



**VIETNAM JOINT STOCK COMMERCIAL BANK
FOR INDUSTRY AND TRADE**

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED SEPARATE
FINANCIAL STATEMENTS**

For the year ended 31 December 2022

In accordance with Vietnamese Accounting Standards,
accounting regime applicable to credit institutions in Vietnam
and legal regulations relating to separate financial reporting

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STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Vietnam Joint Stock Commercial Bank for Industry and Trade (the "Bank") presents this report together with the Bank's separate financial statements for the year ended 31 December 2022.

The members of the Board of Directors, Board of Supervisors, Board of Management and the Chief Accountant of the Bank during the year and to the date of this report are as follows:

Board of Directors

Mr. Tran Minh Binh	Chairman
Mr. Nguyen Duc Thanh	Member (appointed on 29 April 2022)
Ms. Nguyen Thi Bac	Independent Member
Ms. Tran Thu Huyen	Member
Mr. Nguyen The Huan	Member
Ms. Pham Thi Thanh Hoai	Member
Mr. Tran Van Tan	Member
Mr. Le Thanh Tung	Member
Mr. Masahiko Oki	Member
Mr. Masashige Nakazono	Member

Board of Supervisors

Ms. Le Anh Ha	Chief Supervisor
Ms. Nguyen Thi Anh Thu	Member
Ms. Pham Thi Thom	Member

Board of Management and Chief Accountant

Mr. Nguyen Hoang Dung	Deputy General Director in charge of the Board of Management
Mr. Nguyen Tran Manh Trung	Deputy General Director (appointed on 12 May 2022)
Mr. Le Duy Hai	Deputy General Director (appointed on 09 May 2022)
Mr. Hoang Ngoc Phuong	Deputy General Director (appointed on 12 May 2022)
Mr. Do Thanh Son	Deputy General Director (appointed on 11 October 2022)
Mr. Tran Cong Quynh Lan	Deputy General Director
Mr. Nguyen Dinh Vinh	Deputy General Director
Ms. Le Nhu Hoa	Deputy General Director
Mr. Masahiko Oki	Deputy General Director
Mr. Nguyen Duc Thanh	Deputy General Director (resigned on 04 May 2022)
Mr. Nguyen Hai Hung	Chief Accountant

Authorized person for signing financial statements

Mr. Nguyen Tran Manh Trung	Deputy General Director (According to Authorization letter No.699/UQ-HDQT-NHCT18 of the Chairman on 01 June 2022)
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STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

THE BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Bank is responsible for preparing the separate financial statements, which give a true and fair view of the separate financial position of the Bank as at 31 December 2022, and of its separate financial performance and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to separate financial reporting. In preparing these 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 principles have been followed, subject to any material departures disclosed and explained in the separate financial statements;
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements so as to minimize errors and frauds.

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 that the separate financial statements comply with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to separate financial reporting. The Board of Management is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Bank has complied with the above requirements in preparing these separate financial statements.

For and on behalf of the Board of Management,

Nguyen Tran Manh Trung
Deputy General Director

Hanoi, 30 March 2023

No: 0943/VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

To: **The Shareholders**
 The Board of Directors and the Board of Management
 Vietnam Joint Stock Commercial Bank for Industry and Trade

We have audited the accompanying separate financial statements of Vietnam Joint Stock Commercial Bank for Industry and Trade (the "Bank"), prepared on 30 March 2023 as set out from page 05 to page 59, 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 a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility

The Bank's Board of Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to separate financial reporting and for such internal control as the Board of Management determines is necessary to enable the preparation of 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 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' judgement, 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 the Board of 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.

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Bank as at 31 December 2022, and its separate financial performance and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to separate financial reporting.

Other matter

The separate financial statements of the Bank for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on 31 March 2022.



Khúc Thị Lan Anh

Deputy General Director

Audit Practising Registration Certificate

No. 0036-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

30 March 2023

Hanoi, S.R. Viet Nam

Mai Thi Thuy Loan

Auditor

Audit Practising Registration Certificate

No. 3837-2021-001-1

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Unit: VND Million

NO. ITEMS	Notes	Closing balance	Opening balance
A. ASSETS			
I. Cash	5	10,940,803	11,196,660
II. Balances with the State Bank of Vietnam ("SBV")	6	29,726,607	23,382,941
III. Placements with and loans to other credit institutions	7	241,389,033	147,331,139
1. Placements with other credit institutions		223,981,711	130,825,951
2. Loans to other credit institutions		17,407,322	16,505,188
IV. Trading securities	8	-	1,084,670
1. Trading securities		-	1,092,554
2. Provisions for trading securities		-	(7,884)
V. Derivative financial instruments and other financial assets	9	3,077,852	1,454,790
VI. Loans to customers		1,234,635,168	1,094,460,294
1. Loans to customers	10	1,264,176,643	1,120,063,085
2. Provisions for credit losses on loans to customers	11	(29,541,475)	(25,602,791)
VII. Investment securities	12	177,796,158	175,660,110
1. Available-for-sale investment securities	12.1	176,271,031	173,192,431
2. Held-to-maturity investment securities	12.2	1,586,778	2,586,832
3. Provisions for credit losses on investment securities	12.4	(61,651)	(119,153)
VIII. Capital contribution, long-term investments	13	5,551,782	5,551,782
1. Investments in subsidiaries	13.1	3,840,032	3,840,032
2. Investments in joint-ventures	13.2	1,688,788	1,688,788
3. Other long-term investments		22,962	22,962
IX. Fixed assets		9,978,145	10,222,501
1. Tangible fixed assets	14	5,901,915	6,017,969
a. Cost		15,879,268	15,438,174
b. Accumulated depreciation		(9,977,353)	(9,420,205)
2. Intangible assets	15	4,076,230	4,204,532
a. Cost		6,642,707	6,478,776
b. Accumulated amortisation		(2,566,477)	(2,274,244)
X. Other assets	16	80,144,803	45,273,501
1. Other receivables	16.1	65,208,103	32,811,819
2. Interest and fee receivables		12,129,744	9,566,114
3. Other assets	16.2	2,837,290	2,936,274
4. Provisions for impairment of other balance sheet assets	16.3	(30,334)	(40,706)
TOTAL ASSETS		1,793,240,351	1,515,618,388

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

SEPARATE STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2022

Unit: VND Million

NO. ITEMS	Notes	Closing balance	Opening balance
B. LIABILITIES AND OWNERS' EQUITY			
I. Borrowings from the Government and the SBV	17	104,779,302	33,294,404
1. Deposits and borrowings from the Government and the SBV		104,779,302	33,294,404
II. Deposits and borrowings from other credit institutions	18	203,706,765	132,994,157
1. Deposits from other credit institutions	18.1	138,777,306	32,491,329
2. Borrowings from other credit institutions	18.2	64,929,459	100,502,828
III. Deposits from customers	19	1,247,162,170	1,159,761,203
IV. Grants, trusted funds and borrowings where the Bank bears risks	20	2,392,201	2,527,930
V. Valuable papers issued	21	91,370,419	64,496,785
VI. Other liabilities		39,352,882	32,405,553
1. Accrued fee and interest expenses		21,180,448	16,550,294
2. Other payables and liabilities	22	18,172,434	15,855,259
TOTAL LIABILITIES		1,688,763,739	1,425,480,032
VII. Capital and reserves	24	104,476,612	90,138,356
1. Contributed capital		57,027,333	57,027,333
<i>a. Charter capital</i>		48,057,506	48,057,506
<i>b. Share premium</i>		8,969,827	8,969,827
2. Reserves		15,690,243	13,229,963
3. Retained earnings		31,759,036	19,881,060
TOTAL LIABILITIES AND OWNERS' EQUITY		1,793,240,351	1,515,618,388

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

SEPARATE STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2022

Unit: VND Million

OFF-BALANCE-SHEET ITEMS

NO. ITEMS	Notes	Closing balance	Opening balance
1. Credit guarantees	38	7,692,271	3,237,485
2. Foreign exchange transactions commitments	38	258,304,665	479,385,067
Foreign currency purchase commitments		1,687,501	5,748,679
Foreign currency sale commitments		1,903,759	5,964,386
Cross currency swap contracts		254,713,405	467,672,002
3. Letters of credit (L/C) commitment	38	73,681,669	46,584,571
4. Other guarantees	38	78,201,955	60,127,571
5. Other commitments	38	52,300,321	104,576,907
6. Uncollected interest income and fees	39	8,341,331	7,889,972
7. Bad debts written-off	40	116,480,493	94,716,462
8. Other properties and valuable papers	41	101,995,068	108,079,700

Prepared by



Ngo Xuan Hai
Head of Financial
Accounting Department

Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



Nguyen Tran Manh Trung
Deputy General Director

30 March 2023

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

SEPARATE INCOME STATEMENT

For the year ended 31 December 2022

Unit: VND Million

NO. ITEMS	Notes	Current year	Prior year
1. Interest and similar income	25	103,386,321	83,606,485
2. Interest and similar expenses	26	(56,536,426)	(42,586,939)
I. Net interest income		46,849,895	41,019,546
3. Income from services		8,381,799	6,981,479
4. Expenses on services		(3,359,322)	(2,612,680)
II. Net profit from services	27	5,022,477	4,368,799
III. Net gain from trading foreign currencies	28	3,580,681	1,885,780
IV. Net (loss)/gain from trading securities	29.1	(39,764)	187,120
V. Net (loss)/gain from investment securities	29.2	(38,103)	220,415
5. Other operating income		7,320,352	4,163,976
6. Other operating expenses		(897,863)	(1,025,115)
VI. Net profit from other activities	30	6,422,489	3,138,861
VII. Income from capital contribution, equity investments	31	540,491	750,387
VIII. Operating expenses	32	(17,889,022)	(16,372,780)
IX. Net profit from operating activities before credit provision expenses		44,449,144	35,198,128
X. Provision expenses for credit losses		(24,096,462)	(18,337,702)
XI. Profit before tax		20,352,682	16,860,426
7. Current corporate income tax expense	33	(3,973,674)	(3,238,080)
XII. Corporate income tax expense		(3,973,674)	(3,238,080)
XIII. Profit after corporate income tax		16,379,008	13,622,346

Prepared by

Approved by

Approved by



Ngo Xuan Hai
Head of Financial
Accounting Department



Nguyen Hai Hung
Chief Accountant



Nguyen Tran Manh Trung
Deputy General Director

30 March 2023

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

SEPARATE CASH FLOW STATEMENT

For the year ended 31 December 2022

Unit: VND Million

NO. ITEMS	Current year	Prior year
CASH FLOWS FROM OPERATING ACTIVITIES		
01. Interest and similar income received	101,180,811	81,776,805
02. Interest and similar expenses paid	(51,870,231)	(41,902,476)
03. Income received from services	4,804,326	4,308,154
04. Net cash from dealing in foreign currencies and trading securities	3,437,428	2,062,018
05. Other income/(expenses)	4,427,962	(146,927)
06. Cash recovered from bad debts written off or compensated by provision for credit losses	5,324,932	3,192,446
07. Payments to employees and for operating management	(16,076,693)	(15,276,355)
08. Corporate income tax paid for the year	(1,731,025)	(3,847,538)
Net cash from operating profit before movements in assets and working capital	49,497,510	30,166,127
Changes in operating assets	(219,102,598)	(199,940,314)
09. (Increase) in placements with and loans to other credit institutions	(27,552,808)	(7,443,414)
10. Decrease/(Increase) in trading securities	7,014,008	(58,966,986)
11. (Increase) in derivatives and other financial assets	(1,623,062)	(1,317,668)
12. (Increase) in loans to customers	(144,113,558)	(115,087,544)
13. (Decrease) in provision for credit losses	(20,157,778)	(5,107,615)
14. (Increase) in other operating assets	(32,669,400)	(12,017,087)
Changes in operating liabilities	254,025,966	174,107,566
15. Increase/(Decrease) in borrowings from the Government and the SBV	71,484,898	(11,302,784)
16. Increase in deposits and borrowings from other credit institutions	70,712,608	8,122,012
17. Increase in deposits from customers	87,400,967	171,691,047
18. Increase in valuable papers issued (excluding issued valuable papers charged to financial activities)	26,873,634	4,621,215
19. (Decrease) in grants, trusted funds and borrowings where the Bank bears risks	(135,729)	(205,321)
20. (Decrease)/Increase in other operating liabilities	(2,310,412)	1,181,397
I. Net cash generated by operating activities	84,420,878	4,333,379

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

SEPARATE CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2022

Unit: VND Million

NO. ITEMS	Current year	Prior year
CASH FLOWS FROM INVESTING ACTIVITIES		
01. Acquisition of fixed assets	(538,526)	(696,926)
02. Proceeds from sales, disposal of fixed assets	16,828	7,368
03. Expenses on sales, disposal of fixed assets	(2,176)	(2,877)
04. Dividends and profit received from long-term investments and capital contribution	540,491	750,387
II. Net cash generated by investing activities	16,617	57,952
CASH FLOWS FROM FINANCING ACTIVITIES		
01. Dividends paid	(3,844,600)	-
III. Net cash (used in) financing activities	(3,844,600)	-
IV. Net increase in cash and cash equivalents	80,592,895	4,391,331
V. Cash and cash equivalents at the beginning of the year	165,405,551	161,014,220
VI. Cash and cash equivalents at the end of the year (Note 34)	245,998,446	165,405,551

Prepared by



Ngo Xuan Hai
Head of Financial
Accounting Department

Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



Nguyen Tran Manh Trung
Deputy General Director

30 March 2023

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

Vietnam Joint Stock Commercial Bank for Industry and Trade (herein referred to as "the Bank" or "VietinBank") is a joint stock commercial bank incorporated and registered in the Socialist Republic of Vietnam.

Establishment and operation

The Bank was incorporated on the basis of equitizing Vietnam Bank for Industry and Trade, a State-owned commercial bank that was incorporated under the name of Vietnam Industrial and Commercial Bank in accordance with Decree No. 53/ND-HDBT dated 26 March 1988 of the Council of Ministers on the organization of the State Bank of Vietnam ("SBV"). The Bank was officially renamed Vietnam Bank for Industry and Trade in accordance with Decision No. 402/CT dated 14 November 1990 granted by the Chairman of the Council of Ministers, and remodeled to become a State Corporation under Decision No. 285/QĐ-NH5 dated 21 September 1996 of the Governor of the SBV. On 25 December 2008, Vietnam Bank for Industry and Trade successfully carried out its initial public offering.

On 03 July 2009, the Bank was equitized and renamed Vietnam Joint Stock Commercial Bank for Industry and Trade according to Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 issued by the SBV and Business Registration Certificate No. 0103038874 dated 03 July 2009 issued by Hanoi Authority for Planning and Investment. The latest (12th) amended Enterprise Registration Certificate No. 0100111948 was issued by Hanoi Authority for Planning and Investment on 08 September 2021. On 17 June 2022, the SBV granted Establishment and Operation License No. 13/GP-NHNN to replace the Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 and amending and supplementing decisions relating thereto from 2017 to 2021.

The Bank was established to carry out banking activities under its Establishment and Operation License and Enterprise Registration Certificate, including receiving demand deposits, term deposits, savings deposits and other types of deposits; credit granting; opening current accounts for customers; providing domestic payment services; opening accounts; organizing internal payment and joining the national interbank payment system; providing cash management, banking and financial advisory services; services of managing, preserving assets, leasing cabinets, safe boxes; participating in bidding, purchasing and selling for Treasury bills, negotiable instruments, Government bonds, SBV bills and other valuable papers on the money market; buying and selling Government bonds and corporate bonds; issuing certificates of deposit, promissory notes, treasury bills and bonds to mobilize capital according to the provisions of Law on credit institutions, Law on securities, the Government's regulations and the SBV's guidance; borrowing capital from the SBV in the form of refinancing according to the provisions of the Laws of the SBV and the SBV's guidance; having borrowings to/from and deposits at/from other credit institutions, branches of foreign banks, domestic and foreign financial institutions according to the provisions of law and the SBV's guidance; carrying out capital contribution, shares acquisition according to the provisions of law and the SBV's guidance; acting as trustor, trustee and agent in banking-related activities, insurance business and asset management according to the provisions of law and the SBV's guidance; trading and providing foreign exchange services on the domestic and international market within the scope prescribed by the SBV; trading, supplying interest rate derivatives; providing securities depository and gold trading services; e-wallet; supplying commodity price derivative products; investing in Government bond futures contracts.

Charter capital

The Bank's charter capital under the Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 is VND 11,252,973 million, of which State-owned capital is VND 10,040,855 million and capital raised from the Initial Public Offering is VND 1,212,118 million.

On 18 October 2010, the Bank completed its share issuance with 391,931,841 shares additionally issued, of which 76,848,603 shares were issued in form of share dividend payment and 315,083,238 shares were sold to the Bank's shareholders.

On 10 March 2011, the Bank completed its share issuance to a strategic shareholder with the total number of newly issued shares of 168,581,013.

On 28 December 2011, the Bank completed its share issuance to the existing shareholders with the total number of newly issued shares of 337,162,100.

On 13 April 2012, the Bank completed its share issuance to the existing shareholders with the total number of new issued shares of 598,782,376.

On 14 May 2013, the Bank completed its share issuance to Bank of Tokyo-Mitsubishi UFJ, Ltd. with the total number of newly issued shares of 644,389,811.

On 22 October 2013, the Bank completed its share issuance to the existing shareholders with the total number of newly issued shares of 457,260,208.

On 21 July 2021, the Bank completed its share issuance to the existing shareholders for dividend payment purpose with the total number of newly issued shares of 1,082,346,053.

Accordingly, as at 31 December 2022, the Bank's charter capital is VND 48,057,506 million.

Operating network

The Head Office of the Bank is located at 108 Tran Hung Dao Street, Hoan Kiem District, Hanoi, Vietnam. As at 31 December 2022, the Bank has one (01) Head Office; two (02) local representative offices (in Da Nang and Ho Chi Minh City) and (01) overseas representative office in Myanmar; eight (08) administrative units including: one (01) School of Human Resource Development and Training, one (01) Card centre, one (01) Trade Finance Centre, five (05) Cash management centres; one hundred and fifty seven (157) branches and nine hundred and fifty seven (957) transaction offices (including two (02) overseas branches).

Subsidiaries

As at 31 December 2022, the Bank has seven (07) subsidiary companies and one (01) subsidiary bank as follows:

No	Name	Operating Licence	Nature of Business	Proportion of Ownership of the Bank
1	VietinBank Leasing Company Limited	License of Establishment and Operation No. 53/1998/QD-NHNN5 dated 26 January 1998 issued by the SBV and the 1 st Business Registration Certificate No. 0101047075/GP dated 31 August 2009 by Hanoi Authority for Planning and Investment, the 11 th amendment dated 01 June 2022	Finance and banking	100%

No	Name	Operating Licence	Nature-of Business	Ownership
2	VietinBank Securities Joint Stock Company	Establishment and Operation License No. 107/UBCK-GP dated 01 July 2009 issued by the State Securities Commission and Amended License No. 97/GPDC-UBCK dated 10 October 2022	Securities activities	75.6%
3	VietinBank Debt Management and Asset Exploitation Company Limited	Business Registration Certificate No. 0302077030/GP dated 20 July 2010 issued by Department of Planning and Investment of Ho Chi Minh City, the 6 th amendment dated 12 January 2021	Asset management	100%
4	VietinBank Insurance Joint Stock Corporation	Establishment and Operation License No. 21/GP-KDBH dated 12 December 2002 issued by the Ministry of Finance and Amended License No. 21/GPDC33/KDBH dated 03 March 2022 by the Ministry of Finance	Non-life insurance	73.4%
5	VietinBank Gold and Jewellery Trading Company Limited	Enterprise Registration Certificate No. 0105011873/GP dated 25 November 2010 granted by Hanoi Authority for Planning and Investment, the 9 th amendment dated 19 December 2022	Trading, producing and refining gold, silver, precious stones	100%
6	VietinBank Fund Management Company Limited	Establishment and Operation License No. 50/UBCK-GP dated 26 October 2010 issued by State Securities Commission and Amended License No. 105/GPDC-UBCK dated 03 November 2022	Fund management	100%
7	VietinBank Global Money Transfer Company Limited	Enterprise Registration Certificate No. 0105757686 dated 03 January 2012 issued by Hanoi Authority for Planning and Investment, the 1 st amendment dated 13 March 2015	Monetary transfer intermediary	100%
8	VietinBank Lao Limited	Enterprise Registration Certificate No. 068/NHCHDCNDL dated 08 July 2015 granted by Bank of the Lao P.D.R	Finance and banking	100%

Employees

The total number of employees of the Bank as at 31 December 2022 was 22,879 (as at 31 December 2021: 23,100).

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying separate financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to separate financial reporting. However, due to the Bank's large scale of operation, for the purpose of preparing these separate financial statements, the figures are rounded to and presented in millions of Vietnam Dong (VND Million). This presentation does not materially impact the separate financial statements in terms of the separate financial position, the separate financial performance and separate cash flows of the Bank. With regard to the number of shares, the Bank presented the items in Note 24.3.

The accompanying separate financial statements are not intended to present the separate financial position, separate financial performance and separate cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Bank's financial year begins on 01 January and ends on 31 December.

3. APPLICATION OF NEW GUIDELINES

On 31 December 2021, the SBV issued Circular No. 27/2021/TT-NHNN ("Circular 27") amending and supplementing a number of articles of the account system of credit institutions issued in conjunction with Decision No. 479/2004/QĐ-NHNN dated 29 April 2004 ("Decision 479") and financial reporting regime for credit institutions issued in conjunction with Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 ("Decision 16") issued by the SBV. Circular 27 took effect from 01 April 2022 onwards.

Some major changes in this Circular that have an impact on the Bank's separate financial statements in the financial year include:

- Amending and supplementing a number of accounts and corresponding details in accounting and replacing name of some items in the accounts system of credit institutions issued in conjunction with Decision 479;
- Amending and supplementing a number of articles of the financial reporting regime for credit institutions issued in conjunction with Decision 16. Accordingly, comparative figures of some indicators having changes in terms of content and method of obtaining data should be represented for comparison purposes (as detailed in Note 51).

On 07 April 2022, the Ministry of Finance issued Circular No. 24/2022/TT-BTC ("Circular 24") amending and supplementing a number of articles of Circular No. 48/2019/TT-BTC dated 08 August 2019 ("Circular 48") on providing guidance on making and using provisions for devaluation of inventory, impairment of financial investments and bad debts issued by the Ministry of Finance. Circular 24 took effect from 25 May 2022 onwards.

The Bank has applied these Circulars in the preparation and presentation of the separate financial statements for the year ended 31 December 2022.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted by the Bank in the preparation of these separate financial statements are as follows:

Estimates

The preparation of the separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to separate financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates and assumptions.

Foreign currencies

According to the Bank's accounting system, all transactions are recorded in original currencies. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into VND using the average buying and selling spot exchange rates at the close of business of the year-end date if the difference between this rate and the weighted average buying and selling exchange rate of the same day is less than 1% (see details of foreign currency rates applied as at 31 December 2022 in Note 49). Otherwise, the Bank uses the weighted average buying and selling exchange rates ruling at the year-end date for conversion. Income and expenses arising in foreign currencies of the Bank are converted into VND at exchange rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities from foreign currencies into VND are recognized in the separate income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash, current accounts at the SBV, treasury bills and other short-term valuable papers that are qualified for being discounted at the SBV, current accounts, time deposits with term of three months or less from the deposit date at other credit institutions and securities investment with the original maturity of three months or less from the transaction date.

Placements with and loans to other credit institutions

Placements with and loans to other credit institutions are disclosed and presented at their outstanding principal amounts at the end of the financial year.

The credit risk classification for placements with and loans to other credit institutions and the corresponding provisioning shall comply with the provisions of Circular No. 11/2021/TT-NHNN dated 30 July 2021 ("Circular 11") of the SBV. Accordingly, the Bank makes specific provisions for deposits (except for current accounts and placements with Vietnam Bank for Social Policies following the regulations of the SBV on maintaining the balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law, and deposits at overseas credit institutions and loans to other credit institutions in a similar way to those for loans to customers.

Derivatives

Foreign currency forward and swap contracts

For foreign currency forward and swap contracts, the difference between equivalent VND amounts of foreign currency purchase/sale commitments using the forward exchange rate and the spot exchange rate as at effective date of the contract is recognized immediately at the effective date of the contract under "Interest and fee receivables" item or "Interest and fee payables" item in the separate statement of financial position. The difference is subsequently allocated to "Net gain/(loss) from foreign currency trading" item over the term of the contract.

As at the date of the separate financial statements, commitments of foreign currency forward contracts and swap contracts are revaluated and exchange differences arising from the revaluation of foreign currency-denominated balances of these contracts are recognized in the separate income statement.

Interest rate swap contracts

Commitments of one-currency-interest-rate swap contracts are not recorded in the separate statement of financial position. For two-currency-interest-rate swap contracts with nominal principal swap, commitments are recognized in the separate statement of financial position. Income and expenses arising from interest rate effects are recorded on the accrual basis. For two-currency-interest-rate swap contracts without nominal principal swap, commitments are recognized in the separate statement of financial position at the date of principal exchange. Income and expenses arising from interest rate effects are recorded on the accrual basis.

Loans to customers

Loans to customers are disclosed and presented at their principal amounts outstanding at the end of the financial year.

Provision for credit losses

Classification of loans and provision for credit losses

Under Circular 11, credit institutions are required to implement loan classification and credit risk provisioning. Loan classification and credit risk provisioning in compliance with Circular 11 are applied to Assets (hereinafter referred to as "debts") including:

- Loans;
- Finance leasing;
- Discounts, rediscounts of negotiable instruments and other valuable papers;
- Factoring;
- Credit facilities in the form of credit card issuance;
- Payments on behalf under off-balance-sheet commitments;
- Amounts for purchase and entrustment of purchase of corporate bonds (including bonds issued by other credit institutions) which have not yet been listed on stock exchanges nor registered for trading on the UPCoM trading system (hereinafter referred to as unlisted bonds), excluding the purchase of unlisted bonds with trusted funds to which the trustee bears the risk;
- Credit granting entrustment;

- Deposits (except for current accounts and deposits at Vietnam Bank for Social Policies following regulations of the SBV on maintaining the balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law, and deposits at overseas credit institutions;
- Debt sale and purchase according to the State Bank's regulations on buying and selling debt;
- Repos of Government bonds in the stock market following the law on issuance, registration, depository, listing and trading of Government debt securities in the stock market;
- Purchase of promissory notes, bills and certificates of deposit issued by other credit institutions and foreign bank branches.

Accordingly, customers' loans are determined to be the highest of risk group as classified under Article 10 and Article 11 of Circular 11 and customers' highest debt group at credit institutions provided by the Credit Information Center ("CIC") of the SBV at the time of loan classification.

The Bank maintains the same debt group for a number of loans in accordance with the provisions of Circular No. 10/2015/TT-NHNN dated 22 July 2015 and Circular No. 25/2018/TT-NHNN dated 24 October 2018 of the SBV amending and supplementing a number of articles of Circular No. 10/2015/TT-NHNN guiding the implementation of some contents of the Government's Decree No. 55/2015/ND-CP dated 09 June 2015 ("Decree 55") on credit policies for agricultural and rural development; Circular No. 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01") on debt rescheduling, exemption or reduction of interest and fees, maintaining debt categories at credit institutions and branches of foreign banks to assist customers affected by Covid-19 pandemic; Circular No. 03/2021/TT-NHNN dated 02 April 2021 ("Circular 03") amending and supplementing a number of articles of Circular 01; Circular No. 14/2021/TT-NHNN ("Circular 14") amending and supplementing a number of articles of Circular 01 and documents of the SBV on debt classification and risk provisioning.

Loans are classified by risk level into the following groups: Standard, Special mention, Substandard, Doubtful and Loss. Loans classified as either Substandard, Doubtful or Loss are considered bad debts. Loan classification and provision for credit losses will be made at the end of each month and recognized in the following month. Provision for credit losses as at 31 December is recognized in the separate income statement for that year.

The specific provision at the year-end date is calculated by subtracting the discounted value of collateral from the remaining loan balance multiplied by the specific provision rate based on the loan classification result at the year-end. The specific provision rate for each debt group is prescribed as follows:

Group	Category	Provision rate
1	Standard	0%
2	Special mention	5%
3	Substandard	20%
4	Doubtful	50%
5	Loss	100%

Under Circular 03, the Bank should make a specific provision for customers whose debts are rescheduled or granted interest and fees exemption or reduction as prescribed by this Circular as follows:

- Up to 31 December 2021: by at least 30% of the specific provision to be additionally made;
- Up to 31 December 2022: by at least 60% of the specific provision to be additionally made; and
- Up to 31 December 2023: 100% of the specific provision to be additionally made.

Following Circular 11, a general provision is made for credit losses that are yet to be identified during the loan classification and specific provisioning process as well as in cases where the Bank encounters potential financial difficulty due to the deterioration in loan quality. Accordingly, the Bank is required to fully make and maintain a general provision at 0.75% of the total outstanding balance of loans which are classified into groups 1 to 4, excluding deposits at domestic credit institutions and foreign bank branches in Vietnam following the law and at overseas credit institutions; loans, termed purchase of valuable papers among credit institutions and foreign bank branches in Vietnam; purchases of promissory notes, bills, certificates of deposit or bonds issued locally by other credit institutions and foreign bank branches; and repurchase agreements of Government bonds in accordance with Circular 11.

Write-off of bad debts

Provision is recorded as an expense on consolidated income statement and used to write – off bad debts. In accordance with Circular 11, the Bank must set up Risk Management Committee to deal with bad debts if they are classified as Group 5, or if borrowers are either liquidated or bankrupted legal entities, or deceased or missing individual.

Classification of off-balance-sheet commitments

The Bank classifies guarantee, acceptances of payment and irrevocable loan commitments and other credit risk-bearing commitments (collectively referred to as “off-balance-sheet commitments”) into groups as stipulated in Article 09, Article 10, or Article 11 of Circular 11. Accordingly, off-balance-sheet commitments are classified by risk level into the following groups: Standard, Special mention, Substandard, Doubtful and Loss.

The Bank does not make general and specific provisions for off-balance-sheet commitments in accordance with the guidance of Circular 11.

Investments

Trading securities

Trading securities include debt securities, equity securities and other securities that the Bank has bought and had the intention to sell in the near future to gain benefits from price differences. Trading securities are recognized at cost at the date of transaction and subsequently recorded at cost during the holding period. Interest and cash dividends derived from trading securities are recognized on a cash basis in the separate income statement.

These securities are subject to impairment review at the date of the separate financial statements. Provisions for securities that are stipulated in the scope of Circular 11 (as described in the summary of significant accounting policies for “Provision for credit losses”) are made in accordance with Circular 11. Provisions for impairment of securities that are not stipulated in the scope of Circular 11 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recognized in the separate income statement as “Net gain/ (loss) from trading securities”.

Investment securities

Available-for-sale investment securities

Available-for-sale securities include debt and equity securities that the Bank holds for investment and available-for-sale purposes, not frequently traded but can be sold when there is a benefit. For equity securities, the Bank is neither the founding shareholder nor the strategic partner of the investees through a written agreement on the assignment of its personnel to the Board of Directors/Board of Management.

Available-for-sale equity securities are recognized at cost at the transaction date and subsequently recorded at cost during the holding period.

Available-for-sale debt securities are initially recognized at par value at the transaction date. Accrued interest before the acquisition date (for debt securities with interest payment in arrears) or interest income received upfront awaiting amortization (for debt securities with interest payment in advance) is recorded in a separate account. Any discount or premium, which is the difference between the cost and the amount equal to par value plus (+) accrued interest before the acquisition date (if any) or minus (-) interest received upfront awaiting amortization (if any), is also recorded in a separate account.

During the term of those securities in subsequent period, these securities are recorded at par value, and the discount/premium (if any) is amortised into the consolidated income statement using the straight-line method over the estimate remaining term of securities. The interest received during the securities term is recorded as follows: accumulative interest income before the purchasing date is recored as a decrease from the cost of such securities and the same amount is credited into the accrued interest income; accumulative interest income after the purchasing date is recognised as the Bank's income on an accrual basis. Interest received in advance is recorded as income from securities investment using the straight-line method over the period of securities investment.

Periodically, available-for-sale securities are subject to impairment review. Provisions for securities that are stipulated in the scope of Circular 11 (as described in the summary of significant accounting policies for "Provision for credit losses") are made in accordance with Circular 11. Provisions for impairment of securities that are not stipulated in the scope of Circular 11 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recorded in the consolidated income statement as "Net gain/(loss) from investment securities".

Held-to-maturity investment securities

Held-to-maturity investment securities are debt securities that the Bank purchases for investment purposes to gain interest and the Bank has the intention and the capacity to hold the securities until maturity. Held-to-maturity securities have determinable value and fixed maturity dates. In case of being sold before maturity, they will be reclassified as trading or available-for-sale securities. Held-to-maturity investment securities are recognized similarly to available-for-sale debt securities.

Periodically, held-to-maturity securities are subject to impairment review. Provisions for securities that are fallen within the scope of Circular 11 (as described in the summary of significant accounting policies for "Provision for credit losses") are made in accordance with Circular 11. Provisions for impairment of securities that are not fallen within the scope of Circular 11 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recorded in the separate income statement as "Net gain/(loss) from investment securities".

Reclassification

According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, reclassification after the transaction date is made only once for each item of investment securities. In special cases or in case a large number of securities have to be reclassified (greater than or equal to 50% of the total value of the portfolio), the Bank will disclose the effect of reclassification on total assets, liabilities, equity, income and expenses of the Bank in the separate financial statements.

Investments in subsidiaries

Investments in subsidiaries over which the Bank has control rights are carried at cost in separate financial statements. Distributions from accumulated net profits of subsidiaries arising subsequently to the acquisition date are recognized in the separate income statement for the year. Distributions from other sources are considered recovery of investments and are deducted from the cost of the investments.

Investments in joint ventures

A joint venture is a contractual arrangement whereby the Bank and other parties undertake an economic activity that is subject to joint control, i.e. that the strategic financial and operating policy decisions relating to the activities of the joint ventures require the unanimous consent of the parties sharing control.

Investments in joint ventures are carried at cost in separate financial statements. Accordingly, the Bank's contributed capital is initially recorded at cost. Distributions from accumulated net profits of the joint ventures arising subsequently to the date of acquisition are recognized in the separate income statement for the year. Distributions from sources other than from such profits are considered recovery of investments and are deducted from the cost of the investments.

Other long-term investments

Other long-term investments represent the Bank's capital investments in other enterprises at which the Bank either owns less than 11% of the voting rights and is a founding shareholder; or a strategic partner; or is capable of controlling, to some extent, the process of initiating and approving financial and operating policies of the investees, which is evidenced by a written agreement on delegating personnel for representation in the Board of Directors/Board of Management. These investments are initially recognized at cost at the transaction date and always carried at that cost during the subsequent holding period.

Provision for impairment of capital contribution, long-term investments

Provision for impairment of investments in capital contribution and long-term investments are made when the investee is operating at loss in accordance with prevailing accounting regulations.

Provision for impairment of capital contribution and long-term investments are recognized as an operating expense in the separate income statement. In case an investment is made in listed shares or the fair value of an investment is reliably determined, the provision is made based on the market value of the stock (similar to the provision for impairment of trading securities).

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Recognition

The Bank recognizes investment securities and other investments at the date when the Bank performs the contractual terms (transaction-date based policy). Investment securities and other investments are initially recognized at cost. After initial recognition, investment securities and other investments are recognized under the above accounting policies.

Derecognition

Investments in securities are derecognized when the rights to receive cash flows from the investments end or when the Bank transfers to the buyer the significant risks and rewards associated with the ownership of the investments.

Repurchase and re-sale contracts

Securities sold under agreements to be repurchased at a specific date in the future (repos) are recorded in separate financial statements. The corresponding cash received from these agreements is recognized in the separate statement of financial position as a borrowing and the difference between the sale price and the repurchase price is allocated to the separate income statement over the agreement validity period using the straight-line method based on the contractual interest rate.

Securities purchased under agreements to be resold at a specific date in the future (reverse repos) are not recognized in the consolidated financial statements. The corresponding cash paid under these agreements is recognized in the consolidated statement of financial position as a loan and the difference between the purchase price and resale price is amortized in to the consolidated income statement over the agreement validity period using the straight-line method based on the contractual interest rate.

Trust activities and trusted funds

The value of trusted funds is recorded when the trust contracts have been signed and trusted funds have been realized. Rights and obligations of the trustor and trustee relating to profit and profit sharing, trust fees, other rights and obligations comply with the terms of the signed contracts. The assets that are held under custody services are not considered assets of the Bank and therefore, they are not recognized in the separate statement of financial position of the Bank.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed asset comprises all of the Bank's purchase price plus any directly attributable costs of bringing the asset to working conditions for its intended use.

Costs related to additions and improvements are capitalized and expenditures for maintenance and repairs are charged to the separate income statement when incurred. When assets are sold or disposed of, their cost and accumulated depreciation are written off from the separate statement of financial position and any gains or losses resulting from their disposals are recorded in the separate income statement.

Intangible assets

Intangible assets are stated at cost less accumulated amortization. The cost of an intangible asset comprises all the Bank's expenditures paid to acquire the asset until it is put into use.

Expenditures for improvements of intangible assets are capitalized. The expenditures related to intangible assets incurred after initial recognition and evaluated with certainty, increasing the economic benefits of the intangible fixed assets compared to the initial activity level, shall be capitalized. Other expenditures related to intangible assets incurred after initial recognition are charged to the separate income statement. When intangible assets are sold or disposed, their cost and accumulated amortization are written off from the separate statement of financial position and any gains or losses resulting from their disposals are recorded in the separate income statement.

Leasing

A lease is classified as a finance lease when significant rights and risks relating to ownership of the leased item are transferred to the lessee. All leases other than finance leases are classified as operating leases.

Operating lease assets are recognized off the separate statement of financial position. Rentals under operating leases are recorded in "Operating expenses" on a straight-line basis over the lease term.

Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible assets are calculated on a straight-line basis over the estimated useful life of each assets as follows:

<u>Assets</u>	<u>Estimated useful lives (Years)</u>
Buildings and structures	05 - 40
Machinery and equipment	03 - 07
Motor vehicles and transmission equipment	06 - 07
Management tools, equipment and other tangible fixed assets	04 - 25
Computer software and other intangible assets	03 - 08

Land use rights are not amortized if they are granted by the Government of Vietnam for an indefinite term. Land use rights with definite term are amortized over the granted term.

Prepaid expenses

Prepaid expenses include actual expenses that have arisen but are related to the results of production and business activities of many accounting periods. Prepaid expenses comprise prepaid office rentals and other prepaid expenses.

Office rentals represent the office rental paid in advance. Prepaid office rental is allocated to the separate income statement using the straight-line method over the rental period.

Other prepaid expenses include repair, maintenance costs for assets, costs of tools and supplies issued for consumption, prepaid service charges and other prepaid expenses, which are expected to provide future economic benefits to the Bank. These expenses are capitalized as prepaid expenses and are allocated to the separate income statement using the straight-line method over the period of three years or less in accordance with prevailing accounting regulations.

Receivables

Receivables other than those from credit activities in the Bank's operation are initially recognized at cost and subsequently recorded at cost. Other receivables are subject to impairment review based on the overdue status of the outstanding receivables or based on the expected loss for the following cases: institutional debtors who have fallen into bankruptcy or have been in the process of dissolution; or individual debtors who are missing, escaping, prosecuted, on trial or passed away even though receivables are not overdue. Provision expense incurred is recorded as "Operating expenses" in the separate income statement during the year.

Provision rates for doubtful receivables are applied in accordance with the prevailing accounting regulations.

Other provisions

Other provisions are recognized when the Bank has a present obligation as a result of a past event, and it is probable that the Bank will be required to settle that obligation. Other provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the financial year end.

Capital and reserves

Common shares

Common shares are classified as owners' equity.

Share premium

When capital is received from shareholders, the difference between selling price and par value is recorded as share premium in owners' equity. Incurred expenses that directly relate to the issuance of common shares are recognized as a decrease in share premium.

Treasury shares

When issued shares are repurchased, the aggregate amount paid, including expenses that directly relate to the repurchase of shares, after deducting taxes, is recorded as treasury shares and stated as a decrease in owners' equity.

Reserves

Reserves are used for specific purposes and are appropriated from the Bank's profit after tax based on the regulated ratios in the following sequence:

- Supplementary charter capital reserve: 5% of profit after tax but not exceeding the Bank's charter capital;
- Financial reserve fund: 10% of profit after tax;
- Bonus fund for the Board of Management, bonus and welfare fund are established in accordance with the decision of the General Shareholders' Meeting;
- Other reserves: established in accordance with current regulations and the Decisions of the General Shareholders' Meeting.

Revenue and expenses

Interest and similar income/expenses

Interest income and interest expenses are recognized in the separate income statement on the accrual basis. The recognition of accrued interest income arising from the loans that are classified from group 2 to group 5 in accordance with Circular 11, accrued interest income on loans restructured and maintained as Standard loan groups (group 1) as prescribed in Circular 01, Circular 03, Circular 14 and Decree 55 will not be recognized in the separate income statement. Accrued interest income on such loans is recorded as an off-balance-sheet item and is recognized in the separate income statement upon actual receipt.

Income and expenses from interest on investments are recorded on the accrual basis. Accrued interest income of securities that are fallen within the scope of Circular 11 and classified from group 2 upwards is not recognized in the separate income statement for the year. These accruals are recorded as off-balance-sheet items and are only recognized in the separate income statement upon actual receipt.

Income from service charges and commissions

Income from service charges and commissions is recognized on the accrual basis.

Income from guarantee and L/C commitment activities

Income from guarantee and L/C commitment activities is recognized on the accrual and allocation bases.

Income from securities trading

Income from securities trading is recognized as differences between selling price and cost of securities sold.

Recognition of dividends and profits received

Cash dividends and profits received from investment and capital contributions activities are recorded in the separate income statement when the Bank's right to receive dividends and profits has been established. Share dividends, which are distributed from profits of joint stock companies, are recognized neither as an increase in the value of received shares nor financial income in the separate financial statements but are only used for tracking the increase in the number of shares according to Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance.

Revenue from other service

When the contract results can be determined reliably, revenue will be recognized based on the level of work completion. If the contract results cannot be determined reliably, revenue will only be recognized at the recoverable level of the recorded expenses.

Recognition of receivables not yet collected

According to Circular No. 16/2018/TT-BTC dated 07 February 2018 issued by the Ministry of Finance, receivables recognized as accrued income but subsequently assessed to be not recoverable or not yet recoverable at the due date are recorded as reduction in revenue if the income has been accrued in the same financial year or recorded as other expenses if accrued in different financial year and monitored off-balance-sheet for collection. Upon actual receipt of these receivables, the Bank recognizes them as income according to the nature of the income in the separate income statement.

Expenses recognition principle

According to Circular 16, only incurred economic transactions which are deductible expenses in accordance with regulations of law on corporate income tax are recorded in the separate income statement by the Bank.

Taxation

Corporate income tax expense represents the sum of the current corporate income tax expense and deferred tax.

The current corporate income tax expense is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on temporary differences between carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences, unless they occurred from the initial recognition of an asset or liability of a transaction which has no impact on accounting profit or taxable profit/(loss) at the transaction date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realized. Deferred tax is charged or credited to the separate income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when the Bank has a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to corporate income taxes levied by the same tax authority and the Bank intends to settle its current tax assets and liabilities on a net basis.

The determination of the current corporate income tax expense is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

Employee benefits

Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank by the Social Insurance Agency, a government-affiliated agency. The Bank is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of the employee's monthly basic salary for their working period. In addition, the Bank shall pay a subsidy of 02 months of additional salary based on job positions with the average key performance indicator ("KPI") of the six consecutive months before retirement.

According to Resolution No. 68/NQ-CP dated 01 July 2021 by the Government, from 01 July 2021 to 30 June 2022, the Bank is entitled to a premium rate of 0% of the salary fund as the basis for paying social insurance premiums to the insurance fund for occupational accidents and diseases. From 01 July 2022, the Bank must contribute to the insurance fund for occupational accidents and diseases at the old rate specified in Decree No. 58/2020/ND-CP dated 27 May 2020 by the Government.

Severance allowance

According to Article 46 of Labour Code No. 45/2019/QH14 effective from 01 January 2021, the Bank is responsible to pay severance allowance for employees who have regularly been working at the Bank for 12 months or more, with half-month salary allowance for each working year (clauses 1, 2, 3, 4, 6, 7, 9 and 10 of Article 34 of the Labor Code), except for those who are eligible for receiving pension under the provisions of the law on social insurance and those as specified at Point e, Clause 1, Article 36 of the Labor Code 2019. The working period used for calculation of severance allowance excludes the period that employees benefit from unemployment insurance in accordance with regulations and the working period that employees have received severance allowance and retrenchment benefits from employers. The salary as the basis for calculation of severance allowance shall be the average salary of the last 06 months under the employment contract before the termination of labor.

Unemployment insurance

According to Circular No. 28/2015/TT-BLĐTBXH dated 31 July 2015 ("Circular 28") of the Ministry of Labor - War Invalids and Social Affairs guiding the implementation of Article 52 of the Employment Law 2013 and Decree No. 28/2015/ND-CP of the Government dated 12 March 2015 regulating the implementation of the Employment Law on unemployment insurance, from 01 January 2009, the Bank is obliged to pay unemployment insurance to eligible employees at 1% of their salary fund allocated for unemployment insurance. According to Decision No. 28/2021/QĐ-TTg of the Prime Minister, from 01 October 2021, the Bank is entitled to a reduction in the unemployment insurance contributions rate from 1% to 0% within 12 months. From 01 October 2022, the Bank must pay unemployment insurance to eligible employees at the old rate specified in Circular 28.

Related parties

The parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making decisions on financial and operating policies. A party is considered a related party with the Bank if:

- (a) Directly or indirectly through one or more intermediaries, the party:
 - Controls, or is controlled by, or is under common control by the Bank (including the holding company and its subsidiaries);
 - Contributes capital to the Bank and therefore has significant influence over the Bank;
 - Has joint control over the Bank;
- (b) The party is a joint venture or an associate of which the Bank is a venturer or an investor;
- (c) The party has a key management personnel who is also a member of the Board of Directors, Board of Supervisors, and Board of Management of the Bank;
- (d) The party is a close member of the family of any individual referred to in (a) or (c); or
- (e) The party is an entity that is, directly or indirectly controlled, jointly controlled or significantly influenced by, or of which, significant voting power in such entity resides with, any individual referred to in (c) or (d).

Offsetting

Financial assets and financial liabilities are offset and the net amounts are reported in the separate statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

5. CASH

	Closing balance	Opening balance
	VND Million	VND Million
Cash in VND	9,893,360	9,892,021
Cash in foreign currencies	1,047,443	1,304,639
	10,940,803	11,196,660

6. BALANCES WITH THE STATE BANK OF VIETNAM ("SBV")

	Closing balance	Opening balance
	VND Million	VND Million
Current account at the State Bank of Vietnam		
- In VND	29,415,566	19,166,382
- In foreign currencies	311,041	4,216,559
	29,726,607	23,382,941

Balances with the SBV are for the purpose of payment and compulsory reserves at the SBV as required.

7. PLACEMENTS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

	Closing balance	Opening balance
	VND Million	VND Million
Placements with other credit institutions		
Demand deposits	131,889,409	88,168,362
- In VND	68,966,706	19,468,959
- In foreign currencies	62,922,703	68,699,403
Term deposits	92,092,302	42,657,589
- In VND	30,350,000	27,845,000
- In foreign currencies	61,742,302	14,812,589
	223,981,711	130,825,951
Loans to other credit institutions		
- In VND	16,017,932	13,794,892
- In foreign currencies	1,389,390	2,710,296
	17,407,322	16,505,188
Placements with and loans to other credit institutions	241,389,033	147,331,139

Analysis of placements with other credit institutions (excluding current accounts at domestic credit institutions, foreign banks' branches in Vietnam, placements with Vietnam Bank for Social Policies and deposits at overseas credit institutions under Circular 11) and loans to other credit institutions by quality is as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Current loans	109,499,624	59,162,777
Special mention loans	-	-
Sub-standard loans	-	-
Doubtful loans	-	-
Loss loans	-	-
Total	109,499,624	59,162,777

8. TRADING SECURITIES

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	-	1,092,554
Government bonds	-	1,092,554
Provision for impairment of trading securities	-	(7,884)
General provision	-	(7,884)
	-	1,084,670

Listing status of trading securities is as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities		
Listed	-	1,092,554
	-	1,092,554

9. DERIVATIVES AND OTHER FINANCIAL ASSETS/(LIABILITIES)

	Net book value (at exchange rate as at the reporting date)		
	Assets	Liabilities	Net amount
	VND Million	VND Million	VND Million
As at 31/12/2022			
Currency derivative financial instruments	3,169,129	-	3,169,129
- Forward contracts	127,406	-	127,406
- Swap contracts	3,041,723	-	3,041,723
Interest rate derivative financial instruments	-	(91,277)	(91,277)
	3,169,129	(91,277)	3,077,852
As at 31/12/2021			
Currency derivative financial instruments	1,296,937	-	1,296,937
- Forward contracts	130,202	-	130,202
- Swap contracts	1,166,735	-	1,166,735
Interest rate derivative financial instruments	157,853	-	157,853
	1,454,790	-	1,454,790

10. LOANS TO CUSTOMERS

	Closing balance	Opening balance
	VND Million	VND Million
Loans to local economic entities and individuals	1,256,588,877	1,113,610,261
Discounting promissory notes and valuable papers	1,824,896	2,170,538
Payments made on behalf of customers	473,842	14,385
Loans by grants, investment trusts	28,238	62,318
Loans to foreign organisations and individuals	5,260,790	4,205,583
	1,264,176,643	1,120,063,085

Analysis of loans portfolio by quality

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Current loans	1,218,719,546	1,093,965,567
Special mention loans	29,747,561	11,846,029
Sub-standard loans	7,291,579	7,093,692
Doubtful loans	2,208,694	1,995,276
Loss loans	6,209,263	5,162,521
	<u>1,264,176,643</u>	<u>1,120,063,085</u>

Analysis of loan portfolio by original term

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Short-term loans (Up to 1 year)	768,841,671	680,022,831
Medium-term loans (From 1 to 5 years)	78,959,980	62,825,173
Long-term loans (Above 5 years)	416,374,992	377,215,081
	<u>1,264,176,643</u>	<u>1,120,063,085</u>

Analysis of loan portfolio by type of customers and type of businesses

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
State-owned enterprises	64,667,305	51,387,706
State-owned one-member limited enterprises	18,056,105	23,975,234
Two or more member limited liability enterprises with more than 50% of the State's share holding	7,683,364	7,015,249
Other limited companies	265,724,512	253,621,575
Joint stock companies with more than 50% of the State's share-holding	21,118,103	29,892,364
Other joint stock companies	343,378,559	322,428,466
Partnership companies	4,190	284,269
Private companies	12,626,249	12,255,188
Foreign invested enterprises	59,650,759	56,166,155
Cooperatives, cooperative unions	1,307,206	1,436,474
Household businesses, individuals	468,784,512	359,666,150
Administrative units, the Party, unions and associations	907,848	975,535
Others	267,931	958,720
	<u>1,264,176,643</u>	<u>1,120,063,085</u>

Analysis of loan portfolio by sector

	Closing balance	Opening balance
	VND Million	VND Million
Agriculture, forestry and aquaculture	46,167,447	42,979,621
Mining and quarrying	9,846,078	12,318,953
Production and processing	266,149,204	260,662,385
Electricity, fuel gas and water production and distribution	64,378,892	63,052,506
Construction	86,021,432	89,894,656
Wholesale and retail; repair of cars, motorcycles, motorbikes and other motor vehicles	435,416,459	373,960,956
Transport, warehouse and communication	23,377,420	22,742,539
Trade and service	236,290,994	168,810,976
Employment activities in households, production of material products and services for household self-consumption	68,847,438	53,108,053
Others	27,681,279	32,532,440
	1,264,176,643	1,120,063,085

11. PROVISIONS FOR CREDIT LOSSES ON LOANS TO CUSTOMERS

Movements in provisions for credit losses on loans to customers for the year ended 31 December 2022 are as follows:

	General provision	Specific provision	Total
	VND Million	VND Million	VND Million
Opening balance	8,343,427	17,259,364	25,602,791
Provision made for the year	1,067,081	23,029,381	24,096,462
Provision used to write off bad debts for the year	-	(20,157,778)	(20,157,778)
Closing balance	9,410,508	20,130,967	29,541,475

Movements in provisions for credit losses on loans to customers for the year ended 31 December 2021 are as follows:

	General provision	Specific provision	Total
	VND Million	VND Million	VND Million
Opening balance	7,227,917	5,138,761	12,366,678
Provision made for the year	1,115,510	17,222,192	18,337,702
Provision used to write off bad debts for the year	-	(5,107,615)	(5,107,615)
Other adjustments	-	6,026	6,026
Closing balance	8,343,427	17,259,364	25,602,791

12. INVESTMENT SECURITIES

12.1 Available-for-sale investment securities

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Debt securities	175,894,416	172,815,816
Government bonds	77,511,269	78,299,141
Debt securities issued by other domestic credit institutions	95,264,137	85,805,360
Debt securities issued by domestic economic entities	3,119,010	8,711,315
Equity securities	376,615	376,615
Equity securities issued by domestic economic entities	376,615	376,615
Provisions for impairment of available-for-sale investment securities	(58,750)	(116,252)
Provisions for impairment	(35,357)	(51,189)
General provision	(23,393)	(65,063)
	<u>176,212,281</u>	<u>173,076,179</u>

12.2 Held-to-maturity investment securities

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Debt securities	1,586,778	2,586,832
Government bonds	1,200,000	2,200,000
Debt securities issued by domestic economic entities	386,778	386,832
Provisions for impairment of held-to-maturity investment securities	(2,901)	(2,901)
General provision	(2,901)	(2,901)
	<u>1,583,877</u>	<u>2,583,931</u>

12.3 Quality analysis of securities in the scope of loan classification of Circular 11 based on their face values

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Current loans	89,255,758	63,711,842
Special mention loans	-	-
Sub-standard loans	30	-
Doubtful loans	-	-
Loss loans	-	-
	<u>89,255,788</u>	<u>63,711,842</u>

12.4 Provision for credit losses of investment securities

Movements in provision for credit losses on investment securities for the year ended 31 December 2022 are as follows:

	Provision for available-for-sale investment securities		Provision for held-to-maturity investment securities	
	General provision	Provisions for impairment	General provision	Total
	VND Million	VND Million	VND Million	VND Million
Opening balance	65,063	51,189	2,901	119,153
Provision (reversed) for the year	(41,670)	(15,832)	-	(57,502)
Closing balance	23,393	35,357	2,901	61,651

Movements in provision for credit losses on investment securities for the year ended 31 December 2021 are as follows:

	Provision for available-for-sale investment securities		Provision for held-to-maturity investment securities	
	General provision	Provisions for impairment	General provision	Total
	VND Million	VND Million	VND Million	VND Million
Opening balance	288,747	50,918	2,901	342,566
Provision (reversed)/made for the year	(223,684)	271	-	(223,413)
Closing balance	65,063	51,189	2,901	119,153

13. CAPITAL CONTRIBUTION, LONG-TERM INVESTMENTS

Analysis by type of investment

	Closing balance	Opening balance
	VND Million	VND Million
Investments in subsidiaries (Note 13.1)	3,840,032	3,840,032
Investments in joint ventures (Note 13.2)	1,688,788	1,688,788
Other long-term investments	22,962	22,962
	5,551,782	5,551,782

13.1 Investment in subsidiaries

	Closing balance	Opening balance
	VND Million	VND Million
VietinBank Leasing Company Ltd.	1,000,000	1,000,000
VietinBank Securities Joint Stock Company	597,232	597,232
VietinBank Debt Management and Asset Exploitation Company Ltd.	120,000	120,000
VietinBank Insurance Joint Stock Corporation	489,150	489,150
VietinBank Fund Management Company Ltd.	300,000	300,000
VietinBank Gold and Jewellery Trading Company Ltd.	200,000	200,000
VietinBank Global Money Transfer Company Ltd.	50,000	50,000
VietinBank Lao Limited	1,083,650	1,083,650
	3,840,032	3,840,032

13.2 Investment in joint venture

	Closing balance		Opening balance	
	Cost	Proportion of ownership interest	Cost	Proportion of ownership interest
	VND Million	%	VND Million	%
Indovina Bank Ltd.	1,688,788	50.00	1,688,788	50.00
	1,688,788		1,688,788	

Indovina Bank Limited was established in Vietnam with the Head Office located in Ho Chi Minh City, whose main activity is providing banking services. This is a joint venture between the Bank and Cathay United Bank, a bank established in Taiwan. Indovina Bank Limited was granted Establishment and Operation License for Joint venture bank No. 101/GP-NHNN dated 11 November 2019 (replacing Operation License for Joint venture bank No. 08/NH-GP dated 29 October 1992) for the duration of 99 years with the charter capital of USD 193,000,000, equivalent to VND 3,377,500 million.

Since its establishment, as approved by the SBV, Indovina Bank Limited has made several capital increases, in which the value of capital contributed by the two parties to the joint venture increased but the proportion of contributed capital did not change. As at 31 December 2022, the charter capital of Indovina Bank Limited is USD 193,000,000, equivalent to VND 3,377,500 million.

14. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Building, structures	Machinery, equipment	Motor vehicles	Management tools, equipment and other tangible fixed assets	Total
	VND Million	VND Million	VND Million	VND Million	VND Million
Cost					
Opening balance	7,926,937	5,486,894	1,652,722	371,621	15,438,174
Acquisitions during the year	1,180	232,493	115,344	29,063	378,080
Transfer from construction in progress	107,829	4,266	11,971	4,551	128,617
Other additions	47,860	27,060	3,784	6,171	84,875
Disposals	(4,843)	(53,155)	(70,679)	(5,599)	(134,276)
Other decreases	(1,011)	(5,742)	(5,508)	(3,941)	(16,202)
Closing balance	8,077,952	5,691,816	1,707,634	401,866	15,879,268
Accumulated depreciation					
Opening balance	2,776,635	5,087,468	1,231,158	324,944	9,420,205
Depreciation charged for the year	276,456	226,667	143,457	30,371	676,951
Other additions	2,773	10,904	-	-	13,677
Disposals	(4,687)	(49,658)	(69,652)	(5,599)	(129,596)
Other decreases	-	-	(503)	(3,381)	(3,884)
Closing balance	3,051,177	5,275,381	1,304,460	346,335	9,977,353
Net book value					
Opening balance	5,150,302	399,426	421,564	46,677	6,017,969
Closing balance	5,026,775	416,435	403,174	55,531	5,901,915

Other information about tangible fixed assets:

	Closing balance	Opening balance
	VND Million	VND Million
Cost of tangible fixed assets fully depreciated but still in use	7,026,480	6,469,172

15. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights	Computer software and other intangible assets	Total
	VND Million	VND Million	VND Million
Cost			
Opening balance	4,039,592	2,439,184	6,478,776
Acquisitions during the year	-	157,751	157,751
Other additions	2,562	3,963	6,525
Other decreases	-	(345)	(345)
Closing balance	4,042,154	2,600,553	6,642,707
Accumulated amortisation			
Opening balance	411,196	1,863,048	2,274,244
Amortisation charged for the year	37,587	216,186	253,773
Other additions	2,044	36,416	38,460
Closing balance	450,827	2,115,650	2,566,477
Net book value			
Opening balance	3,628,396	576,136	4,204,532
Closing balance	3,591,327	484,903	4,076,230

Other information about intangible assets:

	Closing balance	Opening balance
	VND Million	VND Million
Cost of intangible assets fully amortized but still in use	1,031,071	724,572

16. OTHER ASSETS

16.1 Receivables

	Closing balance	Opening balance
	VND Million	VND Million
Construction in progress (i)	5,633,260	5,567,364
Purchases and major repair of fixed assets	900,768	1,116,308
External receivables	58,504,496	25,836,331
Internal receivables	169,579	291,816
	65,208,103	32,811,819

(i) Construction in progress

	Closing balance	Opening balance
	VND Million	VND Million
Constructions in the Northern area	5,359,086	5,275,665
Constructions in the Central area	144,036	183,683
Constructions in the Southern area	130,138	108,016
	5,633,260	5,567,364

16.2 Other assets

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND Million</u>	<u>VND Million</u>
Materials and tools	139,983	98,818
Prepayments	2,558,058	2,698,207
Other assets	139,249	139,249
	<u>2,837,290</u>	<u>2,936,274</u>

16.3 Provisions for impairment of other balance sheet assets

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND Million</u>	<u>VND Million</u>
Provision for bad debts	30,334	40,706
	<u>30,334</u>	<u>40,706</u>

17. BORROWINGS FROM THE GOVERNMENT AND THE SBV

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND Million</u>	<u>VND Million</u>
Borrowings from the SBV	1,736,629	1,505,274
Loans under credit contracts	1,081,275	1,498,316
Discounting valuable papers	648,396	-
Borrowings for grants to State-owned enterprises	6,958	6,958
Current accounts held by the State Treasury	103,042,673	31,789,130
In VND	103,042,673	31,789,130
	<u>104,779,302</u>	<u>33,294,404</u>

18. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

18.1 Deposits from other credit institutions

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND Million</u>	<u>VND Million</u>
Demand deposits	98,786,006	6,967,439
- In VND	50,990,538	3,093,775
- In foreign currencies	47,795,468	3,873,664
Term deposits	39,991,300	25,523,890
- In VND	37,637,000	24,041,890
- In foreign currencies	2,354,300	1,482,000
	<u>138,777,306</u>	<u>32,491,329</u>

18.2 Borrowings from other credit institutions

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND Million</u>	<u>VND Million</u>
- In VND	4,869,460	6,518,408
- In foreign currencies	60,059,999	93,984,420
	<u>64,929,459</u>	<u>100,502,828</u>

19. DEPOSITS FROM CUSTOMERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Demand deposits	243,355,233	225,531,638
- Demand deposits in VND	208,709,207	198,316,370
- Demand deposits in foreign currencies	34,646,026	27,215,268
Term deposits	997,436,685	926,570,527
- Term deposits in VND	966,324,617	900,272,636
- Term deposits in foreign currencies	31,112,068	26,297,891
Deposits for specific purpose	2,293,371	2,775,355
- Deposits for specific purpose in VND	1,472,805	2,287,869
- Deposits for specific purpose in foreign currencies	820,566	487,486
Margin deposits	4,076,881	4,883,683
- Margin deposits in VND	3,744,654	4,169,159
- Margin deposits in foreign currencies	332,227	714,524
	1,247,162,170	1,159,761,203

Customer deposit portfolio by type of customers and type of businesses

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
State-owned enterprises	197,119,114	169,974,644
State-owned one-member limited enterprises	27,854,977	24,866,867
Two or more member limited liability enterprises with more than 50% of the State's share holding	1,463,553	1,220,847
Other limited companies	43,593,871	41,607,415
Joint stock companies with more than 50% of the State's share-holding	48,201,787	48,868,925
Other joint stock companies	99,717,710	94,189,185
Partnership companies	10,293,399	9,381,054
Private companies	2,527,658	1,605,441
Foreign invested enterprises	107,365,151	114,920,613
Cooperatives, cooperative unions	640,972	465,263
Household businesses, individuals	619,352,374	561,137,829
Administrative units, the Party, unions and associations	53,360,772	45,355,119
Others	35,670,832	46,168,001
	1,247,162,170	1,159,761,203

20. GRANTS, TRUSTED FUND AND BORROWINGS WHERE THE BANK BEARS RISKS

	Closing balance	Opening balance
	VND Million	VND Million
Grants, trusted funds and borrowings in VND	505,248	568,082
Grants, trusted funds and borrowings in foreign currencies	1,886,953	1,959,848
	2,392,201	2,527,930

21. VALUABLE PAPERS ISSUED

	Closing balance	Opening balance
	VND Million	VND Million
Valuable papers in VND	91,370,235	64,496,607
Par value	91,370,235	64,496,607
Valuable papers in foreign currencies	184	178
Par value	184	178
	91,370,419	64,496,785

Details of the term of issued valuable papers:

Type of valuable papers	Bill	Bearer bonds	Book-entry bonds	Certificate of deposit	Total
	VND Million	VND Million	VND Million	VND Million	VND Million
Closing balance					
Term under 12 months	197	-	-	43,000,000	43,000,197
- VND	197	-	-	43,000,000	43,000,197
Term from 12 months to under 5 years	-	166	-	12,043,826	12,043,992
- VND	-	166	-	12,043,642	12,043,808
- Foreign currency	-	-	-	184	184
Term over 5 years	-	-	36,326,230	-	36,326,230
- VND	-	-	36,326,230	-	36,326,230
	197	166	36,326,230	55,043,826	91,370,419
Opening balance					
Term under 12 months	197	-	-	2,000,000	2,000,197
- VND	197	-	-	2,000,000	2,000,197
Term from 12 months to under 5 years	-	166	-	26,400,192	26,400,358
- VND	-	166	-	26,400,014	26,400,180
- Foreign currency	-	-	-	178	178
Term over 5 years	-	-	36,096,230	-	36,096,230
- VND	-	-	36,096,230	-	36,096,230
	197	166	36,096,230	28,400,192	64,496,785

22. OTHER PAYABLES AND LIABILITIES

	Closing balance	Opening balance
	VND Million	VND Million
Internal payables	2,371,987	1,595,933
External payables	13,232,642	12,027,077
Bonus and welfare funds	2,567,805	2,232,249
	18,172,434	15,855,259

Details of external payables are as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Payments/receipts on behalf of other organisations	3,903,170	4,982,163
Amount due to customers and deferred payment	84,460	198,806
Corporate income tax payables	2,902,220	659,571
Dividends payable to shareholders	-	3,844,600
Unearned revenue	3,833,813	445,194
Other tax payables	240,335	188,668
Interbank payables	805,823	265,041
Money transfer payables	142,392	149,208
Payables to the SBV from recovery of written-off bad debts	-	76,007
Payables relating to trade finance activities	6,000	5,996
Other pending payments	1,181,848	1,121,172
Other payables	132,581	90,651
	13,232,642	12,027,077

23. THE BANK'S OBLIGATIONS TO THE STATE BUDGET

	Opening balance	Movement in the year		Closing balance
	VND Million	Payable	Paid	VND Million
		VND Million	VND Million	
Value added tax	54,913	906,867	903,431	58,349
Corporate income tax	659,571	3,973,674	1,731,025	2,902,220
Other taxes	133,755	1,021,838	973,607	181,986
	848,239	5,902,379	3,608,063	3,142,555

24. CAPITAL AND RESERVES

24.1 Statement of changes in owners' equity

	Charter capital	Share premium	Capital supplementary reserve	Financial reserve fund	Retained earnings	Total
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Opening balance	48,057,506	8,969,827	4,418,716	8,811,247	19,881,060	90,138,356
Profit after tax for the year	-	-	-	-	16,379,008	16,379,008
Adjustment of the appropriation to reserves of previous years	-	-	1,143	2,286	(3,429)	-
Temporary appropriation to reserves during the year	-	-	818,950	1,637,901	(2,456,851)	-
Appropriation to bonus and welfare fund (*)	-	-	-	-	(1,954,606)	(1,954,606)
Other adjustments	-	-	-	-	(86,146)	(86,146)
Closing balance	48,057,506	8,969,827	5,238,809	10,451,434	31,759,036	104,476,612

(*) According to Resolution No. 478/NQ-HDQT-NHCT-VPHDQT1 dated 30 December 2022 of the Board of Directors, the Bank made an appropriation to statutory funds and bonus and welfare fund from retained earnings of 2021.

24.2 Details of the Bank's shares

	Closing balance		Opening balance	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
	VND Million	VND Million	VND Million	VND Million
Capital of the Government	30,979,325	-	30,979,325	-
Contributed capital (shareholders, members)	17,078,181	-	17,078,181	-
Share premium	8,969,827	-	8,969,827	-
	57,027,333	-	57,027,333	-

24.3 Details of the Bank's shares

	Closing balance	Opening balance
Number of registered shares for issue (unit)	4,805,750,609	4,805,750,609
Number of shares in circulation (unit)	4,805,750,609	4,805,750,609
- Ordinary shares (unit)	4,805,750,609	4,805,750,609
- Preference shares (unit)	-	-
Par value of share (VND)	10,000	10,000

25. INTEREST AND SIMILAR INCOME

	Current year	Prior year
	VND Million	VND Million
Interest from deposits	3,020,810	1,438,784
Interest from loans to customers	92,361,173	74,499,699
Interest from trading, investment debt securities	6,499,062	6,243,310
Income from guarantee services	872,485	852,821
Other income from credit activities	632,791	571,871
	103,386,321	83,606,485

26. INTEREST AND SIMILAR EXPENSES

	Current year	Prior year
	VND Million	VND Million
Interest expense on deposits	47,995,800	37,968,469
Interest expense on borrowings	2,904,793	826,187
Interest expense on valuable papers issued	3,786,570	3,511,189
Expenses on other credit activities	1,849,263	281,094
	56,536,426	42,586,939

27. NET GAIN FROM SERVICES

	Current year	Prior year
	VND Million	VND Million
Income from services	8,381,799	6,981,479
Income from remittance services	3,798,087	3,917,841
Income from consulting services	314,641	161,512
Income from trust and agency services	591,781	229,411
Others	3,677,290	2,672,715
Expense for services	(3,359,322)	(2,612,680)
Expense for remittance services	(2,694,730)	(2,039,832)
Expense for consulting services	(61,983)	(43,156)
Expense for trust and agency services	(8,986)	(5,534)
Expense for treasury services	(298,583)	(284,288)
Others	(295,040)	(239,870)
Net profit from services	5,022,477	4,368,799

28. NET GAIN FROM FOREIGN CURRENCY TRADING

	Current year	Prior year
	VND Million	VND Million
Income from trading foreign currencies	7,176,428	3,271,654
Income from spot trading foreign currencies	2,557,094	1,622,208
Income from trading currency derivative financial instruments	4,619,334	1,649,446
Expenses for trading foreign currencies	(3,595,747)	(1,385,874)
Expenses for spot trading foreign currencies	(422,696)	(271,277)
Expenses for trading currency derivative financial instruments	(3,173,051)	(1,114,597)
Net gain from trading foreign currencies	3,580,681	1,885,780

29. NET (LOSS)/GAIN FROM TRADING SECURITIES AND INVESTMENT SECURITIES

29.1 Net (loss)/gain from trading securities

	Current year	Prior year
	VND Million	VND Million
Income from trading securities	9,279	237,215
(Expense) for trading securities	(56,927)	(42,211)
Provision reversed/(made) for impairment of trading securities	7,884	(7,884)
Net (loss)/gain from trading securities	(39,764)	187,120

29.2 Net (loss)/gain from investment securities

	Current year	Prior year
	VND Million	VND Million
Income from trading investment securities	20,363	-
(Expense) for trading investment securities	(115,968)	(2,998)
Provision reversed for impairment of investment securities	57,502	223,413
Net (loss)/gain from trading investment securities	(38,103)	220,415

30. NET GAIN FROM OTHER ACTIVITIES

	Current year	Prior year
	VND Million	VND Million
Other operating expenses	7,320,352	4,163,976
Income from recovery of bad debts	5,324,932	3,192,445
Income from other derivatives	838,171	820,321
Income from transfer, disposals of assets	16,828	7,368
Other income	1,140,421	143,842
Other operating expenses	(897,863)	(1,025,115)
Expense for trading other derivatives	(407,547)	(545,977)
Expense for transferred, disposed assets	(2,176)	(2,877)
Other expenses	(488,140)	(476,261)
Net profit from other activities	6,422,489	3,138,861

31. INCOME FROM CAPITAL CONTRIBUTION, EQUITY INVESTMENTS

	Current year	Prior year
	VND Million	VND Million
Dividends income from capital contributions and equity investment for the year	540,491	750,387
- From investment equity securities	14,546	4,163
- From long-term investments	525,945	746,224
	540,491	750,387

32. OPERATING EXPENSES

	Current year	Prior year
	VND Million	VND Million
Taxes, fees and charges	18,022	14,310
Staff cost	10,381,618	9,537,879
- Salaries and allowances	8,625,210	7,690,980
- Salary-based expenses	553,015	552,715
- Other benefits	2,115	1,567
- Other expenses	1,201,278	1,292,617
Expenses for fixed assets	2,622,722	2,833,566
- Depreciation and amortisation expenses	930,724	978,808
- Others	1,691,998	1,854,758
Expenses for operating management	3,999,571	3,217,184
- Per diems	158,277	94,230
- Expenses for union activities	18,040	10,810
- Others	3,823,254	3,112,144
Insurance premium for customers' deposits	877,347	769,841
(Reversed) provision expenses (excluding provision expenses for credit risks; provision for securities)	(10,258)	-
	17,889,022	16,372,780

33. CURRENT CORPORATE INCOME TAX EXPENSE ("CIT")

	Current period	Prior period
	VND Million	VND Million
Profit before corporate income tax	20,352,682	16,860,426
Add/(Minus):		
- Non-taxable dividend income and profits received	(540,491)	(750,387)
- Others	56,180	80,362
Taxable profit	19,868,371	16,190,401
Corporate income tax rate	20%	20%
CIT expense calculated based on tax rate	3,973,674	3,238,080
Total CIT for the year	3,973,674	3,238,080
CIT payable at the beginning of the year	659,571	1,269,029
CIT paid in the year	(1,731,025)	(3,847,538)
Net CIT payable at the end of the year	2,902,220	659,571

34. CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the separate cash flow statement include items on the separate statement of financial position as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Cash	10,940,803	11,196,660
Balances with the State Bank of Vietnam	29,726,607	23,382,941
Current deposits at other credit institutions	131,889,409	88,168,361
Deposits at other credit institutions with terms not exceeding 3 months	65,441,627	42,657,589
Securities with term not exceeding 3 months from the date of purchase	8,000,000	-
	245,998,446	165,405,551

35. EMPLOYEE'S INCOME

	Current year	Prior year
I. Total average number of employees during the year (person)	22,721	22,607
II. Employees' income (VND Million)		
1. Total salary fund	8,625,210	7,690,980
2. Other allowances	179,893	376,981
3. Total income (1+2)	8,805,103	8,067,961
4. Average monthly salary	31.63	28.35
5. Average monthly income	32.29	29.74

36. TYPES AND BOOK VALUE OF COLLATERALS AND MORTGAGES

Assets, valuable papers used as mortgage, pledge and discount, rediscount

Details of the book value of customers' collaterals and mortgages at the Bank at the end of the year are as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Real estate	1,705,629,631	1,485,228,794
Movable assets	66,676,236	67,924,197
Deposits, gold, precious metals, gemstones, valuable papers	163,441,898	212,673,385
Other assets	558,838,352	548,983,009
	2,494,586,117	2,314,809,385

Collaterals and mortgages held by the Bank are permitted to sell to or re-pledge to a third party in case the customer (owner of the collaterals) is able to pay off the debts according to the law.

As at 31 December 2022, the Bank did not hold any collateral which the Bank is permitted to sell to or re-pledge to a third party in case the customer (owner of the collaterals) is able to pay off the debt according to the law.

37. TRUST AND AGENCY ACTIVITIES FOR CREDIT INSTITUTIONS

	Closing balance	Opening balance
	VND Million	VND Million
Risk-free trusted fund operations	15,424	20,174
Agency service	6,040,960	6,040,960
	6,056,384	6,061,134

38. OFF-BALANCE-SHEET ITEMS WHERE THE BANK BEARS SIGNIFICANT RISKS

	Closing balance	Opening balance
	VND Million	VND Million
Contingent liabilities	159,575,895	109,949,627
Credit guarantees	7,692,271	3,237,485
Letters of Credit (L/C) commitment	73,681,669	46,584,571
Other guarantees	78,201,955	60,127,571
Commitments	310,604,986	583,961,974
Foreign exchange transactions commitments	258,304,665	479,385,067
Other commitments	52,300,321	104,576,907

39. UNCOLLECTED INTEREST INCOME AND FEES

	Closing balance	Opening balance
	VND Million	VND Million
Uncollected loan interest	7,972,456	7,340,439
Uncollected interest from securities	282,858	476,354
Uncollected fees	86,017	73,179
	8,341,331	7,889,972

40. BAD DEBTS WRITTEN-OFF

	Closing balance	Opening balance
	VND Million	VND Million
Principals of written off bad debts under observation	62,122,646	47,283,450
Interests of written off bad debts under observation	54,356,485	47,431,650
Other written off bad debts	1,362	1,362
	116,480,493	94,716,462

41. OTHER PROPERTIES AND VALUABLE PAPERS

	Closing balance	Opening balance
	VND Million	VND Million
Other assets in custody	3,514,400	3,518,749
Outsourced assets	11,023,860	10,448,109
Other valuable papers in custody	87,456,808	94,112,842
	101,995,068	108,079,700

42. RELATED PARTY BALANCES AND TRANSACTIONS

Details of significant transactions with related parties during the year ended 31 December 2022 are as follows:

Related parties	Relationship	Transactions	Current year VND Million	Prior year VND Million
The State Bank of Vietnam	Direct owner and management agency	Increase/(Decrease) in deposits at the SBV	6,343,666	(34,233,363)
		Increase/(Decrease) in borrowings from the SBV	231,355	(464,500)
Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	(Decrease)/Increase in deposits of the Bank	(148,639)	108,083
		(Decrease) in deposits at the Bank	-	(1,100,000)
		(Decrease)/Increase in borrowings of the Bank	(7,517,189)	3,722,981
		(Decrease)/Increase in accrued interest payable for borrowings	(13,724)	4,943
		Interest expenses of deposits	2,663	1,883
		Interest expenses of borrowings	16,424	47,352
		Increase/(Decrease) in deposits of the Bank	1,630,950	(68,132)
Subsidiaries/Joint venture	Subsidiaries/Joint venture	Increase/(Decrease) in borrowings from the Bank	210,000	(700,000)
		Increase in accrued interest receivable from loans	12,063	4,307
		(Decrease) in deposits at the Bank	(334,446)	(318,521)
		Increase/(Decrease) in accrued interest payable for deposits	5,653	(2,496)
		Interest income from deposits	91,602	53,424

Related parties	Relationship	Transactions	Current year	Prior year
			VND Million	VND Million
Subsidiaries/Joint venture	Subsidiaries/Joint venture	Interest income from loans	14,362	12,346
		Interest expenses of deposits	38,494	35,160
		Profit received from subsidiaries	159,028	363,436
		Dividends received from joint venture	334,211	378,807

Details of significant balances with related parties as at 31 December 2022 are as follows:

Related party	Relationship	Transactions	Receivables/(payables)	
			Closing balance	Opening balance
			VND Million	VND Million
The State Bank of Vietnam	Direct owner and management agency	Demand deposits at the SBV	29,726,607	23,382,941
		Borrowings from the SBV	(1,736,629)	(1,505,274)
Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	Deposits of the Bank	212,265	360,904
		Borrowings of the Bank	(8,198)	(7,525,387)
		Accrued interest expenses	(91)	(13,815)
Subsidiaries/Joint venture	Subsidiaries/Joint venture	Deposits at the Bank	(1,779,385)	(2,113,831)
		Deposits of the Bank	3,605,118	1,974,168
		Borrowings from the Bank	210,000	-
		Accrued interest income	19,900	7,837
		Accrued interest expenses	(15,753)	(10,100)

Details of salaries and allowances of the members of the Board of Directors, Board of Supervisors and Board of Management are as follows:

Board of Management are as follows:

Name	Title	Appointment/ Resignation Date	Current year	Prior year
			VND Million	VND Million
BOARD OF DIRECTORS			15,391	12,587
Mr. Tran Minh Binh	Chairman		2,461	2,370
Mr. Le Duc Tho	Chairman	Resigned on 03 July 2021	-	1,329
Mr. Nguyen Duc Thanh	Member	Appointed on 29 April 2022	1,987	-
Ms. Tran Thu Huyen	Member		2,124	2,029
Ms. Nguyen Thi Bac	Independent Member		1,800	1,464
Mr. Nguyen The Huan	Member		1,826	1,746
Ms. Pham Thi Thanh Hoai	Member		1,593	1,467
Mr. Tran Van Tan	Member		1,621	1,497
Mr. Le Thanh Tung	Member		1,593	300
Member nominated by MUFJ partner	Member		386	385
Mr. Masahiko Oki	Member			
Mr. Masashige Nakazono	Member			
Board of Supervisors			3,678	4,232
Ms. Le Anh Ha	Chief Supervisor		1,589	1,524
Ms. Nguyen Thi Anh Thu	Member		1,174	1,082
Ms. Pham Thi Thom	Member		915	623
Mr. Nguyen Manh Toan	Member	Resigned on 04 November 2021	-	1,003

Name	Title	Appointment/ Resignation Date	Current year VND Million	Prior year VND Million
BOARD OF MANAGEMENT			11,953	11,427
Mr. Nguyen Hoang Dung	Deputy General Director in charge of the Board of Management		2,368	2,167
Mr. Nguyen Tran Manh Trung	Deputy General Director	Appointed on 12 May 2022	1,166	-
Mr. Le Duy Hai	Deputy General Director	Appointed on 09 May 2022	1,067	-
Mr. Hoang Ngoc Phuong	Deputy General Director	Appointed on 12 May 2022	982	-
Mr. Do Thanh Son	Deputy General Director	Appointed 11 October 2022	420	-
Mr. Tran Cong Quynh Lan	Deputy General Director		2,262	2,174
Mr. Nguyen Dinh Vinh	Deputy General Director		1,921	1,838
Ms. Le Nhu Hoa	Deputy General Director		1,768	1,704
Mr. Nguyen Duc Thanh	Deputy General Director	Resigned on 04 May 2022	-	1,841
Ms. Nguyen Hong Van	Deputy General Director	Resigned on 03 November 2021	-	1,703

43. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE-SHEET ITEMS BY GEOGRAPHICAL REGIONS AS AT 31 DECEMBER 2022

	Total loan balance	Total deposits	Credit commitments	Derivatives (Difference between debit - credit)	Trading and investment securities (Difference between debit - credit)
	VND Million	VND Million	VND Million	VND Million	VND Million
Domestic	1,276,496,600	1,488,188,281	159,560,603	3,077,852	177,857,809
Overseas	5,087,365	793,868	15,292	-	-
	1,281,583,965	1,488,982,149	159,575,895	3,077,852	177,857,809

44. FINANCIAL RISK MANAGEMENT POLICIES RELATED TO FINANCIAL INSTRUMENTS

Under the guidance of the SBV on enhancing the role of risk management in credit institutions, the Bank continues implementing risk management policies for its entire business.

In order to achieve sustainable development, improve operational efficiency and competitive advantage, the Bank has always been one of the pioneers in researching and applying international practices to its governance. In particular, the application of Basel II Accord is one of the Bank's prioritized solutions. Projects under the Basel II program focus on the comprehensive enhancing of risk management on material areas. Until now, the Bank has completed the first phase following standard methods and is preparing for the second phase following the SBV's direction.

The application of advanced practices in risk management is a prerequisite for the integration and expansion of the Bank's influence in the global financial banking industry. The Bank has always played a pioneering role in modernizing the banking system. In addition, after Circular No. 13/2018/TT-NHNN and amendments and supplements of the regulatory authorities ("Circular 13") stipulating the internal control system of commercial banks and foreign bank branches were issued, the Bank took initiatives in reviewing and adjusting regulations and processes in accordance with the requirements of Circular 13 to ensure compliance with the standards of internal control system, risk management, internal audit and assess capital adequacy requirement internally.

In 2022, the Bank continued actively studying and implementing projects under the Basel II program in order to comprehensively enhance the management of all types of risks. Moreover, the Bank has continued to complete its policy system in five (5) levels, namely: (i) General policy regime, (ii) Detailed policies, (iii) Guidance documents on policies, (iv) General processes, and (v) Detailed processes for each product in order to ensure consistency and overall effectiveness of the policy system.

To manage risk related to financial instruments, the Bank has issued regulations, procedures, detailed guidance, sets of indicators and internal limits as well as strictly managed the balance between assets and liabilities, tightly controlled business activities' growth and credit quality; complied with limitation and safety ratios for operation; requirements for risk management as stipulated in Circular No. 22/2019/TT-NHNN (effective from 01 January 2020) and amendments and supplements of the regulatory authorities, Circular 13 and regulations of the SBV; and has gradually met requirements for risk management in accordance with Basel II.

45. CURRENCY RISKS

Currency risk is the risk that the Bank's asset or value of an investment fluctuates due to changes in foreign exchange rates.

The Bank was incorporated and operates in Vietnam and its reporting currency is VND. The Bank's main transaction currency is VND, while a part of the Bank's asset-capital is in foreign currencies (USD, EUR, etc.). Thus, currency risk may arise.

To prevent the risk of exchange rate fluctuations, the Bank has synchronously applied the following measures:

Based on actual data, the growth demand of affiliates and business orientations, the Treasury and Financial Planning Department analyses and projects cash inflows/outflows and proposes the capital planning for each currency unit (in VND, USD, and EUR equivalent) to the Bank's management, which is managed based on actual daily cash flows to ensure operational safety and effectiveness of the whole system.

The Bank's capital mobilization and lending activities are mainly in VND, with a small part is in USD, EUR and other foreign currencies. According to each period's business plan, the Bank has a currency position in its capital trading activities when making financial transactions on the market. The Bank sets limits for positions of each main currency based on the Bank's risk appetite, internal risk capacity and regulations of relevant regulatory authorities.

Currency positions are managed on a daily basis and hedging strategies are used by the Bank to ensure that the positions of currencies are maintained within the limits set.

The book value of cash assets and cash liabilities denominated in foreign currencies as at 31 December 2022 are as follows:

ITEMS	EUR equivalent	USD equivalent	Other currencies	Total
	VND Million	VND Million	equivalent VND Million	VND Million
Assets				
Cash	194,454	741,735	111,254	1,047,443
Balances with the State Bank of Vietnam	19,792	291,249	-	311,041
Placements with and loans to other credit institutions (*)	904,544	89,239,459	35,910,392	126,054,395
Loans to customers (*)	5,944,552	68,935,835	-	74,880,387
Fixed assets	33,551	-	-	33,551
Other assets (*)	1,686,861	25,789,412	-	27,476,273
Total assets	8,783,754	184,997,690	36,021,646	229,803,090
Liabilities and owners' equity				
Deposits and borrowings from other credit institutions	583,119	108,845,555	781,093	110,209,767
Deposits from customers	2,895,389	63,493,819	521,679	66,910,887
Derivative financial instruments and other financial liabilities	1,192,089	11,737,839	34,539,771	47,469,699
Grants, trusted funds and borrowings where the Bank bears risks	-	1,886,953	-	1,886,953
Valuable papers issued	-	184	-	184
Other liabilities	3,896,019	904,943	-	4,800,962
Total liabilities and owners' equity	8,566,616	186,869,293	35,842,543	231,278,452
Balance sheet currency position	217,138	(1,871,603)	179,103	(1,475,362)

(*) Excluding provision.

46. INTEREST RATE RISK

Interest rate risk is the possibility of the Bank's income or asset value being affected when market interest rate fluctuates.

Interest rate risk of the Bank can derive from investment activities, capital mobilization and lending activities.

The effective interest rate re-pricing period is the remaining period from the date of separate financial statements to the nearest interest rate re-pricing term of assets and capital. The following assumptions and conditions have been adopted in the analysis of the effective interest rate re-pricing period of the Bank's assets and liabilities:

- Cash; balances with the SBV; fixed assets; capital contribution, long-term investments and other liabilities are classified as non-interest-bearing items;
- The maturity of trading securities are calculated on the basis of the probable time to convert bonds into cash because this portfolio includes highly liquid bonds with fixed interest rates;
- The effective interest rate re-pricing term of placements with and loans to other credit institutions; derivative financial instruments and other financial assets; investment securities; loans to customers; other assets; borrowings from the Government and the SBV; deposits and borrowings from other credit institutions; deposits from customers; valuable papers issued; grants, trusted funds and borrowings where the Bank bears risks are determined as follows:
 - Items with fixed interest rate during the contractual period: the effective interest rate re-pricing term is determined from the reporting date to maturity date;
 - Items with floating interest rate: the effective interest rate re-pricing term is determined from the reporting date to the nearest interest rate re-pricing date;
 - Accrued income, accrued expenses: Classified as non-interest-bearing items.

The Bank's interest rate risk policies

For interbank lending activities (short-term), investment interest rate is based on the fluctuation of the market and the Bank's cost of capital. The interbank loans are usually short-term (of less than 3 months).

Based on forecasts on the market fluctuations of interest rate and its capital balancing ability, the Bank will make appropriate investment decisions. In case that interest rates are forecasted to go down, the Bank will strengthen long-term investments to increase profitability. In contrast, if interest rates are forecasted to go up, the Bank will increase short-term investments.

For capital mobilization activities, interest rates are determined based on the market price, the business orientation of the Bank's management, the Bank's capital balance and regulations of the SBV. The Bank's mobilized capital mainly has a short interest rate re-pricing term.

For lending activities, the Bank determines lending interest rates based on the principle of sufficient coverage for cost of capital, management expenses, risk considerations, collaterals' values and market interest rate to ensure the Bank's competitiveness as well as the efficiency. The Head Office regulates the lending interest rate floor for each period; branches can decide lending interest rates of each customer for each period based on credit risk analysis and assessment provided that these rates are not below the regulated floor rate and the annual budgeted profit is assured. Besides, due to the capital structure mainly comprising funds with short interest rate re-pricing terms, the Bank requires that all long-term and medium-term loans' interest must be floating (interest rates are not fixed during the whole loans' periods) to minimize possible arising interest rate risk.

Interest rate risk management

The Bank manages interest rate risk at 2 levels: transaction level and portfolio level, in which the former is more focused.

Interest rate risk management at the portfolio level

- Since 2013, the Bank has issued regulations and procedures for managing interest rate risk on the banking book, which stipulate the principles for managing interest rate risk on the banking book through the process of identification, measurement, control and monitoring of risk to ensure the balance between the interest rate risk control/prevention goal and the maximization of net interest income as well as the economic value of equity in the business operations of the Bank.
- The Bank has completed the design, officially implemented and continuously upgraded the Assets-Liabilities Management ("ALM") software system, which runs to the transaction level under international practices, automatically provides reports on re-evaluation term differences by nominal terms and by behaviours, scenarios analysis reports on interest rate increase/decrease situations, etc. in order to facilitate the Bank's interest rate risk management activities.
- The Bank adjusts the re-pricing term of loans to the re-pricing term of capital, ensuring the re-evaluation term difference is within the permitted limit.

Interest rate risk management at the transaction level

- All credit contracts are required to include terms relating to interest rate risk prevention to ensure that the Bank can take initiative in coping with fluctuations of the market; lending interest rate must be set to accurately reflect the Bank's actual cost of capital.
- Management through the Fund Transfer Pricing (FTP) system: the Bank has completed and continuously improved the internal fund transfer pricing system (FTP), which enhanced the Bank's centralized management of capital and interest. Depending on the orientation of the Bank and the market movements, the Head Office can change the fund transfer price for each type of customers or products, etc. to give signals for the business units to determine their lending/capital mobilization rates.

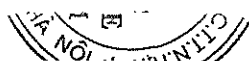
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VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B05/TCTD

	Non - interest bearing	Overdue		Current						Total
		Over 03 months	Up to 03 months	Up to 01 month	From 01 to 03 months	From 03 to 06 months	From 06 to 12 months	From 01 to 05 years	Over 05 years	
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Assets										
Cash	10,940,803	-	-	-	-	-	-	-	-	10,940,803
Balances with the State Bank of Vietnam	29,726,607	-	-	-	-	-	-	-	-	29,726,607
Placements with and loans to other credit institutions (*)	-	-	-	195,467,876	24,146,661	13,952,138	7,822,358	-	-	241,389,033
Derivative financial instruments and other financial assets	-	-	-	3,077,852	-	-	-	-	-	3,077,852
Loans to customers (*)	-	15,709,536	29,747,561	418,855,411	375,518,436	314,958,835	74,637,137	33,890,081	859,646	1,264,176,643
Investment securities (*)	4,471,720	-	-	470,000	14,269,000	21,280,000	27,536,748	39,401,530	70,428,811	177,857,809
Capital contribution, long-term investments	5,551,782	-	-	-	-	-	-	-	-	5,551,782
Fixed assets	9,978,145	-	-	-	-	-	-	-	-	9,978,145
Other assets (*)	52,565,632	30,334	-	6,805,928	12,181,396	7,850,982	740,865	-	-	80,175,137
Total assets	113,234,689	15,739,870	29,747,561	624,677,067	426,115,493	358,041,955	110,737,108	73,291,611	71,288,457	1,822,873,811
Liabilities										
Borrowings from the Government and the SBV	-	-	-	101,549,631	2,208,989	637,176	383,506	-	-	104,779,302
Deposits and borrowings from other credit institutions	-	-	-	148,287,029	46,631,765	8,047,106	740,865	-	-	203,706,765
Deposits from customers	-	-	-	546,249,644	194,128,864	198,526,252	261,411,720	46,841,574	4,116	1,247,162,170
Grants, trusted funds and borrowings where the Bank bears risks	-	-	-	-	1,574,426	817,775	-	-	-	2,392,201
Valuable papers issued	-	-	-	500,561	16,900,000	23,515,100	46,314,298	1,700,460	2,440,000	91,370,419
Other liabilities	39,352,882	-	-	-	-	-	-	-	-	39,352,882
Total liabilities	39,352,882	-	-	796,586,865	261,444,044	231,543,409	308,850,389	48,542,034	2,444,116	1,688,763,739
Balance sheet net interest	73,881,807	15,739,870	29,747,561	(171,909,798)	164,671,449	126,498,546	(198,113,281)	24,749,577	68,844,341	134,110,072

(*) Excluding provision



47. LIQUIDITY RISK

Liquidity risk is defined as the risk that the Bank has difficulties in meeting obligations associated with its financial liabilities. Liquidity risk arises when the Bank might be unable to meet its payment obligations at their due dates or when the Bank has to mobilize funds at higher cost to meet its payment obligations.

The Bank had issued regulations and procedures on liquidity management, including rules about managing liquidity gap through maturity, liquidity risk ratios, stress test scenarios and backup plans to proactively take measures when facing market volatility. To minimize liquidity risk, the Bank plans to diversify its funding sources, develops a fund management report system to calculate liquidity position on a daily basis, as well as prepares analysis and forecast report on future liquidity positions on a regular basis, setting liquidity risk appetite and capacity.

At monthly ALCO Council meetings, fund balance and liquidity of the Bank is one of the key contents to be discussed. At Risk Management Committee, Risk Council meetings, the compliance with liquidity risk appetite and risk capacity is also reviewed and reported. Based on analysis and evaluation, ALCO/Risk Management Committee/Risk Council make recommendations to the Board of Directors and the Board of Management for future guidance to maintain the Bank's solvency in a safe and effective way.

In addition, the Bank also maintains a list of secondary liquid assets such as the Government bonds, which may be sold or under repurchased contracts with the SBV. It is not only a secondary reserve in liquidity stress circumstances (if any) but also a profitable investment.

The maturity of assets and liabilities represents the remaining time from the reporting date until the payment date regulated in the contract or terms of issuance.

The following assumptions and conditions have been adopted in the analysis of the Bank's maturity relating to its assets and liabilities:

- Cash and balances with the SBV are classified into maturity up to one month;
- The maturity terms of placement with and loans to other credit institutions; derivative financial instruments and other financial assets; loans to customers; investment securities; other assets; borrowings from the Government and the SBV; deposits and borrowings from other credit institutions; valuable papers issued; grants, trusted funds and borrowings where the Bank bears risk; other liabilities are determined based on the contractual maturity date;
- The maturity of trading securities is calculated on the basis of the probable time to convert bonds into cash because this portfolio includes highly liquid bonds;
- The maturity date of capital contribution, long-term investments is classified as over five (05) years as these investments have no defined maturity;
- The maturity term of deposits from customers is determined based on customer behaviour analysis and forecasts on interest rate policy and other macroeconomic factors;
- The maturity date of fixed assets is classified as five (05) years or more.

Based on the Board of Management's approval of the annual business plan, the Treasury and Financial Planning Department in cooperation with some other relevant specialized departments makes analysis and forecasts on cash inflows/outflows of the system according to the approved plan; and also based on the actual daily capital fluctuations and utilization, the Bank makes decisions on appropriate management and monitoring of available funds.

Based on the projection of available funds, the Treasury and Financial Planning Department in cooperation with the Treasury Trading Department manage the secondary reserve through the approval of highly liquid valuable papers purchases, which could be converted into cash on the secondary market. The Treasury and Financial Planning Department in cooperation with the Treasury Trading Department may decide to sell valuable papers to the SBV on the open market, or to refinance loans when working capital is insufficient, ensuring the liquidity of the whole system.

Based on SBV's regulations, the Treasury and Financial Planning Department in cooperation with the Treasury Trading Department proposes the Bank's available fund management plan, ensuring the actual average balance of deposits in VND and foreign currencies at the SBV is not below the required level of compulsory reserve. Besides, the Bank also establishes credit limit with other banks and other credit institutions for mutual support when needed. The Market Risk Management Department acts as an independent supervisor to ensure that the liquidity risks are managed in compliance with regulations, management processes, and liquidity risk appetite/capacity of the Bank.

The amount of available funds is determined based on data from the Core Sunshine system, interbank payment program CITAD, Asset-Liability Management software, information about large cash flows from business units. Therefore, the Bank can actively manage its daily liquidity risk.

The Bank's liquidity risk management activities are monitored strictly in compliance with the regulations of the SBV and the Bank's internal criteria for liquidity management for each major currency (such as VND, USD, EUR) for capital mobilization and loan portfolios.

	Overdue		Current					Total
	Over 03 months	Up to 03 months	Up to 01 month	From 01 to 03 months	From 03 to 12 months	From 01 to 05 years	Over 05 years	
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	
Assets								
Cash	-	-	10,940,803	-	-	-	-	10,940,803
Balances with the SBV	-	-	29,726,607	-	-	-	-	29,726,607
Placements with and loans to other credit institutions (*)	-	-	195,467,876	24,146,661	21,774,496	-	-	241,389,033
Derivative financial instruments and other financial assets	-	-	3,077,852	-	-	-	-	3,077,852
Loans to customers (*)	15,709,536	29,747,561	92,392,480	265,178,035	463,394,265	186,468,326	211,286,440	1,264,176,643
Investment securities (*)	-	-	4,565,105	14,269,000	48,816,748	39,401,530	70,805,426	177,857,809
Capital contribution, long-term investments	-	-	-	-	-	-	5,551,782	5,551,782
Fixed assets	-	-	-	-	-	-	9,978,145	9,978,145
Other assets (*)	30,334	-	10,670,811	28,514,636	25,485,466	1,855,893	13,617,997	80,175,137
Total assets	15,739,870	29,747,561	346,841,534	332,108,332	559,470,975	227,725,749	311,239,790	1,822,873,811
Liabilities								
Borrowings from the Government and the SBV	-	-	101,549,631	2,208,989	1,020,682	-	-	104,779,302
Deposits and borrowings from other credit institutions	-	-	148,287,029	20,969,895	23,754,354	10,665,146	30,341	203,706,765
Deposits from customers	-	-	184,223,730	197,659,251	605,972,945	259,292,317	13,927	1,247,162,170
Grants, trusted funds and borrowings where the Bank bears risks	-	-	224,002	38,351	58,617	456,506	1,614,725	2,392,201
Valuable papers issued	-	-	609,189	16,900,000	36,285,000	1,700,000	35,876,230	91,370,419
Other liabilities	-	-	17,982,762	10,731,289	7,907,877	2,730,954	-	39,352,882
Total liabilities	-	-	452,876,343	248,507,775	674,999,475	274,844,923	37,535,223	1,688,763,739
Net liquidity difference	15,739,870	29,747,561	(106,034,809)	83,600,557	(115,528,500)	(47,119,174)	273,704,567	134,110,072

(*) Excluding provision.

48. CREDIT RISK

Credit risk is the risk that results in the Bank's loss because its customers or counterparties default on their contractual obligations or fail to fulfil their committed obligations.

With the orientation of improving financial capacity, strictly controlling credit quality to ensure sustainable and effective growth, the Bank always tries to actively review and control the quality of credit portfolio, implement synchronously credit risk management at both portfolio and transaction levels. Accordingly:

- At portfolio level: in addition to establishing risk limits and annual credit orientation, the Bank regularly monitors the credit portfolio to give early warning about banks having indicators of potential risks (through Early Warning System, remote monitoring and face-to-face inspection) and strengthens credit granting secured by assets.
- At transaction level: the Bank focuses on the appraisal and thorough screening of customers, strengthens management and supervision, cash flow control and asset quality, and closely monitors customer activities to give appropriate and timely responses, minimizing the impact on the Bank's debt quality.

Maximum exposures to credit risk irrespective of collateral or their credit enhancement

Maximum exposures to credit risk irrespective of collateral or their credit enhancement for each asset class equal to the carrying amount (excluding provision) of that asset class on the separate statement of financial position as at 31 December 2022 which presented as follows:

	Undue and unimpaired	Overdue and unimpaired	Impaired and made provision	Total
	VND Million	VND Million	VND Million	VND Million
Placements with and credit granting to other credit institutions	241,389,033	-	-	241,389,033
- <i>Placements with other credit institutions</i>	223,981,711	-	-	223,981,711
- <i>Credit granting to other credit institutions</i>	17,407,322	-	-	17,407,322
Loans to customers	1,201,840,285	1,255,968	61,080,390	1,264,176,643
Investment securities	177,857,779	30	-	177,857,809
- <i>Available-for-sale investment securities</i>	176,271,031	-	-	176,271,031
- <i>Held-to-maturity investment securities</i>	1,586,748	30	-	1,586,778
Total	1,621,087,097	1,255,998	61,080,390	2,102,670,327

49. EXCHANGE RATES OF SOME FOREIGN CURRENCIES AT THE END OF THE YEAR

	Closing balance	Opening balance
	VND	VND
USD	23,543	22,800
EUR	25,093	25,835
GBP	28,335	30,798
CHF	25,207	24,974
JPY	178.51	198.17
SGD	17,550	16,897
CAD	17,381	17,916
AUD	16,170	16,577
NZD	14,914	15,601
THB	669.17	686.75
SEK	2,255	2,491
NOK	2,355	2,563
DKK	3,375	3,474
HKD	3,019	2,855
CNY	3,390	3,587
KRW	16.91	19.91
LAK	1.37	2.04
MYR	5,329	5,329

50. SUBSEQUENT EVENTS

No events occurred after the reporting date that have a material effect on the operations of the Bank, its financial position and the results of those operations that require adjustment or disclosure in the separate financial statements.

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51. COMPARATIVE FIGURES

The comparative figures are the figures of the audited separate financial statements for the year ended 31 December 2021.

Certain representations have been made to the prior year's figures to enhance their comparability with the current year's presentation. Details are as follows:

Off-balance-sheet items	Previously presented on the separate financial statements for the year ended	Additional representation according to	Presented on the separate financial statements for
	31/12/2021	Circular 27	the year ended
	VND Million	VND Million	31/12/2022
Uncollected interest income and fees	No presentation	7,889,972	7,889,972
Bad debts written off	No presentation	94,716,462	94,716,462
Other properties and valuable papers	No presentation	108,079,700	108,079,700

Prepared by



Ngo Xuan Hai
Head of Financial
Accounting Department

Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



Nguyen Tran Manh Trung
Deputy General Director

30 March 2023