		
Interest expense on deposits		(20,402)	(5,886)

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(b) Significant balances with related parties

	Relationship	31/12/2022 VND million	31/12/2021 VND million
		Receivable/(payable)	
The State Bank of Vietnam	Representative		
Deposits at the SBV	of owner	92,451,066	22,310,992
Deposits and borrowings from the SBV		(17,766,716)	(1,773,842)
The Ministry of Finance	Related party		
Deposits at the Bank	of owner	(49,548,100)	(7,694,274)
Borrowings from the Ministry of Finance		(707,141)	(806,617)
Mizuho Bank Ltd., Japan	Strategic		
Deposits at Mizuho Bank Ltd., Japan	shareholder	5,743,851	1,910,189
Deposits from Mizuho Bank Ltd., Japan		(2,018,199)	(694,909)
Vietcombank Financial Leasing Company Limited	Subsidiary		
Loans to VCBL		4,214,940	3,365,930
Deposits at the Bank		(871,953)	(862,558)
Vietcombank Securities Company Limited	Subsidiary		
Deposits at the Bank		(40,164)	(229,764)
Bonds issued by the Bank		(55,881)	(26,232)
Vietcombank Tower 198 Ltd	Subsidiary		
Deposits at the Bank		(249,898)	(234,932)
Office rental fee paid in advance		82,446	72,155
Vietnam Finance Company Limited in Hong Kong	Subsidiary		
Deposits at Vinafico		1,102,248	2,226,019
Vietcombank Money Inc.	Subsidiary		
Deposits at the Bank		(45)	(895)
Advanced payment through TNMonex		196,097	168,771
Vietcombank Remittance Company Limited	Subsidiary		
Deposits at the Bank		(1,278,426)	(1,491,251)
Payables to the Bank		1,027,596	1,319,935
Vietcombank Laos Limited	Subsidiary		
Deposits at the Bank		(49,109)	(55,508)
Payables to the Bank		23,334	22,552

40. 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:

	<i>Title</i>	2022 VND million	2021 VND million
Board of Directors			
Remuneration		14,434	13,678
Mr. Pham Quang Dung	Chairman	1,671	1,620
Mr. Nghiem Xuan Thanh	Chairman (until 3 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 1 December 2022)	2,035	1,860
Mr. Hong Quang	Member	2,209	1,850
Mr. Shojiro Mizoguchi	Member	2,202	1,239
Supervisory Board			
Remuneration		5,451	3,860
Board of Management, Chief Accountant			
Remuneration		19,141	17,348
Mr. Nguyen Thanh Tung	Member of Board of Directors		
	Chief Executive Officer		
	(appointed on 30 January 2023)	2,212	1,897
Mr. Pham Manh Thang	Member	2,307	2,054
Mr. Le Quang Vinh	Member	2,195	1,905
Ms. Nguyen Thi Kim Oanh	Member	2,238	2,012
Ms. Dinh Thi Thai	Member	2,390	2,065
Mr. Dang Hoai Duc	Member	2,214	1,827
Mr. Dao Minh Tuan	Member		
	(retired on 1 December 2021)	-	1,944
Ms. Phung Nguyen Hai Yen	Member	2,161	1,869
Mr. Nguyen Viet Cuong	Member		
	(appointed on 26 April 2022)	1,352	-
Mr. Le Hoang Tung	Chief accountant	2,072	1,775
		39,026	34,886

41. Segment reporting

Year ended 31 December 2022

	The North (*)	The Central and Highland	The South	Elimination	Total
	VND million	VND million	VND million	VND million	VND million
1 Interest and similar income	113,183,862	20,398,788	60,588,025	(106,973,339)	87,197,336
2 Interest and similar expenses	(92,928,827)	(12,461,684)	(36,226,613)	106,973,339	(34,643,785)
I Net interest and similar income	20,255,035	7,937,104	24,361,412	-	52,553,551
3 Fee and commission income	8,375,619	890,715	3,375,197	(794,615)	11,846,916
4 Fee and commission expenses	(6,096,296)	(39,285)	(98,559)	794,615	(5,439,525)
II Net fee and commission income	2,279,323	851,430	3,276,638	-	6,407,391
III Net gain from trading of foreign currencies	3,693,002	246,348	1,821,560	-	5,760,910
IV Net loss from trading securities	(164,586)	-	-	-	(164,586)
V Net gain from investment securities	81,209	-	-	-	81,209
5 Other income	1,252,288	634,594	991,018	-	2,877,900
6 Other expenses	(579,144)	(57,024)	(161,695)	-	(797,863)
VI Net other income	673,144	577,570	829,323	-	2,080,037
VII Income from capital contributions and equity investments	233,381	-	-	-	233,381
Total operating income	27,050,508	9,612,452	30,288,933	-	66,951,893
VIII Total operating expenses	(12,213,566)	(2,315,148)	(6,274,677)	-	(20,803,391)
IX Net operating profit before provision for credit losses	14,836,942	7,297,304	24,014,256	-	46,148,502
X Provision for credit losses	(4,681,193)	(934,953)	(3,829,865)	-	(9,446,011)
XI Total profit before tax	10,155,749	6,362,351	20,184,391	-	36,702,491
7 Current corporate income tax expense	(2,955,753)	(1,272,470)	(4,036,878)	-	(8,265,101)
8 Deferred income tax expense	949,616	-	-	-	949,616
XII Corporate income tax expenses	(2,006,137)	(1,272,470)	(4,036,878)	-	(7,315,485)
XIII Total profit after tax	8,149,612	5,089,881	16,147,513	-	29,387,006

(*) As at 31 December 2022, the Head Office, located in the North, incurred some operating expenses for the whole system which were not allocated to other components within the Bank.
The main business activity of the Bank is provision of the finance/banking services.

42. Disclosure of financial instruments

(a) Collateral disclosure

The Bank 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 the Bank's financial assets and liabilities as at 31 December 2022:

42. Disclosures of financial instruments (continued)

(b) Fair value disclosure (continued)

As at 31 December 2022

		Carrying value - gross						
		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 of carrying value VND million	Fair value VND million
Financial assets								
I	Cash, gold, silver and gemstones	-	-	18,310,646	-	-	18,310,646	18,310,646
II	Balances with the State Bank of Vietnam	-	-	92,451,066	-	-	92,451,066	92,451,066
III	Balances with and loans to other credit institutions	-	-	326,678,424	-	-	326,678,424	(*)
IV	Derivatives and other financial assets	156,515	-	-	-	-	156,515	(*)
V	Loans to customers	-	-	1,136,203,902	-	-	1,136,203,902	(*)
VI	Investment securities	-	95,415,013	-	100,667,447	-	196,082,460	(*)
VII	Capital contributions, long-term investments	-	-	-	1,529,145	-	1,529,145	(*)
VIII	Other financial assets	-	-	31,749,809	-	-	31,749,809	(*)
		156,515	95,415,013	1,605,393,847	102,196,592	-	1,803,161,967	
Financial liabilities								
I	Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	-	-	-	-	298,745,179	298,745,179	(*)
II	Customer deposits	-	-	-	-	1,244,500,889	1,244,500,889	(*)
III	Funds for finance, entrusted investments and entrusted loans	-	-	-	-	3,298	3,298	(*)
IV	Valuable papers issued	-	-	-	-	25,393,775	25,393,775	(*)
V	Other financial liabilities	-	-	-	-	69,028,643	69,028,643	(*)
		-	-	-	-	1,637,671,784	1,637,671,784	

(*) 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.

42. Disclosures of financial instruments (continued)

(c) Risk management policies for financial instruments

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

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

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

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

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

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

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

(i) Credit risk

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

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

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

42. Disclosures of financial instruments (continued)

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

(i) Credit risk (continued)

The Bank's maximum exposure amounts to credit risk as at 31 December 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 SBV	92,451,066	-	-	92,451,066
Balances with and loans to other CIs – gross	315,678,424	-	11,000,000	326,678,424
Balances with other CIs	281,713,759	-	-	281,713,759
Loans to other CIs	33,964,665	-	11,000,000	44,964,665
Trading securities - gross	-	-	-	-
Loans to customers – gross	1,104,240,524	11,675,536	20,287,842	1,136,203,902
Investment securities – gross	196,082,460	-	-	196,082,460
Available-for-sale securities	100,667,447	-	-	100,667,447
Held-to-maturity securities	95,415,013	-	-	95,415,013
Other assets	31,749,809	-	-	31,749,809
	1,740,202,283	11,675,536	31,287,842	1,783,165,661

Description and the carrying value of collaterals held by the Bank at the reporting date are described in Note 37.

42. 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 separate statement of financial position.

The following assumptions and conditions have been adopted in the analysis of actual interest re-pricing term of asset and liabilities items in the separate statement of financial position of the Bank:

- Cash, gold, silver and gemstones, capital contributions, long-term investments, and other assets (including fixed assets and other assets) are classified as free of interest items;
- Trading securities being debt securities are classified as “Up to 1 month” items;
- The actual interest re-pricing terms of investment securities are subject to issuers’ terms and conditions on interest rate of issuing institution for each security type;
- The actual interest re-pricing term of balances with and loans to other credit institutions, loans to customers, amounts due to the Government and the SBV, deposits and borrowings from other credit institutions, deposits from customers, funds for finance, entrusted investments, entrusted loans and other liabilities are identified as follows:
 - Items with fixed interest rate during the contractual term: the actual interest re-pricing term is based on the contractual maturity date subsequent to the end of the annual accounting period;
 - Items with floating interest rate: the actual interest re-pricing term is based on the nearest re-pricing term subsequent to the end of the annual accounting period.
- The actual interest re-pricing term of valuable papers issued is based on valuable papers’ maturities and the Bank’s interest rate for each issuance.

The following table presents the interest rate re-pricing terms of the Bank’s assets and liabilities as at 31 December 2022:

42. 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	-	18,310,646	-	-	-	-	-	-	18,310,646
II Balances with the State Bank of Vietnam	-	-	92,451,066	-	-	-	-	-	92,451,066
III Balances with and loans to other CIs – gross	-	-	284,026,298	25,430,230	13,202,981	4,018,915	-	-	326,678,424
IV Derivatives and other financial assets	-	156,515	-	-	-	-	-	-	156,515
V Loans to customers – gross	19,017,600	-	211,181,568	390,939,316	343,250,722	81,161,689	87,527,806	3,125,201	1,136,203,902
VI Investment securities – gross	-	-	32,170,005	20,984,364	17,028,782	17,478,351	78,180,733	30,240,225	196,082,460
VII Capital contributions, long-term investments – gross	-	6,681,190	-	-	-	-	-	-	6,681,190
VIII Fixed assets	-	7,774,214	-	-	-	-	-	-	7,774,214
IX Other assets – gross	-	59,588,764	-	-	-	-	-	-	59,588,764
Total assets	19,017,600	92,511,329	619,828,937	437,353,910	373,482,485	102,658,955	165,708,539	33,365,426	1,843,927,181

Liabilities									
I Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	-	-	282,237,487	11,848,165	4,635,315	24,212	-	-	298,745,179
II Customer deposits	-	-	678,987,342	162,615,131	165,561,403	216,292,083	21,044,930	-	1,244,500,889
III Funds for finance, entrusted investments and entrusted loans	-	-	-	-	1,473	-	1,825	-	3,298
IV Valuable papers issued	-	-	905	11,000,000	3,000,000	5,338,750	4,180,000	1,874,120	25,393,775
V Other liabilities	-	105,398,251	-	707,141	-	-	-	-	106,105,392
Total liabilities	-	105,398,251	961,225,734	186,170,437	173,198,191	221,655,045	25,226,755	1,874,120	1,674,748,533
Interest sensitivity gap – on statement of financial position									
	19,017,600	(12,886,922)	(341,396,797)	251,183,473	200,284,294	(118,996,090)	140,481,784	31,491,306	169,178,648
Accumulated interest sensitivity gap									
	19,017,600	6,130,678	(335,266,119)	(84,082,646)	116,201,648	(2,794,442)	137,687,342	169,178,648	

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

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

	Exchange rate as at	
	31/12/2022	31/12/2021
USD/VND	23,570	22,780
EUR/VND	25,280	25,969

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

42. Disclosures of financial instruments (continued)

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

(iii) Currency risk (continued)

	VND million	USD million	EUR million	Other currencies VND million	Total VND million
Assets					
I Cash, gold, silver and gemstones	14,797,952	2,690,710	381,973	440,011	18,310,646
II Balances with the State Bank of Vietnam	52,888,548	39,562,518	-	-	92,451,066
III Balances with and loans to other CIs – gross	218,455,666	81,696,734	7,690,049	18,835,975	326,678,424
IV Derivatives and other financial assets	2,781,061	(2,524,061)	(106,082)	5,597	156,515
V Loans to customers – gross	1,025,398,908	109,236,011	1,568,983	-	1,136,203,902
VI Investment securities – gross	172,465,931	23,616,529	-	-	196,082,460
VII Capital contributions, long-term investments – gross	6,681,190	-	-	-	6,681,190
VIII Fixed assets	7,774,214	-	-	-	7,774,214
IX Other assets – gross	57,574,428	1,945,303	159	68,874	59,588,764
Total assets	1,558,817,898	256,223,744	9,535,082	19,350,457	1,843,927,181

Liabilities

I Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	192,862,070	85,311,337	4,544,287	16,027,485	298,745,179
II Customer deposits	1,068,226,083	168,190,291	4,909,920	3,174,595	1,244,500,889
III Funds for finance, entrusted investments and entrusted loans	3,298	-	-	-	3,298
IV Valuable papers issued	25,393,730	45	-	-	25,393,775
V Other liabilities	103,295,517	2,675,645	19,020	115,210	106,105,392
Total liabilities	1,389,780,698	256,177,318	9,473,227	19,317,290	1,674,748,533
Currency position on statement of financial position	169,037,200	46,426	61,855	33,167	169,178,648

42. Disclosures of financial instruments (continued)

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

(iv) Liquidity risk

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

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

The following assumptions and conditions have been adopted in the preparation of the Bank's assets and liabilities maturity analysis in the separate statement of financial position:

- Balances with the SBV are considered as current accounts with maturity less than one month, including the compulsory deposits;
- The maturity of trading securities is considered to have maturity of less than one month because they are held in the short term for profit taking on price differences;
- The maturity of investment securities is based on maturity dates of each securities established by the issuers of these financial instruments;
- The maturities of balances with and loans to other credit institutions and loans to customers are based on the contractual maturity date. The actual maturity may vary from the original contractual term when the loan/deposit contract is extended;
- The maturity of capital contributions, equity investments is considered to be over five years as equity investments have no specified maturity; and
- Deposits and borrowings from other credit institutions, deposits from customers, funds for finance, entrusted investments and entrusted loans, and valuable papers issued are determined based on either the nature of the loans, deposits and valuable papers issued or their contractual maturities. For example, demand deposits of other credit institutions at the Bank and current accounts of the Bank at other credit institutions paid upon customers' demand are considered to be demand deposits, the maturity of term deposits and borrowings is based on the contractual maturity date. In practice, such items may be rolled over and maintained for longer period.

The following table analyses the remaining terms to maturity of the Bank's assets and liabilities from 31 December 2022:

42. 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	-	-	18,310,646	-	-	-	18,310,646
II Balances with the State Bank of Vietnam	-	-	92,451,066	-	-	-	92,451,066
III Balances with and loans to other credit institutions – gross	-	-	284,026,296	25,430,232	15,549,411	1,672,485	326,678,424
IV Derivatives and other financial assets	-	-	-	156,515	-	-	156,515
V Loans to customers – gross	4,292,574	14,725,026	95,453,013	243,038,701	350,853,906	161,349,996	1,136,203,902
VI Investment securities – gross	-	-	29,900,005	14,800,365	50,105,134	61,706,732	196,082,460
VII Capital contributions, long-term investments – gross	-	-	-	-	-	-	-
VIII Fixed assets	-	-	-	-	-	-	-
IX Other assets – gross	-	-	34,957,711	18,778,704	2,794,390	2,109,838	59,588,764
Total assets	4,292,574	14,725,026	555,098,737	302,204,517	419,302,841	226,839,051	1,843,927,181
Liabilities							
I Amounts due to the Government and the SBV and deposits and borrowings from other credit institutions	-	-	282,040,927	11,849,998	3,413,142	692,632	298,745,179
II Customer deposits	-	-	298,907,564	183,094,249	425,479,160	105,224,492	1,244,500,889
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	25,393,775
VI Other liabilities	-	-	28,183,988	66,644,937	8,690,321	1,879,005	106,105,392
Total liabilities	-	-	609,133,384	272,589,184	440,584,096	110,586,704	1,674,748,533
Net liquidity gap	4,292,574	14,725,026	(54,034,647)	29,615,333	(21,281,255)	116,252,347	169,178,648

43. 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 Auditor in the Financial Statement Audit Report for fiscal year 2021 attached to Notification No. 553/KTNN-TH dated 9 September 2022. Details are as follows:

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 CIs	227,601,730	227,554,511	47,219
Balances with other CIs	179,461,016	179,461,016	-
Loans to other CIs	52,093,495	52,093,495	-
Provision for balances with and loans to other CIs	(3,952,781)	(4,000,000)	47,219
Loans to customers	926,376,110	926,140,726	235,384
Loans to customers	952,018,701	952,018,701	-
Provision for loans to customers	(25,642,591)	(25,877,975)	235,384
Fixed assets	8,382,739	8,372,476	10,263
Tangible fixed assets	5,322,921	5,312,658	10,263
Cost	12,780,609	12,768,914	11,695
Accumulated depreciation	(7,457,688)	(7,456,256)	(1,432)
Other assets	27,359,427	27,341,287	18,140
Receivables	14,164,925	14,140,828	24,097
Accrued interest and fee receivables	6,954,169	6,955,958	(1,789)
Other assets	6,240,333	6,244,501	(4,168)
Total impact			311,006

(i) Impact on total equity and liabilities:

	31/12/2021 VND million (restated)	31/12/2021 VND million (initial figures)	Difference VND million
Other liabilities	31,320,792	31,082,225	238,567
Accrued interest and fee payables	9,328,950	9,328,950	-
Other liabilities	21,991,842	21,753,275	238,567
Retained earnings	46,711,640	46,639,201	72,439
Previous year's retained earnings	30,678,442	30,678,442	-
Current year's retained earnings	16,033,198	15,960,759	72,439
Total impact			311,006

Joint Stock Commercial Bank for Foreign Trade of Vietnam
198 Tran Quang Khai Street, Hoan Kiem District, Hanoi, Vietnam
Notes to the separate financial statements
for the year ended 31 December 2022 (continued)

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49/2014/TT-NHNN dated 31
December 2014)

(ii) *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)

(iii) *Impact on separate income statement:*

	31/12/2021 VND million (restated)	31/12/2021 VND million (initial figures)	Difference VND million
Interest and similar income	69,811,192	69,938,237	(127,045)
Interest and similar expenses	(28,177,488)	(28,177,488)	-
Net interest and similar income	41,633,704	41,760,749	(127,045)
Income from capital contributions and equity investments	167,973	143,876	24,097
TOTAL OPERATING INCOME	55,238,035	55,340,983	(102,948)
TOTAL OPERATING EXPENSES	(17,245,169)	(17,153,469)	(91,700)
Net operating profit before provision for credit losses	37,992,866	38,187,514	(194,648)
Provision for credit losses	(11,448,190)	(11,730,793)	282,603
PROFIT BEFORE TAX	26,544,676	26,456,721	87,955
Current corporate income tax expense	(4,376,167)	(4,363,395)	(12,772)
Deferred income tax expense	(902,392)	(902,392)	-
Corporate income tax expenses	(5,278,559)	(5,265,787)	(12,772)
NET PROFIT AFTER TAX	21,266,117	21,190,934	75,183

44. Changes in comparative figures because of changes in accounting policies

In accordance with Circular No. 27/2021/TT-NHNN dated 31 December 2021 of the Governor of the State Bank of Vietnam effective from 1 April 2022, to ensure comparative figures, the Bank supplemented and restated some indicators as at 31 December 2021 as follows:

Off-balance sheet items:

	31/12/2021 VND million (restated in accordance with Circular 27 and SAV's adjustments)	31/12/2021 VND million (previously presented)	Cause
Off-balance sheet items			
Uncollected interest and fees receivable	2,279,152	Not disclosed	Supplemented under Circular 27
Bad debts written-off	55,196,223	Not disclosed	
Other assets and receipts	349,009,944	Not disclosed	

45. Uncollected interest and fees receivable

	31/12/2022 VND million	31/12/2021 VND million
Uncollected interests	1,260,402	2,278,895
Uncollected fee receivable	352	257
	1,260,754	2,279,152

46. Bad debts written-off

	31/12/2022 VND million	31/12/2021 VND million
Principal amount of the bad debts written off is under monitoring	29,645,638	28,023,492
Interest amount of the bad debts written off is under monitoring	30,290,103	27,169,268
Other debts written off	12,528	3,463
	59,948,269	55,196,223

47. Other assets and receipts

	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 receipts in preservation	192,442,765	109,048,684
	521,008,120	349,009,694

(*) The Bank did not determine the value of this item because it did not have enough information, as well as no guidance on valuation according to the Vietnam Accounting Standards System and Financial Reporting Framework for Vietnamese credit institutions.

48. 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 separate financial statements for the year ended 31 December 2022.

49. Approval of the separate financial statements

The separate 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

