



**Lien Viet Post Joint Stock Commercial Bank**

Financial Statements for the year ended  
31 December 2022



## Lien Viet Post Joint Stock Commercial Bank Bank Information

### Banking Operation Licence No.

91/GP-NHNN

28 March 2008

The Banking Operation Licence was granted by the State Bank of Vietnam and is valid for 99 years from the issuance date.

The Company's Enterprise Registration Certificate No. 6300048638 issued by the Department of Planning and Investment of Hanoi has been amended several times, the most recent of which is the 24<sup>th</sup> amendment dated 11 January 2023.

### Board of Directors

Mr. Nguyen Duc Thuy	Chairman (from 9/12/2022) Vice Chairman (until 8/12/2022)
Mr. Huynh Ngoc Huy	Chairman (until 9/12/2022) Vice Chairman (from 9/12/2022)
Mr. Pham Doan Son	Standing Vice Chairman
Mr. Duong Cong Toan	Vice Chairman
Mr. Le Hong Phong	Member
Ms. Duong Hoai Lien	Independent Member

### Supervisory Board

Mr. Tran Thanh Tung	Chairman
Ms. Nguyen Thi Lan Anh	Member
Mr. Phung The Viet	Member

### Board of Management

Mr. Pham Doan Son	Chief Executive Officer (until 17/3/2023)
Mr. Ho Nam Tien	Acting Chief Executive Officer (from 17/3/2023)
	Standing Deputy Executive Officer (until 16/3/2023)
Mr. Bui Thai Ha	Standing Deputy Executive Officer (from 21/3/2023)
Ms. Nguyen Thi Gam	Deputy Executive Officer
Ms. Nguyen Anh Van	Deputy Executive Officer
Mr. Vu Quoc Khanh	Deputy Executive Officer
Mr. Nguyen Thanh Tung	Deputy Executive Officer
Mr. Nguyen Quoc Thanh	Deputy Executive Officer
Mr. Kim Minh Tuan	Deputy Executive Officer
Mr. Nguyen Ngoc Nam	Deputy Executive Officer
Ms. Le Thi Thanh Nga	Deputy Executive Officer
Ms. Vu Thu Hien	Deputy Executive Officer
Mr. Nguyen Quy Chien	Deputy Executive Officer
Mr. Hoang Van Phuc	Deputy Executive Officer
Mr. Le Anh Tung	Deputy Executive Officer

### Registered office

Lienvietpostbank Building,  
No. 210 Tran Quang Khai Street,  
Trang Tien Ward, Hoan Kiem District  
Hanoi, Vietnam

### Auditor

KPMG Limited  
Vietnam



## Lien Viet Post Joint Stock Commercial Bank Statement of the Board of Management

The Board of Management of Lien Viet Post Joint Stock Commercial Bank (“the Bank”) presents this statement and the accompanying financial statements of the Bank for the year ended 31 December 2022.

The Board of Management of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System applicable to Credit institutions issued by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Management of the Bank:

- (a) the financial statements set out on pages 5 to 81 give a true and fair view of the financial position of the Bank as at 31 December 2022, and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System applicable to Credit institutions issued by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Bank will not be able to pay its debts as and when they fall due.

The Board of Management of the Bank has, on the date of this statement, authorised the accompanying financial statements for issue.



On behalf of the Board of Management

*Ho Nam Tien*  
*Acting Chief Executive Officer*

Hanoi, 27 March 2023



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E6 Pham Hung Street, Me Tri Ward  
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## INDEPENDENT AUDITOR'S REPORT

**To: The Shareholders  
Lien Viet Post Joint Stock Commercial Bank**

We have audited the accompanying financial statements of Lien Viet Post Joint Stock Commercial Bank ("the Bank"), which comprise the statement of financial position as at 31 December 2022, the statement of income and the statement of cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Management on 27 March 2023, as set out on pages 5 to 81.

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

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement.

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

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



## Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Lien Viet Post Joint Stock Commercial Bank as at 31 December 2022 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System applicable to Credit institutions issued by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting.

### KPMG Limited

Vietnam

Audit Report No: 22-02-00022-23-1



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Dam Xuan Lam  
Practicing Auditor Registration  
Certificate No. 0861-2023-007-1  
*Deputy General Director*

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Le Nhat Vuong  
Practicing Auditor Registration  
Certificate No. 3849-2022-007-1

Hanoi, 28 March 2023



	Note	31/12/2022 VND million	31/12/2021 VND million
<b>A ASSETS</b>			
<b>I Cash</b>	<b>4</b>	<b>2,983,877</b>	<b>2,751,278</b>
<b>II Balances with the State Bank of Vietnam ("SBV")</b>	<b>5</b>	<b>10,323,700</b>	<b>9,867,646</b>
<b>III Deposits with and loans to other Credit institutions ("CIs")</b>	<b>6</b>	<b>31,967,998</b>	<b>22,438,493</b>
1 Deposits with other CIs		31,367,998	21,287,760
2 Loans to other CIs		658,198	1,150,733
3 Allowance for loans to other CIs		(58,198)	-
<b>IV Securities held for trading</b>	<b>7</b>	<b>566,280</b>	<b>232,521</b>
1 Securities held for trading		566,280	232,521
<b>V Derivatives and other financial assets</b>	<b>8</b>	<b>-</b>	<b>84,831</b>
<b>VI Loans to customers</b>		<b>230,636,976</b>	<b>205,783,434</b>
1 Loans to customers	9	235,506,871	208,954,136
2 Allowance for loans to customers	10	(4,869,895)	(3,170,702)
<b>VII Debts purchased</b>	<b>11</b>	<b>257,484</b>	<b>-</b>
1 Debts purchased		260,453	-
2 Allowance for debts purchased		(2,969)	-
<b>VIII Investment securities</b>		<b>42,007,290</b>	<b>38,689,486</b>
1 Available-for-sale securities	12(a)	42,007,290	38,706,806
3 Allowance for investment securities	12(c)	-	(17,320)
<b>IX Long-term investments</b>		<b>315,931</b>	<b>315,931</b>
4 Other long-term investments	13	315,931	315,931
<b>X Fixed assets</b>		<b>1,693,198</b>	<b>1,584,457</b>
1 Tangible fixed assets	14	1,202,795	1,092,819
a Cost		2,829,739	2,530,702
b Accumulated depreciation		(1,626,944)	(1,437,883)
3 Intangible fixed assets	15	490,403	491,638
a Cost		678,956	672,549
b Accumulated amortisation		(188,553)	(180,911)
<b>XII Other assets</b>	<b>16</b>	<b>6,993,113</b>	<b>7,445,802</b>
1 Receivables		2,185,961	1,248,734
2 Accrued interest and fee receivables		4,149,087	5,383,067
3 Other assets		665,150	818,920
4 Allowance for other assets		(7,085)	(4,919)
<b>TOTAL ASSETS</b>		<b>327,745,847</b>	<b>289,193,879</b>

The accompanying notes are an integral part of these financial statements

Lien Viet Post Joint Stock Commercial Bank  
LienVietPostBank Building, No. 210 Tran Quang Khai Street  
Trang Tien Ward, Hoan Kiem District, Hanoi, Vietnam  
Statement of financial position as at 31 December 2022  
(continued)

**Form B02/TCTD**  
*(Issued in accordance with Circular  
No. 49/2014/TT-NHNN  
dated 31 December 2014 of  
the Governor of State Bank of Vietnam)*

	Note	31/12/2022 VND million	31/12/2021 VND million
<b>B</b>			
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
<b>I</b>			
<b>Amounts due to the Government and the SBV</b>	<b>17</b>	<b>3,076,781</b>	<b>1,702,874</b>
1 Deposits and borrowings from the Government and the SBV		3,076,781	1,702,874
<b>II</b>			
<b>Deposits and borrowings from other CIs</b>	<b>18</b>	<b>39,660,022</b>	<b>46,281,380</b>
1 Deposits from other CIs		37,694,447	36,848,831
2 Borrowings from other CIs		1,965,575	9,432,549
<b>III</b>			
<b>Deposits from customers</b>	<b>19</b>	<b>215,888,025</b>	<b>180,276,346</b>
<b>IV</b>			
<b>Derivatives and other financial liabilities</b>	<b>8</b>	<b>42,030</b>	<b>-</b>
<b>VI</b>			
<b>Valuable papers issued</b>	<b>20</b>	<b>35,048,167</b>	<b>36,737,629</b>
<b>VII</b>			
<b>Other liabilities</b>	<b>21</b>	<b>9,975,668</b>	<b>7,393,773</b>
1 Accrued interest and fee payables		6,525,149	5,696,602
3 Other liabilities		3,450,519	1,697,171
<b>TOTAL LIABILITIES</b>		<b>303,690,693</b>	<b>272,392,002</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>VIII</b>			
<b>Equity and reserves</b>	<b>23</b>	<b>24,055,154</b>	<b>16,801,877</b>
1 Capital		17,291,111	12,035,962
a Charter capital	23	17,291,054	12,035,905
c Share premium		57	57
2 Reserves		2,860,199	2,183,660
5 Retained earnings		3,903,844	2,582,255
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>24,055,154</b>	<b>16,801,877</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>327,745,847</b>	<b>289,193,879</b>

The accompanying notes are an integral part of these financial statements

	Note	31/12/2022 VND million	31/12/2021 VND million
<b>OFF STATEMENT OF FINANCIAL POSITION ITEMS</b>			
1	Loan guarantees	38(a) 59,340	63,340
2	Foreign exchange commitments	38(a) 74,355,004	72,977,996
	<i>Foreign currency purchase commitments</i>	54,514	2,270,761
	<i>Foreign currency sale commitments</i>	32,868	1,130,987
	<i>Swap commitments</i>	74,267,622	69,576,248
4	Letters of credit	38(a) 1,786,014	1,281,853
5	Other guarantees	38(a) 944,919	891,795
6	Other commitments	38(a) 301,096	2,828,995
7	Uncollected loan interest and fees	38(b) 1,107,733	1,782,255
8	Written-off bad debts	38(c) 5,916,900	3,123,928
9	Other assets and documents in custody	38(d) 2,650,884	4,508,038

27 March 2023

Prepared by:



Tran Hoai Thu  
 Head of Finance Department

Reviewed by:



Nguyen Thi Gam  
 Chief Accountant

Approved by:



Ho Nam Tien  
 Acting Chief Executive Officer

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No.	Items	Note	2021	
			2022 VND million	VND million
1	Interest and similar income	24	25,225,644	20,925,551
2	Interest and similar expenses	24	(13,325,675)	(11,908,392)
<b>I</b>	<b>Net interest income</b>		<b>11,899,969</b>	<b>9,017,159</b>
3	Fee and commission income	25	2,096,512	1,113,896
4	Fee and commission expenses	25	(434,650)	(256,014)
<b>II</b>	<b>Net fee and commission income</b>		<b>1,661,862</b>	<b>857,882</b>
<b>III</b>	<b>Net gain from trading of foreign currencies</b>	<b>26</b>	<b>10,463</b>	<b>138,787</b>
<b>IV</b>	<b>Net (loss)/gain from trading securities</b>	<b>27</b>	<b>(2,769)</b>	<b>4,543</b>
<b>V</b>	<b>Net gain/(loss) from investment securities</b>	<b>29</b>	<b>345,762</b>	<b>(1,384)</b>
5	Other income		334,327	199,033
6	Other expenses		(133,180)	(165,331)
<b>VI</b>	<b>Net other income</b>	<b>30</b>	<b>201,147</b>	<b>33,702</b>
<b>VII</b>	<b>Income from equity investments, purchase of shares</b>	<b>28</b>	<b>53,877</b>	<b>-</b>
<b>VIII</b>	<b>Operating expenses</b>	<b>31</b>	<b>(5,306,893)</b>	<b>(5,090,421)</b>
<b>IX</b>	<b>Net operating profit before allowance and provision expenses</b>		<b>8,863,418</b>	<b>4,960,268</b>
<b>X</b>	<b>Allowance and provision expenses</b>	<b>32</b>	<b>(3,173,737)</b>	<b>(1,322,250)</b>
<b>XI</b>	<b>Profit before tax</b>		<b>5,689,681</b>	<b>3,638,018</b>
7	Income tax expense - current	33	(1,179,428)	(764,770)
<b>XII</b>	<b>Income tax expense</b>	<b>33</b>	<b>(1,179,428)</b>	<b>(764,770)</b>
<b>XIII</b>	<b>Net profit after tax</b>		<b>4,510,253</b>	<b>2,873,248</b>
				<b>Restated</b>
<b>XV</b>	<b>Basic earnings per share</b>	<b>34</b>	<b>2,671</b>	<b>1,651</b>

27 March 2023

Prepared by:



Tran Hoai Thu  
 Head of Finance Department

Reviewed by:



Nguyen Thi Gam  
 Chief Accountant

Approved by:



Ho Nam Tien  
 Acting Chief Executive Officer

The accompanying notes are an integral part of these financial statements

**Lien Viet Post Joint Stock Commercial Bank**  
**LienVietPostBank Building, No. 210 Tran Quang Khai Street**  
**Trang Tien Ward, Hoan Kiem District, Hanoi, Vietnam**  
**Statement of cash flows for the year ended 31 December 2022**  
**(Direct method)**

**Form B04/TCTD**  
*(Issued in accordance with Circular*  
*No. 49/2014/TT-NHNN*  
*dated 31 December 2014 of*  
*the Governor of State Bank of Vietnam)*

No.	Items	2022 VND million	2021 VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Interest and similar income received	26,524,485	21,588,576
02	Interest and similar expenses paid	(12,859,829)	(11,297,851)
03	Net fee and commission income received	1,660,084	857,882
04	Net receipts from/payments for trading activities of foreign currencies and securities	636,389	147,367
05	Other income/(expenses) received/(paid)	(91,337)	(118,097)
06	Receipts from recovery of bad debts previously written off	298,260	162,114
07	Payments for operating and salary expenses	(5,256,098)	(4,662,304)
08	Income tax paid during the year	(559,628)	(795,670)
	<b>Net cash flows from operating activities before changes in operating assets and liabilities</b>	<b>10,352,326</b>	<b>5,882,017</b>
<b>Changes in operating assets</b>			
09	Decrease/(increase) in deposits with and loans to other CIs	492,535	(734,483)
10	Increase in investment securities	(3,634,243)	(5,285,999)
11	Decrease in derivatives and other financial assets	84,831	133,270
12	Increase in loans to customers	(26,813,188)	(32,332,600)
13	Decrease in allowance for credit losses and debt handling	(1,414,012)	(419,795)
14	Increase in other operating assets	(1,039,086)	(92,659)
<b>Changes in operating liabilities</b>			
15	Increase in amounts due to the Government and the SBV	1,373,907	1,478,685
16	(Decrease)/increase in deposits and borrowings from other CIs	(6,621,358)	31,536,264
17	Increase in deposits from customers	35,611,679	5,750,359
18	(Decrease)/increase in valuable papers issued	(1,689,462)	4,486,424
20	Derivatives and other financial liabilities	42,030	-
21	Increase in other operating liabilities	1,196,210	233,449
22	Utilisations of reserves	(82,507)	(176,058)
<b>I</b>	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>7,859,662</b>	<b>10,458,874</b>

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

Lien Viet Post Joint Stock Commercial Bank  
 LienVietPostBank Building, No. 210 Tran Quang Khai Street  
 Trang Tien Ward, Hoan Kiem District, Hanoi, Vietnam  
 Statement of cash flows for the year ended 31 December 2022  
 (Direct method - continued)

Form B04/TCTD  
 (Issued in accordance with Circular  
 No. 49/2014/TT-NHNN  
 dated 31 December 2014 of  
 the Governor of State Bank of Vietnam)

	2022 VND million	2021 VND million
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
01	(145,140)	(354,296)
02	8,816	12,768
03	(8,279)	(12,097)
09	53,877	-
<b>II</b>	<b>(90,726)</b>	<b>(353,625)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
01	2,999,955	-
<b>III</b>	<b>2,999,955</b>	<b>-</b>
<b>IV</b>	<b>10,768,891</b>	<b>10,105,249</b>
<b>V</b>	<b>33,906,684</b>	<b>23,801,435</b>
<b>VII</b>	<b>44,675,575</b>	<b>33,906,684</b>

27 March 2023

Prepared by:



Tran Hoai Thu  
 Head of Finance Department

Reviewed by:



Nguyen Thi Gam  
 Chief Accountant

Approved by:



Ho Nam Tien  
 Acting Chief Executive Officer

The accompanying notes are an integral part of these financial statements

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

## **1. Reporting entity**

Lien Viet Post Joint Stock Commercial Bank (hereinafter referred to as “the Bank”) is a commercial joint stock bank incorporated and registered in the Socialist Republic of Vietnam.

### **(a) Establishment and operation**

Lien Viet Post Joint Stock Commercial Bank (“the Bank”) was formerly known as Lien Viet Joint Stock Commercial Bank, which had been established in accordance with Bank Operation License No. 91/GP-NHNN dated 28 March 2008 by the Governor of the State Bank of Vietnam (“SBV”). The license is valid for 99 years from the issuance date. The Company’s Enterprise Registration Certificate No. 6300048638 issued by the Department of Planning and Investment of Hanoi has been amended for the 24<sup>th</sup> time on 11 January 2023.

In accordance with Official Letter No. 244/TTg-DMDN dated 21 February 2011, the Vietnamese Prime Minister approved the capital contribution of Vietnam Post Corporation (“Vietnam Post”) in Lien Viet Joint Stock Commercial Bank by the value of Vietnam Postal Savings Service Company (“VPSC”) and cash. As at 1 July 2011, Vietnam Post completed the transfer of assets and liabilities of VPSC to Lien Viet Joint Stock Commercial Bank. Under Decision No. 1633/QD-NHNN dated 22 July 2011 by the State Bank of Vietnam, Lien Viet Joint Stock Commercial Bank was approved to change its name to Lien Viet Post Joint Stock Commercial Bank.

The Bank’s main activities are mobilising and receiving short, medium and long-term deposits from organisations and individuals; granting credit to organisations and individuals up to the nature and capability of the Bank’s capital resources; conducting foreign exchange transactions, trade finance services, discounting of commercial papers, bonds and other valuable papers, and providing other banking services permitted by the SBV.

### **(b) Charter capital**

As at 31 December 2022, Bank’s share capital was VND17,291,054 million (31/12/2021: VND12,035,905 million). The par value per share is VND10,000.

### **(c) Location and operation network**

The Bank’s Head Office is located at Lienvietpostbank Building, No. 210 Tran Quang Khai, Trang Tien Ward, Hoan Kiem District, Hanoi, Vietnam. As at 31 December 2022, the Bank had one (1) Head Office, three (3) representative offices, eighty (80) branches, four hundred and eighty one (481) transaction offices, five hundred and sixty eight (568) post transaction offices nationwide (31/12/2021: the Bank had one (1) Head Office, three (3) representation offices, seventy six (76) branches, four hundred and eighty (480) transaction offices, six hundred and thirteen (613) post transaction offices nationwide).

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(d) **Number of employees**

As at 31 December 2022, the Bank had 12,203 employees (31/12/2021: 10,649 employees).

**2. Basis of preparation**

(a) **Statement of compliance**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System applicable to Credit institutions issued by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting. These accounting standards and relevant statutory requirements may differ in some material respects from the International Financial Reporting Standards and the generally accepted accounting principles and standards in other countries applicable to financial reporting. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations and cash flows of the Bank in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. Furthermore, their utilisation is not designed for those who are not informed about Vietnam's accounting principles, procedures and practices applicable to Credit institutions.

(b) **Basis of measurement**

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

(c) **Annual accounting period**

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

(d) **Accounting and presentation currency**

The Bank's accounting currency is Vietnam Dong ("VND") which is also the currency used for financial statement presentation purpose, rounded to the nearest million ("VND million"). Regarding basic earnings per share, the Bank presented this item in VND (Note 34).

(e) **Form of accounting records applied**

The Bank uses accounting software to record its transactions in the form of a general ledger.

### **3. Summary of significant accounting policies**

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

#### **(a) Foreign currency transactions**

All transactions are recorded in their original currencies. Monetary items denominated in currencies other than VND are translated into VND at average exchange rate for spot selling and buying of such currencies ("the spot exchange rate") at the end of the last working day of the accounting period if the difference between this spot exchange rate and the weighted average buying and selling rate of the last working day of the accounting period is less than 1%; if the difference between the spot exchange rate at the end of the last working day of the accounting period and the weighted average buying and selling rate of the last working day of the accounting period is 1% or more, the Bank shall use the weighted average buying and selling rate of the last working day of the accounting period. Non-monetary items denominated in currencies other than VND are translated into VND at spot exchange rate ruling at the transaction dates.

Income and expense transactions incurred in currencies other than VND are translated into VND using spot exchange rate ruling at the transaction dates.

Exchange differences arising from revaluation of assets and liabilities denominated in currencies other than VND at monthly reporting dates are recorded in "Foreign exchange differences" account in the equity in the statement of financial position and recognised to the statement of income at the end of the annual accounting.

Refer to foreign exchange rates of the main foreign currencies applied as at 31 December 2022 and 31 December 2021 in Note 43(a).

#### **(b) Accounting estimates**

The preparation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System applicable to Credit institutions issued by the SBV and the relevant statutory requirements applicable to financial reporting requires the Board of Management to make estimates and assumptions that affect the amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the annual accounting period. Although these accounting estimates are based on the Board of Management's best knowledge, actual results could differ from those estimates. Adjustments to accounting estimates are recognised in the year in which the accounting estimates are changed and the affected future years.

#### **(c) Cash and cash equivalents**

Cash and cash equivalents comprise cash, current accounts at the SBV, deposits with other credit institutions, loans to other credit institutions with original terms to maturity not exceeding three months, investment securities with original terms to maturity not exceeding three months from the transaction date, that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.



**(d) Deposits with and loans to other CIs**

Deposits with other credit institutions comprise current deposits and deposits at other credit institutions with original terms not exceeding three months. Loans to other credit institutions are loans with original terms to maturity of not more than twelve months.

Deposits with other credit institutions, except for current deposits, and loans to other credit institutions are stated at the amount of the outstanding principal less specific allowance for credit losses:

Current deposits with other credit institutions are stated at the amount of the outstanding principal.

Credit risk classification of term deposits with and loans to other credit institutions and allowance thereof is made in accordance with Circular No. 11/2021/TT-NHNN dated 30 July 2021 (“Circular 11”) of the SBV on classification of assets, level and method of allowance making, and use of allowance against credit risks in banking activities of CIs and foreign banks’ branches. Accordingly, the Bank has made debt classification and specific allowance for term deposits with and loans to other credit institutions in accordance with the policy as described in Note 3(i).

In accordance with Circular 11, the Bank is not required to make general allowance for deposits with and loans to other credit institutions.

**(e) Securities held for trading**

**(i) Classification**

Securities held for trading are debt or equity securities which are acquired principally for the purpose of selling them in the near term or there is evidence of a recent pattern of short-term profit-taking.

**(ii) Recognition**

The Bank recognises securities held for trading at the date that it becomes a party to the purchase contract for these securities (trade date accounting).

**(iii) Measurement**

Securities held for trading are measured at cost less allowance for securities held for trading. Allowance for credit risks of securities includes allowance for diminution in value of trading securities which is made if there is evidence that market price of the securities item falls below its carrying amount.

Allowance for diminution in the value of trading securities mentioned above are reversed if their recoverable value subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities’ carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

As at 31 December 2022 and 31 December 2021, securities held for trading represent overseas open-ended fund certificates. No allowance is made for overseas open-ended fund certificates classified as securities held for trading.

**(iv) De-recognition**

The Bank derecognises securities held-for-trading when the contractual rights to the cash flows from these securities expired or when the significant risks and rewards of ownership of these securities have been transferred.

**(f) Investment securities**

**(i) Classification**

Investment securities comprise available-for-sale investment securities. The Bank classifies investment securities at the purchase date as available-for-sale investment securities or held-to-maturity investment securities. In accordance with Official Letter No. 2601/NHNN-TCKT issued by the SBV on 14 April 2009, the Bank is allowed to reclassify investment securities once after initial classification at the purchase date.

Available-for-sale investment securities are debt securities or equity securities held for an indefinite period and may be sold at any time.

**(ii) Recognition**

The Bank recognises investment securities on the date when it becomes a party to the contractual provision of these securities (trade date accounting).

**(iii) Measurement**

**Equity securities**

Available-for-sale equity securities are initially recorded at cost including purchase cost plus other directly attributable costs such as brokerage fees, transaction fees, information fees and bank charges (if any). They are subsequently recognised at the lower of book value and market value with the impairment loss recognised in the statement of income.

Market price of listed available-for-sale equity securities is the closing prices at the latest trading date prior to the end of the annual accounting period.

For available-for-sale equity securities unlisted but registered for trading in the market of unlisted public companies ("UPCOM"), market price is the average price within the last 30 transaction days prior to the end of the annual accounting period announced by the Stock exchange.

For available-for-sale equity securities unlisted and unregistered for trading in the UPCOM, if there are reasonable indications of impairment, provisions for such securities will be made in accordance with the accounting policy described in Note 3(g).

In cases where market price of securities cannot be determined reliably, such securities are stated at cost.

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### ***Debt securities***

Available-for-sale debt securities are initially recorded at cost, including purchase cost plus other directly attributable costs such as brokerage and transaction fees, information fees, and bank charges (if any). They are subsequently recognised at amortised cost (affected by premium/discount amortisation) less allowance for securities risks (including allowance for credit risks and allowance for devaluation of investment securities). Premium and discounts arising from purchases of debt securities are amortised to the statement of income on a straight-line basis over the holding period.

Listed available-for-sale debt securities are measured at cost less allowance for diminution in value which is determined by reference to latest trading price at the Stock Exchange within 10 days to the end of the annual accounting period. If there is no transaction within 10 days to the end of the annual accounting period, the Bank will not make allowance for these securities. The Bank will not make allowance for Government bonds, Government-guaranteed bonds and local government bonds classified as investment securities.

Available-for-sale debt securities being of unlisted enterprises are recognised at cost less allowance for credit risks according to Circular 11 as described in Note 3(i).

The remaining unlisted debt securities (excluding bonds of unlisted enterprises) are stated at cost less allowance for diminution in value of securities. Allowance is made when there are indicators of impairment over a long time or there are evidences that it is hard for the Bank to fully recover the investment. Allowance is not made for short-term changes in the price.

Post-acquisition interest of available-for-sale debt securities is recognised in the statement of income on an accrual basis. The accumulated interest income before the acquisition date is recognised as a decrease in cost upon receipt.

The allowance for diminution in value of investment securities mentioned above is reversed if their price or their recoverable value subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

#### **(iv) *De-recognition***

The Bank derecognises available-for-sale investment securities when the contractual rights to the cash flows from these securities have expired or when the significant risks and rewards of ownership of these securities have been transferred.

#### **(g) *Long-term investments***

Other long-term investments are investments in the equity of other companies in which the Bank does not have control or significant influence. These long-term investments are initially stated at cost at the date of investment, and subsequently stated at cost less allowance for diminution in the value of investment.



Allowance for diminution in value of long-term investments is made if the economic entity has suffered a loss which may cause the Bank to lose its invested capital, unless there is evidence that the value of the investment has not been diminished. Allowance for diminution in value is determined as the total actual investment capital of the owner at the investee less (-) the owner's equity of the investee multiplied (x) by the Bank's ownership percentage in the investee at the end of the annual accounting period. The allowance is reversed if the recoverable amounts are subsequently increased after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

Other long-term investments are derecognised when the rights to receive cash flows from those investments have expired or the Bank has transferred substantially all the risks and rewards of ownership of those investments.

**(h) Loans and advances to customers**

Loans and advances to customers are stated at the amount of principal less allowance for loans to customers. Short-term loans are those with maturity term within one year from the loan disbursement date; medium-term loans are those with maturity term over one year to five years from the loan disbursement date and long-term loans are those with maturity term of more than five years from the loan disbursement date.

Debt classification and allowance for loans to customers are made in accordance with Circular 11 as described in Note 3(i).

**(i) Debt classification, the allowance rate and method of making allowance for credit risks**

**(i) Debt classification**

Classification of term deposits with and loans to other credit institutions, foreign banks' branches, purchases of unlisted corporate bonds, loans to customers, entrusted extension of credit, debts already sold but payments not yet collected, debts repurchased, repurchase of Government bonds, purchase of treasury notes, treasury bills, certificates of deposit issued by other credit institutions or foreign banks' branches (collectively referred to as "debts") is implemented in accordance with Article 10 of Circular 11. Accordingly, the Bank implements monthly debt classification based on loan principals balance at the last working day of the month.

The Bank implements debt classification using the quantitative method as follows:

<i>Group</i>		<i>Overdue status</i>
1	Current	(a) Current debts that being assessed as fully and timely recoverable, both principals and interests; or (b) Debts which are overdue for a period of less than 10 days and being assessed as fully recoverable, both overdue principals and interests, and fully and timely recoverable, both remaining principals and interests.
2	Special mentioned	(a) Debts which are overdue for a period of up to 90 days; or (b) Debts which are restructured repayment term for the first time and are undue.
3	Substandard	(a) Debts which are overdue for a period of between 91 days and 180 days; or (b) Debts which are extended repayment term for the first time and are undue; or (c) Debts which are exempted or reduced interests because customers are not sufficient capability to pay all interests under credit contracts; or (d) Debts in one of the following circumstances which remain unrecovered during a period of 30 days after the date of the recovery decision: <ul style="list-style-type: none"> <li>• Debts in breach of clauses 1, 3, 4, 5, 6 of Article 126 of the Law on Credit Institutions; or</li> <li>• Debts in breach of clauses 1, 2, 3, 4 of Article 127 of the Law on Credit Institutions; or</li> <li>• Debts in breach of clauses 1, 2, 5 of Article 128 of the Law on Credit Institutions.</li> </ul> (e) Debts which are recovered under inspection conclusions; or (f) Debts that need to be recovered under premature debt recovery decisions due to borrowers' breach of agreements, but are not yet recovered within a period of less than 30 days from the effective dates of recovery decisions.
4	Doubtful	(a) Debts which are overdue for a period of between 181 days and 360 days; or (b) Debts which are restructured repayment term for the first time but still overdue for a period of up to 90 days under that restructured repayment term; or (c) Debts which are restructured repayment term for the second time and are undue; or (d) Debts which are specified in point (d) of debt in Group 3 have not been recoverable for a period of between 30 days and 60 days after decisions on recovery have been issued; or (e) Debts which must be recovered under inspection conclusions but fail to be repaid although recovery term under inspection conclusions was overdue up to 60 days; or (f) Debts that need to be recovered under premature debt recovery decisions of credit institutions due to borrowers' breach of agreements, but are not yet recovered within a period of 30 to 60 days from the effective dates of recovery decisions.

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<i>Group</i>		<i>Overdue status</i>
5	Loss	(a) Debts which are overdue for a period of more than 360 days; or (b) Debts which are restructured repayment term for the first time but still overdue for a period of 91 days or more than under that first restructured repayment term; or (c) Debts which are restructured repayment term for the second time but still overdue under that second restructured repayment term; or (d) Debts which are restructured repayment term for the third time or later, whether debts are overdue or not; or (e) Debts which are specified in point (d) of Sub-standard debts have not been recoverable for a period of more than 60 days after decisions on recovery have been issued; or (f) Debts which must be recovered under inspection conclusions but fail to be repaid although recovery term was overdue for more than 60 days; or (g) Debts that need to be recovered under premature debt recovery decisions due to borrowers' breach of agreements, but are not yet recovered within a period of more than 60 days from the effective dates of recovery decisions; or (h) Debts of customers being credit institutions which are announced by the SBV to place in special control status, or foreign banks' branches of which capital and assets are blockaded.

For off-balance sheet commitments, the Bank classified debts based on the number of overdue days from the date when the Bank performs its obligation under the commitments:

- Group 3 – Sub-standard debts: overdue below 30 days;
- Group 4 – Doubtful debts: overdue from 30 days to less than 90 days;
- Group 5 – Loss debts: overdue from 90 days and above.

Bad debts are those under Groups 3, 4 and 5.

Where a customer owes more than one debt to the Bank and has any of its debts classified to a higher risk group of debts, the Bank is obliged to classify the remaining debts of such customer into the group of debts with the highest risk.

The Bank also collects debt classification results of the customers provided by the National Credit Information Center of Vietnam ("CIC") at the date of debt classification to adjust its own classification of debts. If a customer's debts are classified in a debt group that has a lower risk than the debt groups provided in CIC's customer list, the Bank shall adjust its classification of debts following the debt groups provided by CIC.

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

The Bank applied Circular No. 14/2021/TT-NHNN dated 7 September 2021 ("Circular 14") and Circular No. 03/2021/TT-NHNN dated 2 April 2021 ("Circular 03") issued by the SBV amending and supplementing certain articles of Circular No. 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01") issued by the SBV on rescheduling the debt repayment term, exempting, reducing interest and fees, keeping debt group unchanged in order to support customers affected by Covid-19 pandemic. Accordingly, the customers whose loans were disbursed before 1 August 2021 and incurred obligations of paying principals and/or interest during the period from 23 January 2020 to 30 June 2022; and those customers are unable to pay the principal and/or interest in accordance to the payment schedules specified in signed loan contracts/agreements due to decrease in revenue, income caused by Covid-19 pandemic, the Bank is allowed to reschedule loan repayment term, exempt or reduce interest and fees, and keep the debt group unchanged when the following conditions are met:

- Loans disbursed before 1 August 2021 from lending, financial leases;
- Obligations of paying principals and/or interest incurred from 23 January 2020 to 30 June 2022;
- Outstanding loan balances rescheduled if belonging to one of the following cases:

Item	Details	Debt classification
a	Outstanding loan balances not past due or overdue up to 10 days from the due date, payment schedules specified in signed loan contracts/agreements, except for cases stipulated in item b, item c, item d.	Keeping the debt group unchanged as classified at the most recent date before the date of first rescheduling loan repayment period
b	Outstanding balances of loans disbursed before 23/1/2020 and overdue during the period from 23/1/2020 to 29/3/2020	Keeping the debt group unchanged as classified at the most recent date before 23/1/2020
c	Outstanding balances of loans disbursed from 23/1/2020 to before 10/6/2020 and overdue before 17/5/2021	Keeping the debt group unchanged as classified at the most recent date before the date the loan becomes overdue
d	Outstanding balances of loans disbursed from 10/6/2020 to before 1/8/2020 and overdue from 17/7/2021 to before 7/9/2021	Keeping the debt group unchanged as classified at the most recent date before the date the loan becomes overdue

(ii) *Allowance for credit risks*

Allowance for credit risks includes specific allowance for credit risks and general allowance for credit risks.

**Specific allowance for credit risks**

In accordance with Circular 11, specific allowance for credit risks at the end of each month is determined based on the allowance rates corresponding to debt classification results and debt principals balance as at the end of the month less discounted value of collateral assets.

The value and maximum discount rates for collateral assets are determined in accordance with Circular 11, according to which, each type of collateral assets has a specific maximum discount rate for the purpose of calculating allowance for credit risks.

The rates of specific allowance for specific loan groups are as follows:

Group	Loan group	Rates of specific allowance
1	Current debts	0%
2	Special mentioned debts	5%
3	Sub-standard debts	20%
4	Doubtful debts	50%
5	Loss debts	100%

In addition, the Bank determines and records the specific allowance amount required to be added for the entire outstanding loan balance of customers, including the loan balances with repayment period rescheduled, interest exempted or reduced according to the loan classifications in accordance with Circular 11 (if the regulations on keeping loan groups unchanged under the provisions of Circular 01, Circular 03 and Circular 14) as follows:

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

Discount rates for collateral assets are determined in accordance with Circular 11 as follows:

Types of collateral assets	Maximum discount rates
(a) Deposits and certificates of deposits from customers in VND at the credit institutions or foreign banks' branches	100%
(b) Government bonds, gold bars, certificates of deposits from customers in foreign currencies at the credit institutions or foreign banks' branches	95%
(c) Municipal bonds, Government-guaranteed bonds, transferable instruments, valuable papers issued by the credit institution; deposits, certificates of deposit, bills and notes issued by other credit institutions or foreign bank branches: <ul style="list-style-type: none"> <li>▪ With a remaining term of below 1 year</li> <li>▪ With a remaining term of between 1 year to 5 years</li> <li>▪ With a remaining term of over 5 years</li> </ul>	95% 85% 80%
(d) Securities issued by other credit institutions and listed on a stock exchange	70%
(e) Securities issued by enterprises (except for credit institutions) and listed on a stock exchange	65%
(f) Securities unlisted on the Stock Exchange, valuable papers, except items specified in Point c, issued by credit institutions which have registered securities listing on the Stock Exchange	50%
Securities unlisted on the Stock Exchange, valuable papers, except items specified in Point c, issued by credit institutions which have not registered securities listing on the Stock Exchange	30%
(g) Unlisted securities and valuable papers issued by enterprises registered for listing on a stock exchange;	30%
Unlisted securities and valuable papers issued by enterprises not registered for listing on a stock exchange	10%
(h) Real estates	50%
(i) Other collateral assets	30%

#### General allowance for credit risks

According to Circular 11, general allowance is also required at the rate of 0.75% of total balance of principal debts at the last working day of each month for debts classified in Group 1 to Group 4 except for term deposits with and loans to other CIs, purchases of valuable papers issued by other ICs and repurchases of Government bonds.

**(iii) Utilisation of allowance for credit risks**

According to Circular 11, loans and advances to customers are written off against the allowance when loans and advances to customers have been classified to Group 5 or when borrowers have been declared bankrupt or dissolved (for borrowers being organisations and enterprises) or borrowers are deceased or missing (for borrowers being individuals).

Debts written-off against allowance are recorded as off-balance sheet items for following up and collection. The amounts collected from the debts previously written-off are recognised in the statement of income upon receipt.

**(iv) Classification and provision for off-balance sheet commitments**

The classification of off-balance sheet commitments is conducted solely for risk management, credit quality supervision of credit granting activities. No provision is made for off-balance sheet commitments, except where the Bank has been required to made payment under the guarantee contract, in which case the payment on behalf is subject to debt classification and allowance is made in accordance with the policy described in this Note 3(i)(i) and Note 3(i)(ii).

**(j) Derivative financial instruments**

***Forward and swap currency contracts***

Forward currency contracts and swap currency contracts are recorded at net contract values in the financial statements. The differences between the currency amounts which are committed to buy/sell at contractual exchange rate and the currency amounts translated at the spot exchange rate at effective date of the forward currency contracts and swap currency contracts are amortised to the statement of income on a straight-line basis over the terms of these contracts.

The positions of forward currency contracts are revalued at the spot exchange rate at the end of each month. Unrealised gains/losses at the monthly reporting date are recognised in "Foreign exchange differences" in equity in the statement of financial position and are recognised in the statement of income at the end of the annual accounting period.

**(k) Debts purchased**

**(i) Debts purchased**

A debt purchased is recorded as a loan granted at the purchase price under the relevant contract. Interest income is recognised in the statement of income on an accrual basis from the purchase date except for the interest arising before the Bank purchases the debts which is deducted from the purchase price.

**(ii) Allowance for debts purchased**

Debts purchased are initially classified in the risk group which is not lower than the risk group of the debts determined by the seller before the purchase and allowance for debts purchased is made using the method described in Note 3(i).

(l) **Tangible fixed assets**

(i) *Cost*

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to statement of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of tangible fixed assets beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) *Depreciation*

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

▪ buildings	6 - 50 years
▪ machines and equipment	3 - 7 years
▪ means of transportation - transmission	10 years
▪ other tangible fixed assets	<u>3 - 5 years</u>

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between proceeds from sales or disposals of assets and their net book values together with their disposal expenses and is recognised in the statement of income.

(m) **Intangible fixed assets**

(i) *Land use rights*

Definite land use rights are stated at cost less accumulated amortisation. The initial cost of definite land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Definite land use rights are amortised on a straight-line basis over land use periods.

(ii) *Software*

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 8 years.

Loss or gain resulting from sales and disposals of intangible fixed assets is the difference between proceeds from sales or disposals of assets and their net book values together with disposal expense and is recognised in the statement of income.

(n) **Prepayments**

Prepayments comprise capitalised office refurbishment expense, prepaid expenses for office rental and other prepaid expenses.



Capitalised office refurbishment expense is amortised in the statement of income on a straight-line basis over the period of 3 years. Office rental expense represents the amount which has been prepaid to lease the office. Prepaid expense for office rental is amortised in the statement of income on a straight-line basis over the lease period.

Other long-term prepayments include repair, maintenance cost for assets, tools and supplies issued for consumption and are considered to bring future economic benefits to the Bank. These expenses are capitalised as prepayments and are amortised in the statement of income, on a straight-line basis over the period of more than one year and not exceeding three years in accordance with prevailing accounting regulations.

**(o) Other assets**

**(i) Construction in progress**

Construction in progress represents the construction or implementation costs of tangible and intangible fixed assets which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

**(ii) Expenses awaiting amortisation**

Expenses awaiting amortisation in respect of brokerage commission fees represent commission paid to the system of post offices directly related to the enhancement of loans to customers. These expenses are amortised according to the term of each loan to customers on a straight-line basis over a period ranging from below 1 year to 35 years.

Other expenses awaiting amortisation represent the value of tools and instruments awaiting amortisation and prepaid interest on term deposits from customers. Tools and instruments include assets held for use by the Bank in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortised on a straight-line basis over 2 years.

Expenses awaiting amortisation of prepaid interest on term deposits from customers are recognised at cost and amortised on a straight-line basis over a period ranging from below 1 year to 10 years.

**(iii) Other assets**

Other assets, except receivables from Credit activities, are stated at cost less allowance for on-balance sheet assets.

Allowance for on-balance sheet assets is made based on overdue date of debts or estimated loss arising from undue debts of which the indebted economic entities fall bankrupt or are undergoing dissolution procedures; debtors are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. Allowance expense is recorded in operating expense during the year.

For the overdue assets, the Bank applies the allowance rates by overdue period as follows:

<b>Overdue status</b>	<b>Rate of allowance</b>
▪ From 6 months to below 1 year	30%
▪ From 1 year to below 2 years	50%
▪ From 2 years to below 3 years	70%
▪ From 3 years and above	100%

Allowance for on-balance sheet assets provided for expected losses of undue debts is determined by the Bank after giving consideration to the recovery of these debts.

**(p) Goodwill**

Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of business combination over the Bank's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of combined business operation at the date of combination. Goodwill is recognised as an intangible asset and amortised on a straight-line basis over a period of not exceeding 10 years.

**(q) Amounts due to the Government and the SBV**

Amounts due to the Government and the SBV are stated at cost.

**(r) Deposits and borrowings from other CIs**

Deposits and borrowings from other CIs are stated at cost.

**(s) Deposits from customers**

Deposits from customers are stated at cost.

**(t) Valuable papers issued**

Valuable papers issued are recorded at cost. Costs of valuable papers issued include amounts received from issuance minus direct expenses of issuance.

**(u) Other payables**

Other payables are stated at cost.



(v) **Other provisions**

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(w) **Capital**

(i) *Charter capital*

Charter capital is the total par value of the shares issued. Ordinary shares are stated at par value. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from share premium.

(ii) *Share premium*

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

(x) **Reserves**

According to Decree No. 93/2017/ND-CP dated 7 August 2017 issued by the Government of Vietnam providing regulations on the financial regime applicable to Credit institutions, the Bank is required to make the following allocations before distribution of profits:

	<b>Annual allocation</b>	<b>Maximum balance</b>
Reserve to supplement charter capital	5% of profit after tax	100% charter capital
Financial reserve	10% of profit after tax	Not specify

The financial reserve is used to cover remaining losses incurred during the normal course of business after the Bank is compensated by the organisations and individuals who make the loss and by insurance companies, and by utilisation of allowances provided; and for other purposes in accordance with the laws. These reserves are non-distributable and recognised as part of equity.

Other equity funds are allocated from profit after tax. The allocation from profit after tax and the utilisation of other equity funds are approved in the General Meeting of Shareholders. These funds are not required by law and are fully distributable.

(y) **Bonus and welfare fund**

Bonus and welfare fund is not required by law and is fully distributable, and is used primarily to make payments to the Bank's employees. Bonus and welfare fund is established by appropriating from net profits after tax in accordance with resolutions of the General Meetings of Shareholders and is recognised in liabilities of the Bank. The appropriation rate is decided by the Annual General Meeting of Shareholders of the Bank.

**(z) Commitments and contingent liabilities**

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

**(aa) Interest income**

Interest income is recognised in the statement of income on an accrual basis, except for interest on loans classified in Group 2 to Group 5 described in Note 3(i)(i) and debts kept unchanged in Group 1 (Current debts) as a result of adoption of Circular 01, Circular 03 and Circular 14. When loans are classified in Group 2 to Group 5 as described in Note 3(i)(i) or kept unchanged in Group 1 (Current debts) as a result of adoption of Circular 01, Circular 03 and Circular 14, interest receivable will be derecognised and recorded as off-balance sheet items and are recognised in the statement of income upon receipt.

When a debt is kept unchanged in the Current debts group as a result of implementing special policies of the State, the interest receivable arising during the year is accounted for on the basis of off-balance sheet and are recognised in the statement of income upon receipt.

**(bb) Interest expenses**

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

**(cc) Fee and commission income**

Fees and commission income includes fees and commission from settlement services, guarantee services, cashier services and other services. Fees and commission income are recognised in the statement of income when incurred.

**(dd) Fee and commission expenses**

Fee and commission expenses are recognised in the statement of income when these expenses are incurred.

**(ee) Income from investing activities**

Income from sale of securities is recognised in the statement of income upon receipt of the order matching notice from Vietnam Securities Depository (listed securities) and completion of the assets transfer agreement (unlisted securities) and is determined based on the differences between selling price and weighted average cost of securities sold.

Dividend income in cash and profit received from investment activities and capital contribution are recorded into the statement of income when the Bank's right to receive dividends and profit has been established.

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Dividends received in the form of shares of joint stock companies are not recognised as an increase in investment and income in the statement of income. When share dividends are received, the Bank only recognises an increase in the number of shares.

**(ff) Operating lease payments**

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense, over the term of the lease.

**(gg) Taxation**

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

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

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

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

The determination of the tax currently payable and deferred tax 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.

**(hh) Earnings per share**

The Bank presents basic ("EPS") for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare fund for the annual accounting period) of the Bank by the weighted average number of ordinary shares outstanding during the year. At the reporting date and for the year then ended, the Bank had no dilutive potential ordinary shares and therefore does not present diluted EPS.

**(ii) Related parties**

Parties are considered to be related to the Bank if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Bank and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

**(jj) Segment reporting**

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

**(kk) Nil balances**

Items or balances required by Circular No. 49/2014/TT-NHNN dated 31 December 2014 ("Circular 49") and Circular No. 27/2021/TT-NHNN dated 31 December 2021 ("Circular 27") of the SBV on amending and supplementing a number of articles of financial reporting system of Credit institutions accompanying Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 and Decision No. 479/2004/QĐ-NHNN dated 29 April 2004 of the SBV's Governor and the accompanying chart of accounts of Credit institutions that are not shown in these financial statements indicate nil balances.

**(ll) Financial instruments**

Solely for the purpose of providing disclosures about the significance of financial instruments to the Bank's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Bank classifies its financial instruments as follows:

**(i) Financial assets**

*Financial assets at fair value through profit or loss:*

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by management as held for trading. A financial asset is considered as held for trading if:
  - it is acquired principally for the purpose of selling it in the near term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Bank as at fair value through profit or loss.

*Held-to-maturity investments:*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Bank has the positive intention and ability to hold to maturity, other than:

- those that the Bank upon initial recognition designates as at fair value through profit or loss;
- those that the Bank designates as available-for-sale; or
- those that meet the definition of loans and receivables.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Bank intends to sell immediately or in the near term, which are classified as held for trading, and those that the Bank on initial recognition designates as at fair value through profit or loss;
- that the Bank upon initial recognition designates as available-for-sale; or
- for which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that are not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

**(ii) *Financial liabilities***

*Financial liabilities at fair value through profit or loss*

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by management as held for trading. A financial liability is considered as held for trading if:
  - it is incurred principally for the purpose of repurchasing it in the near term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Bank as at fair value through profit or loss.

*Financial liabilities carried at amortised cost*

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

**(mm) Comparative information**

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year are included as an integral part of the current year financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Bank's financial position, results of operation or cash flows for the prior year.

**4. Cash on hand**

	31/12/2022 VND million	31/12/2021 VND million
Cash on hand in VND	2,887,662	2,663,442
Cash on hand in foreign currencies	96,215	87,836
	<hr/> 2,983,877	<hr/> 2,751,278



## 5. Balances with the State Bank of Vietnam

	31/12/2022 VND million	31/12/2021 VND million
Balance of current account at the SBV		
▪ In VND	9,770,682	9,678,761
▪ In foreign currencies	553,018	188,885
	10,323,700	9,867,646

Balances with the SBV consists of compulsory reserve requirement and current account.

Under the SBV's regulations relating to the compulsory reserve, banks are permitted to maintain a floating balance for the compulsory reserve requirement ("CRR"). The monthly average balance of the reserve must not be less than corresponding compulsory reserve requirement rates multiplied with preceding month's average balances of deposits.

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

	CRR rate	
	31/12/2022	31/12/2021
Preceding month's average balances of deposits of:		
<i>Customers:</i>		
▪ Demand deposits and deposits in VND with terms of less than 12 months	3%	3%
▪ Deposits in VND with terms of and more than 12 months	1%	1%
▪ Demand deposits and deposits in foreign currencies with terms of less than 12 months	8%	8%
▪ Deposits in foreign currencies with term of and more than 12 months	6%	6%

Annual interest rates at the year-end were as follows:

	31/12/2022	31/12/2021
Deposits in VND within the compulsory reserve requirement	0.50%	0.50%
Deposits in USD within the compulsory reserve requirement	0.00%	0.00%
Deposits in VND beyond the compulsory reserve requirement	0.00%	0.00%
Deposits in USD beyond the compulsory reserve requirement	0.05%	0.00%

## 6. Deposits with and loans to other credit institutions

	31/12/2022 VND million	31/12/2021 VND million
<b>Deposits to other credit institutions</b>		
Demand deposits		
▪ In VND	460,581	2,192,380
▪ In foreign currencies	542,942	329,431
Term deposits		
▪ In VND	21,752,300	11,857,549
▪ In foreign currencies	8,612,175	6,908,400
	31,367,998	21,287,760
<b>Loans to other CIs</b>		
▪ In VND	658,198	1,150,733
▪ Allowance for loans to other CIs	(58,198)	-
	600,000	1,150,733
	31,967,998	22,438,493

Balances with and loans to other CIs by groups were as follows:

	31/12/2022 VND million	31/12/2021 VND million
Group 1 - Current debts	30,964,475	19,916,682
Group 5 - Loss debts	58,198	-
	31,022,673	19,916,682

Movements in allowance for loans to other CIs during the year were as follows:

	2022 VND million	2021 VND million
Opening balance	-	-
Allowance made during the year (Note 32)	58,198	-
Closing balance	58,198	-

Annual interest rates at the year-end were as follows:

	31/12/2022	31/12/2021
Term deposits in VND	4.00% - 8.60%	1.00% - 2.57%
Term deposits in foreign currencies	4.00% - 4.75%	0.01% - 0.50%
Loans in VND	5.8% - 13%	0.00% - 6.20%
Loans in foreign currencies	0.00%	0.00%

## 7. Securities held for trading

	31/12/2022 VND million	31/12/2021 VND million
<b>Other securities held for trading</b>		
Open-ended fund certificates issued by foreign economic entities	566,280	232,521

Listing status of securities held for trading was as follows:

	31/12/2022 VND million	31/12/2021 VND million
<b>Other securities held for trading</b>		
Unlisted	566,280	232,521

## 8. Derivatives and other financial assets/(liabilities)

Details of financial derivatives at the end of the year were as follows:

	31/12/2022		31/12/2021	
	Total contract nominal value VND million	Total carrying value Assets/ (liabilities) VND million	Total contract nominal value VND million	Total carrying value Assets/ (liabilities) VND million
<b>Derivative financial instruments</b>				
Foreign exchange forward contracts	15,204,071	124,567	5,542,835	29,667
Foreign exchange swap contracts	75,423,765	(166,597)	69,876,588	55,164
	90,627,836	(42,030)	75,419,423	84,831

## 9. Loans to customers

	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>VND million</b>	<b>VND million</b>
Loans to local economic entities and individuals	234,993,485	208,456,839
Loans on discounting negotiable instruments and valuable papers	59,000	88,119
Loans financed by sponsored and trusted funds	454,386	409,178
	<hr/>	<hr/>
	235,506,871	208,954,136
	<hr/>	<hr/>

Portfolio of loans to customers by loan group was as follows:

	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>VND million</b>	<b>VND million</b>
Group 1 - Current debts	228,513,627	204,089,692
Group 2 - Special mentioned debts	3,566,426	2,000,990
Group 3 - Substandard debts	1,069,695	460,296
Group 4 - Doubtful debts	1,004,566	1,069,630
Group 5 - Loss debts	1,352,557	1,333,528
	<hr/>	<hr/>
	235,506,871	208,954,136
	<hr/>	<hr/>

As at 31 December 2022 and 31 December 2021, the Bank applied Circular 01, Circular 03 and Circular 14 in debt classification in accordance with the accounting policies described in Note 3(i). Accordingly, the Bank is allowed to reschedule loan repayment periods for those loans meeting the conditions specified in Circular 01, Circular 03 and Circular 14 and loan groups are kept unchanged.

Portfolio of loans to customers by term was as follows:

	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>VND million</b>	<b>VND million</b>
Short term loans	88,471,294	70,667,278
Medium term loans	100,339,749	92,483,210
Long term loans	46,695,828	45,803,648
	<hr/>	<hr/>
	235,506,871	208,954,136
	<hr/>	<hr/>

Portfolio of loans to customers by type of customers and economic entities was as follows:

	31/12/2022		31/12/2021	
	VND million	%	VND million	%
<b>Loans to economic entities</b>				
State-owned enterprises	-	0.00%	330	0.00%
One-member limited 100% State-owned enterprises	370,506	0.16%	499,015	0.24%
Other limited companies	35,015,355	14.87%	22,203,461	10.63%
Joint stock companies in which the State's holding percentage is more than 50%	3,321,598	1.41%	4,592,964	2.20%
Other joint stock companies	79,755,195	33.87%	84,356,365	40.37%
Partnerships	774	0.00%	-	0.00%
Private companies	5,347	0.00%	6,941	0.01%
Cooperatives, cooperative unions	70,267	0.03%	117,168	0.06%
Administrative units, parties, unions and associations	25,152	0.01%	30,299	0.01%
<b>Loans to individuals</b>				
Individuals and households	116,942,677	49.65%	97,147,593	46.48%
	<b>235,506,871</b>	<b>100%</b>	<b>208,954,136</b>	<b>100.00%</b>

Portfolio of loans to customers by business sectors was as follows:

	31/12/2022		31/12/2021	
	VND million	%	VND million	%
Agriculture, forestry and aquaculture	18,225,025	7.74%	13,470,163	6.45%
Mining	200,876	0.09%	800,577	0.38%
Manufacturing and processing	16,893,510	7.17%	16,862,684	8.07%
Electricity, gas, hot water, steam and air-conditioning	3,707,662	1.57%	4,535,069	2.17%
Water supplying and garbage and sewage treatment and management	178,952	0.08%	3,685,765	1.76%
Construction	44,511,469	18.90%	22,122,535	10.59%
Wholesale and retail trade; repair of motor vehicles, motor cycles	56,359,145	23.93%	49,897,059	23.88%
Transport, warehouse	1,672,054	0.71%	5,423,936	2.60%
Hospitality services	15,287,303	6.49%	11,561,203	5.53%
Information and communications	70,748	0.03%	1,016,955	0.49%
Finance, banking and insurance	290,832	0.12%	1,083,904	0.52%
Real estate trading	3,911,365	1.66%	1,018,201	0.49%
Science and technology	782,441	0.33%	5,780,649	2.77%
Administrative activities and supporting services	1,585,087	0.67%	6,742,539	3.23%
The Communist Party, socio-political unions, state management, security and national defence, compulsory social insurance	12,971	0.01%	1,562,237	0.75%
Education and training	1,695,501	0.72%	3,300,602	1.58%
Health care and social work	376,457	0.16%	410,519	0.20%
Art, playing and recreation	14,998,363	6.37%	7,921,959	3.79%
Other service activities	740,641	0.31%	500,894	0.24%
Households services	54,006,469	22.94%	51,256,686	24.51%
	<b>235,506,871</b>	<b>100.00%</b>	<b>208,954,136</b>	<b>100.00%</b>

Annual interest rates at the year-end were as follows:

	31/12/2022	31/12/2021
Loans in VND	3.10% - 20.00%	3.25% - 18.15%
Loans in foreign currencies	2.80% - 8.00%	2.50% - 7.50%

## 10. Allowance for loans to customers

Allowance for loans to customers include:

	<b>31/12/2022</b> <b>VND million</b>	<b>31/12/2021</b> <b>VND million</b>
General allowance	1,751,300	1,554,425
Specific allowance	3,118,595	1,616,277
	4,869,895	3,170,702

Movements in allowance for loans to customers were as follows:

	<b>General allowance VND million</b>	<b>Specific allowance VND million</b>	<b>Total VND million</b>
Balance at 1 January 2022	1,554,425	1,616,277	3,170,702
Allowance made during the year (Note 32)	196,875	2,916,330	3,113,205
Allowance utilised during the year	-	(1,414,012)	(1,414,012)
Balance at 31 December 2022	1,751,300	3,118,595	4,869,895

  

	<b>General allowance VND million</b>	<b>Specific allowance VND million</b>	<b>Total VND million</b>
Balance at 1 January 2021	1,312,305	952,896	2,265,201
Allowance made during the year (Note 32)	242,120	1,082,547	1,324,667
Allowance utilised during the year	-	(419,166)	(419,166)
Balance at 31 December 2021	1,554,425	1,616,277	3,170,702

## 11. Debts purchased

	31/12/2022 VND million	31/12/2021 VND million
Debts purchased in VND	260,453	-
Allowance for debts purchased	(2,969)	-
	257,484	-

Details of the principal and interest of the debts purchased were as follows:

	31/12/2022 VND million	31/12/2021 VND million
Principal of the debts purchased	251,835	-
Interest of the debts purchased	8,618	-
	260,453	-

Portfolio of debts purchased by loan group was as follows:

	31/12/2022 VND million	31/12/2021 VND million
Group 1 – Current debts	260,453	-



## 12. Investment securities

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

	31/12/2022 VND million	31/12/2021 VND million
<b>Debt securities</b>		
▪ Bonds issued by the Government and local Governments (i)	27,915,448	25,003,990
▪ Bonds issued by other local Credit institutions (ii)	14,091,841	13,196,903
<i>In which: Bonds guaranteed by the Government</i>	2,241,590	2,247,617
▪ Bonds issued by local economic entities	-	74,800
<b>Equity securities</b>		
▪ Equity securities issued by other local CIs	1	431,113
	42,007,290	38,706,806
<b>Allowance for investment securities</b>		
▪ General allowance	-	(635)
▪ Allowance for diminution in value of securities	-	(16,685)
	-	(17,320)
	42,007,290	38,689,486

- (i) These represent bonds issued by the State Treasury and Hai Phong People's Committee, denominated in VND. These bonds have terms ranging from 5 to 20 years and earn annual interest rates from 2.00% to 9.10% (31/12/2021: from 1.10% to 9.10%). Interest is paid annually.
- (ii) These represent bonds issued by other local CIs, denominated in VND. Such bonds have terms ranging from 6 months to 10 years and earn annual interest rates from 2.30% to 16.00% (31/12/2021: from 2.30% to 8.80%). Interest is paid bi-annually or annually.

As at 31 December 2022, the Bank used debt securities including:

- Government bonds amounting to VND4,295,000 million (31/12/2021: VND10,189,340 million) as collateral at other CIs to secure its borrowings and term deposits from other CIs (Note 18).
- Government bonds amounting to VND3,090,000 million (31/12/2021: VND3,090,000 million) at Vietnam Securities Depository as collateral for bonds issued by the Bank (Note 20).
- Government bonds amounting to VND3,331,761 million (31/12/2021: VND1,450,000 million) at the SBV as collateral for its borrowings on mortgages of valuable papers from the SBV (Note 17).

(b) Listing status of available-for-sale securities

	31/12/2022 VND million	31/12/2021 VND million
<b>Debt securities</b>		
Government bonds, local Government bonds - listed	27,915,448	25,003,990
Issued by local CIs - unlisted	14,091,841	13,196,903
Issued by local economic entities - unlisted	-	74,800
<b>Equity securities</b>		
Issued by other local CIs - listed	1	431,113
	<u>42,007,290</u>	<u>38,706,806</u>

(c) Allowance for investment securities

Year ended 31 December 2022

	Allowance for diminution in value of available-for-sale VND million	General allowance for available-for-sale VND million	Total VND million
Opening balance	16,685	635	17,320
Allowance reversed during the year (Notes 29, 32)	(16,685)	(635)	(17,320)
Closing balance	-	-	-

Year ended 31 December 2021

	Allowance for diminution in value of available-for-sale VND million	General allowance for available-for-sale VND million	Total VND million
Opening balance	11,264	3,052	14,316
Allowance made/(reversed) during the year (Notes 29, 32)	5,421	(2,417)	3,004
Closing balance	16,685	635	17,320

### 13. Other long-term investments

Details of other long-term investments were as follows:

*As at 31 December 2022:*

	Number of shares owned	Cost VND million	Ownership %
<b>Investments in economic entities</b>			
Lien Viet Securities Joint Stock Company	1,375,000	15,931	5.50
Viet Lao Power Joint Stock Company	30,000,000	300,000	6.87
		315,931	

*As at 31 December 2021:*

	Number of shares owned	Cost VND million	Ownership %
<b>Investments in economic entities</b>			
Lien Viet Securities Joint Stock Company	1,375,000	15,931	5.50
Viet Lao Power Joint Stock Company	30,000,000	300,000	9.60
		315,931	

## 14. Tangible fixed assets

Year ended 31 December 2022

	Buildings VND million	Machines and equipment VND million	Means of transportation - transmission VND million	Other tangible assets VND million	Total VND million
<b>Cost</b>					
Opening balance	632,296	699,662	885,093	313,651	2,530,702
Additions	-	103,894	62,729	49,150	215,773
Construction in progress completed	151,908	-	-	-	151,908
Disposals	-	(13,206)	(47,781)	(7,657)	(68,644)
Closing balance	784,204	790,350	900,041	355,144	2,829,739
<b>Accumulated depreciation</b>					
Opening balance	233,125	528,659	459,368	216,731	1,437,883
Charge for the year	52,025	72,873	80,919	45,644	251,461
Disposals	-	(12,875)	(42,275)	(7,250)	(62,400)
Closing balance	285,150	588,657	498,012	255,125	1,626,944
<b>Net book value</b>					
Opening balance	399,171	171,003	425,725	96,920	1,092,819
Closing balance	499,054	201,693	402,029	100,019	1,202,795

## 14. Tangible fixed assets (continued)

*Year ended 31 December 2021*

	Buildings VND million	Machines and equipment VND million	Means of transportation - transmission VND million	Other tangible assets VND million	Total VND million
<b>Cost</b>					
Opening balance	600,557	673,102	845,415	289,751	2,408,825
Additions	-	41,057	98,324	29,150	168,531
Construction in progress completed	31,739	-	-	-	31,739
Disposals	-	(14,497)	(58,646)	(5,250)	(78,393)
Closing balance	632,296	699,662	885,093	313,651	2,530,702
<b>Accumulated depreciation</b>					
Opening balance	189,222	469,763	424,251	178,269	1,261,505
Charge for the year	43,939	73,684	82,714	43,448	243,785
Disposals	-	(14,415)	(47,254)	(4,704)	(66,373)
Other decreases	(36)	(373)	(343)	(282)	(1,034)
Closing balance	233,125	528,659	459,368	216,731	1,437,883
<b>Net book value</b>					
Opening balance	411,335	203,339	421,164	111,482	1,147,320
Closing balance	399,171	171,003	425,725	96,920	1,092,819

Included in tangible fixed assets were assets costing VND723,554 million which were fully depreciated as of 31 December 2022 (31/12/2021: VND582,787 million), but which are still in use.

## 15. Intangible fixed assets

*Year ended 31 December 2022*

	Definite land use rights VND million	Software VND million	Total VND million
<b>Cost</b>			
Opening balance	409,789	262,760	672,549
Additions	-	30,209	30,209
Disposals	-	(23,802)	(23,802)
Closing balance	409,789	269,167	678,956
<b>Accumulated amortisation</b>			
Opening balance	16,666	164,245	180,911
Charge for the year	3,158	28,217	31,375
Disposals	-	(23,733)	(23,733)
Closing balance	19,824	168,729	188,553
<b>Net book value</b>			
Opening balance	393,123	98,515	491,638
Closing balance	389,965	100,438	490,403

*Year ended 31 December 2021*

	Definite land use rights VND million	Software VND million	Total VND million
<b>Cost</b>			
Opening balance	373,270	251,945	625,215
Additions	36,519	10,815	47,334
Disposals	409,789	262,760	672,549
<b>Accumulated amortisation</b>			
Opening balance	13,777	137,783	151,560
Charge for the year	2,889	26,462	29,351
Disposals	16,666	164,245	180,911
<b>Net book value</b>			
Opening balance	359,493	114,162	473,655
Closing balance	393,123	98,515	491,638

Included in intangible fixed assets were assets costing VND49,540 million which were fully amortised as of 31 December 2022 (31/12/2021: VND61,033 million), but which are still in use.

## 16. Other assets

	31/12/2022 VND million	31/12/2021 VND million
Receivables	2,185,961	1,248,734
In which:		
▪ Receivables from UPAS L/C (Usance L/C payable at sight) (i)	1,236,138	-
▪ Advance for purchase of fixed assets	216,463	320,184
▪ Advance for construction for charity purposes (ii)	247,701	338,816
▪ Deposit for operating activities	194,984	228,000
▪ Advance for operating activities	137,391	58,186
▪ Receivables from post offices of provinces (iii)	48,714	49,781
▪ Advance for office renovation	28,609	34,983
▪ Deposits for long-term office rental	33,958	34,890
▪ Receivables from the SBV relating to the interest rate subsidy program (iv)	9,268	9,268
▪ Other receivables	32,735	174,626
Interest and fee receivables	4,149,087	5,383,067
Other assets	665,150	818,920
In which:		
▪ Prepaid expenses (v)	626,970	782,908
▪ Other assets	38,180	36,012
Allowance for other on-balance sheet assets	(7,085)	(4,919)
	<u>6,993,113</u>	<u>7,445,802</u>

- (i) These represent receivables from importers who are customers of the Bank from the UPAS L/C (Usance L/C payable at sight) issued by the Bank. Accordingly, the counterpart bank pays the beneficiary (exporter) before the due date of the deferred payment documents and earns the prepayment service fee.
- (ii) These represent advance payment of expenses for constructions of works for social charity purposes including: funding to support education, health-care, recovery from natural disaster, poor households, and others under decisions of the Board of Directors. As at 31 December 2022, these projects have not been completed and not yet finalised.
- (iii) These are receivables from provincial post offices related to fundraising and deposit-taking of the Bank. These amounts occur every day and have the repayment term of within one month.
- (iv) This amount mainly represents interest receivable from the SBV under the interest rate subsidy program accompanying Decision No. 131/QĐ-TTg dated 23 November 2009 issued by the Prime Minister of the Government guiding the interest rate subsidy to organisations, individuals who borrow money from banks for production and business purposes.

(v) Prepaid expenses include:

	31/12/2022 VND million	31/12/2021 VND million
Brokerage commission fees (*)	200,725	263,760
Payment for office rental	159,027	228,440
Head office repair and improvement expenses	78,745	123,829
Other prepaid expenses (**)	188,473	166,879
	626,970	782,908

(\*) These are commissions paid to the system of post offices directly related to lending to customers. These expenses are amortised according to the term of each loan to customer.

(\*\*) Other prepaid expenses include tools and instruments and prepaid interest expenses on term deposits from customers and advances for construction activities for charity purposes which had been completed and awaiting cost finalisation documents.

## 17. Amounts due to the Government and the State Bank of Vietnam

	31/12/2022 VND million	31/12/2021 VND million
<b>Borrowings from the SBV</b>		
▪ Borrowings based on credit facilities (i)	122,642	168,382
▪ Borrowings secured by mortgage of valuable papers	2,950,368	1,534,482
<b>Deposits from the State Treasury</b>		
▪ Deposit in VND	3,771	10
	3,076,781	1,702,874

(i) The borrowings have original terms ranging from 1 to 9 years and bear annual interest rate of 3.30% to 4.33% (31/12/2021: 3.30% to 3.86%).

As at 31 December 2022, the Bank used debt securities including Government bonds amounting to VND3,331,761 million (31/12/2021: VND1,450,000 million) at the SBV as collateral for its borrowings on mortgages of valuable papers from the SBV (Note 12).



## 18. Deposits and borrowings from other credit institutions

	31/12/2022 VND million	31/12/2021 VND million
<b>Demand deposits from other CIs</b>		
▪ In VND	25,772	26,944
▪ In foreign currencies	10	10
<b>Term deposits from other CIs</b>		
▪ In VND	26,059,925	26,174,277
▪ In foreign currencies	11,608,740	10,647,600
	37,694,447	36,848,831
<b>Borrowings from other CIs</b>		
▪ In VND	785,089	7,151,774
▪ In foreign currencies	1,180,486	2,280,775
	1,965,575	9,432,549
	39,660,022	46,281,380

Year-end annual interest rates were as follows:

	31/12/2022	31/12/2021
Demand deposits in VND	0.00% - 0.10%	0.00% - 0.10%
Demand deposits in foreign currencies	0.00%	0.00%
Term deposits in VND	2.70% - 8.50%	0.80% - 3.20%
Term deposits in foreign currencies	4.05% - 4.75%	0.10% - 0.55%
Borrowings in VND	2.10% - 5.62%	0.85% - 4.70%
Borrowings in foreign currencies	0.75% - 6.61%	0.75% - 2.54%

As at 31 December 2022, the Bank pledged debt securities being Government bonds amounting to VND10,716,761 million (31/12/2021: VND10,189,340 million) at other Credit institutions as collaterals for borrowings and term deposits from other Credit institutions (Note 12).

## 19. Deposits from customers

	31/12/2022 VND million	31/12/2021 VND million
<b>Current accounts</b>		
▪ In VND	18,117,334	17,264,500
▪ In foreign currencies	643,650	581,941
<b>Term deposits</b>		
▪ In VND	194,153,393	158,755,651
▪ In foreign currencies	2,813,204	3,401,189
<b>Marginal deposits</b>		
▪ In VND	138,977	245,670
▪ In foreign currencies	686	18,314
<b>Deposits for special purposes</b>		
▪ In VND	334	382
▪ In foreign currencies	20,447	8,699
	215,888,025	180,276,346

Deposits from customers by type of customers and economic entities were as follows:

	31/12/2022 VND million	31/12/2021 VND million
<b>Deposits from economic entities</b>		
State-owned enterprises	5,510,740	6,122,567
One-member limited 100%-state-owned enterprises	43,290,510	37,913,585
Limited companies with two members of more in which the State's percentage of contributed capital is more than 50%	7,252	13,466
Other limited liability companies	5,888,102	3,267,124
Joint stock companies in which the State's holding percentage is more than 50%	4,814,055	4,232,566
Other joint stock companies	8,456,507	8,123,061
Partnerships	15,268	5,197
Sole proprietorship	23,106	17,391
Foreign-invested enterprises	4,013,522	973,892
Cooperatives and cooperative unions	7,384	6,485
Business households	2,685	6,633
Non-business administrative entities, party entities, unions and associations	4,421,229	4,446,983
Others	83,760	61,984
<b>Deposits from individuals</b>		
Individuals	139,353,905	115,085,412
	215,888,025	180,276,346

Year-end annual interest rates were as follows:

	<b>31/12/2022</b>	<b>31/12/2021</b>
Current accounts in VND	0.00% - 0.10%	0.00% - 0.20%
Current accounts in foreign currencies	0.00%	0.00%
Term deposits in VND	0.00% - 10.40%	0.01% - 7.80%
Term deposits in foreign currencies	0.00% - 0.40%	0.00% - 0.40%
Marginal deposits in VND	0.00% - 8.30%	0.00% - 7.10%
Marginal deposits in foreign currencies	0.00%	0.00%
Deposits for special purposes in VND	0.10%	0.00% - 0.10%
Deposits for special purposes in foreign currencies	0.00%	0.00%

## 20. Valuable papers issued

	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>VND million</b>	<b>VND million</b>
<b>Certificates of deposits in VND</b>		
▪ Below 12 months	8,000,000	-
▪ From 12 months to 5 years	5,550,034	10,252,389
▪ Discount	(367)	-
<b>Bonds in VND</b>		
▪ From 12 months to 5 years	14,290,000	18,871,647
▪ More than 5 years	7,260,975	7,613,593
▪ Discount	(52,475)	-
	<b>35,048,167</b>	<b>36,737,629</b>

As at 31 December 2022, the Bank pledged debt securities being Government bonds amounting to VND3,090,000 million (31/12/2021: VND3,090,000 million) at Vietnam Securities Depository Center as collaterals for bonds issued by the Bank (Note 12).

Year-end annual interest rates were as follows:

	<b>31/12/2022</b>	<b>31/12/2021</b>
<b>Certificates of deposits in VND</b>		
Below 12 months	3.20% - 10.50%	-
From 12 months to 5 years	4.00% - 7.40%	4.00% - 8.80%
<b>Bonds in VND</b>		
From 12 months to 5 years	3.30% - 5.90%	3.60% - 7.10%
More than 5 years	6.50% - 10.50%	4.43% - 8.40%

## 21. Other liabilities

	31/12/2022 VND million	31/12/2021 VND million
Accrued interest and fees payable	6,525,149	5,696,602
Internal payables	17,125	251,332
External payables	3,036,856	1,223,725
▪ Payables for Vi Viet e-wallet services	471,317	425,554
▪ Tax payables (Note 22)	878,161	230,687
▪ Payables for UPAS L/C (Usance L/C payable at sight)	1,236,138	-
▪ Amount due to customers awaiting settlement	249,520	365,982
▪ Commissions fees for provincial post office	79,068	72,036
▪ Payables for card services	58,468	58,294
▪ Revenue awaiting allocation	10,113	10,432
▪ Payables for purchasing of fixed assets and construction in progress	5,447	8,326
▪ Payables for e-banking services	1,223	4,032
▪ Other payables	47,401	48,382
Bonus and welfare fund (i)	396,538	222,114
	9,975,668	7,393,773

(ii) Movements in bonus and welfare fund during the year were as follows:

	2022 VND million	2021 VND million
Opening balance	222,114	95,075
Appropriation in the year (Note 23)	256,931	303,097
Utilisation in the year	(82,507)	(176,058)
	396,538	222,114

## 22. Obligations to the State Treasury

*Year ended 31 December 2022*

	Opening balance VND million	Incurred during the year		Closing balance VND million
		Incurred VND million	Paid/ offset VND million	
Value added tax	17,831	171,219	(171,054)	17,996
Corporate income tax	185,000	1,179,428	(559,628)	804,800
Other taxes	27,856	242,626	(215,117)	55,365
	230,687	1,593,273	(945,799)	878,161

*Year ended 31 December 2021*

	Opening balance VND million	Incurred during the year		Closing balance VND million
		Incurred VND million	Paid/ offset VND million	
Value added tax	14,826	77,833	(74,828)	17,831
Corporate income tax	215,900	764,770	(795,670)	185,000
Other taxes	18,222	176,792	(167,158)	27,856
	248,948	1,019,395	(1,037,656)	230,687

## 23. Capital and reserves

	Charter capital VND million	Share premium VND million	Reserve to supplement charter capital VND million	Financial reserve VND million	Investment and development fund VND million	Retained profits VND million	Total VND million
<b>Balance at 1/1/2021</b>	10,746,389	57	587,366	1,161,514	3,793	1,732,607	14,231,726
Net profit for the year	-	-	-	-	-	2,873,248	2,873,248
Increase in capital through payment of share dividend	1,289,516	-	-	-	-	(1,289,516)	-
Appropriation to equity funds	-	-	143,662	287,325	-	(430,987)	-
Appropriation to bonus and welfare fund (Note 21)	-	-	-	-	-	(303,097)	(303,097)
<b>Balance at 31/12/2021</b>	12,035,905	57	731,028	1,448,839	3,793	2,582,255	16,801,877
<b>Balance at 1/1/2022</b>	12,035,905	57	731,028	1,448,839	3,793	2,582,255	16,801,877
Net profit for the year	-	-	-	-	-	4,510,253	4,510,253
Capital increase through issuance of shares under the employee stock option plan (i)	349,958	-	-	-	-	-	349,958
Increase in capital through offering of shares (ii)	2,649,997	-	-	-	-	-	2,649,997
Increase in capital through payment of share dividends (iii)	2,255,194	-	-	-	-	(2,255,194)	-
Appropriation to equity funds	-	-	225,513	451,026	-	(676,539)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(256,931)	(256,931)
<b>Balance at 31/12/2022</b>	17,291,054	57	956,541	1,899,865	3,793	3,903,844	24,055,154

- (i) On 26 January 2022, the Bank sent Official Letter No. 780/2022/LienVietPostBank to the State Securities Commission of Vietnam to report the results of the Bank's share issuance under employee stock option plan. Accordingly, the total number of issued shares is 34,995,849 shares, equivalent to 99.99% of the total number of shares expected to be issued. The number of employees offered is 6,512. The transfer restriction period for those shares is 1 year from completion date of the issuance.

On 14 February 2022, the State Securities Commission of Vietnam issued Official Letter No. 669/UBCK-QLCB to confirm its receipts of documents on the results of the Bank's share issuance under the employee stock option plan in the Report No. 780/2022/LienVietPostBank dated 26 January 2022. Accordingly, the Bank issued 34,995,849 shares, equivalent to VND349,958,490,000.

- (ii) On 24 June 2022, the Bank sent Official Letter No. 8091/2022/LienVietPostBank to the State Securities Commission of Vietnam to report the results of the Bank's share issuance to the public. Accordingly, the total number of issued shares is 264,999,670 shares, equivalent to 99.9999% of the total number of shares offered. The proceeds from this issuance are VND2,649,996,700,000 VND.

On 28 June 2022, the Bank sent Official Letter No. 4043/UBCK-QLCB to the State Securities Commission of Vietnam to report the results of the Bank's share issuance to the public. The State Securities Commission of Vietnam confirmed its receipts of documents on the results of the Bank's share issuance to the public in the Report No. 8091/2022/LienVietPostBank dated 24 June 2022. Accordingly, the Bank issued 264,999,670 shares in accordance with Registration Certificate of additional public offering of shares No. 70/GCN-UBCK dated 25 March 2022.

- (iii) On 25 November 2022, the Bank sent Report No. 13633/2022/LienVietPostBank to the State Securities Commission of Vietnam to report the results of the Bank's share issuance as payment of dividends. Accordingly, the total number of issued shares is 225,591,376 shares, equivalent to 99.99% of the total number of shares expected to be issued.

On 30 November 2022, the State Securities Commission of Vietnam issued Official Letter No. 7973/UBCK-QLCB to confirm its receipts of documents on the results of the Bank's share issuance as payment of dividends in the Report No. 13633/2022/LienVietPostBank dated 25 November 2022. Accordingly, the Bank issued 225,591,376 shares, equivalent to VND2,255,193,760,000.

#### **Details of investment capital and shares of the Bank**

	<b>31/12/2022</b>	<b>31/12/2021</b>
Shares registered for issuance	1,729,105,369	1,203,590,474
Issued share capital		
<i>Ordinary shares</i>	<i>1,729,105,369</i>	<i>1,203,590,474</i>
Shares in circulation		
<i>Ordinary shares</i>	<i>1,729,105,369</i>	<i>1,203,590,474</i>
Par value of a share (VND)	10,000	10,000

Each share is entitled to one vote at meetings of the Bank. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Bank's residual assets. In respect of shares bought back by the Bank, all rights are suspended until those shares are reissued.

**Details of investment capital and shares of owners**

	Capital contributed as at			
	31/12/2022		31/12/2021	
	VND million	Percentage	VND million	Percentage
Vietnam Post Corporation	1,405,016	8.13%	1,221,753	10.15%
Other shareholders	15,886,038	91.87%	10,814,152	89.85%
	17,291,054	100%	12,035,905	100%

As at 31 December 2022, a shareholder of the Bank, Vietnam Post Corporation, held more than 5% of the Bank's ordinary shares. Vietnam Post Corporation operates under Business Registration Certificate No. 0102595740 and its Head Office is located at No. 5, Pham Hung Street, My Dinh Ward, Nam Tu Liem District, Hanoi, Vietnam.

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## 24. Net interest income

	2022 VND million	2021 VND million
<b>Interest and similar income</b>		
▪ Interest income from deposits	583,502	106,258
▪ Interest income from loans to customers	22,696,143	19,093,098
▪ Income from guarantee services	43,768	31,292
▪ Interest income from trading and investing in debt securities	1,868,956	1,694,722
▪ Income from debts trading activities	33,257	-
▪ Other income from credit activities	18	181
	<hr/> 25,225,644	<hr/> 20,925,551
<b>Interest and similar expenses</b>		
▪ Interest expenses on deposits	(10,242,271)	(8,985,045)
▪ Interest expenses on borrowings	(356,843)	(101,041)
▪ Interest expenses on valuable papers issued	(1,903,706)	(1,945,335)
▪ Interest expenses on other credit activities	(23,334)	(16,340)
▪ Brokerage commission fee for postal savings services	(799,521)	(860,631)
	<hr/> (13,325,675)	<hr/> (11,908,392)
<b>Net interest income</b>	<hr/> 11,899,969	<hr/> 9,017,159

## 25. Net fee and commission income

	2022 VND million	2021 VND million
<b>Fee and commission income</b>		
Settlement and treasury services	216,823	207,883
Entrusting, consulting and insurance agency services	1,623,724	660,064
Other services	255,965	245,949
	<hr/> 2,096,512	<hr/> 1,113,896
<b>Fee and commission expenses</b>		
Settlement and treasury services	(190,804)	(160,784)
Other expenses	(243,846)	(95,230)
	<hr/> (434,650)	<hr/> (256,014)
<b>Net fee and commission income</b>	<hr/> 1,661,862	<hr/> 857,882

**26. Net gain from trading of foreign currencies**

	2022 VND million	2021 VND million
<b>Income from trading of foreign currencies</b>		
Gain from trading of foreign currencies	448,513	512,956
Gain from currency derivative financial instruments	1,222,390	350,580
	<hr/> 1,670,903	<hr/> 863,536
<b>Expenses for trading of foreign currencies</b>		
Loss from trading of foreign currencies	(475,913)	(63,702)
Loss from currency derivative financial instruments	(1,184,527)	(661,047)
	<hr/> (1,660,440)	<hr/> (724,749)
Net gain from trading of foreign currencies	<hr/> 10,463	<hr/> 138,787

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

	2022 VND million	2021 VND million
Gain from trading securities	-	4,625
Loss from trading securities	(2,769)	(82)
Net (loss)/gain from trading securities	<hr/> (2,769)	<hr/> 4,543

**28. Income from equity investments, purchase of shares**

	2022 VND million	2021 VND million
Dividends received in the period from equity investments, purchase of shares		
▪ From long-term capital contribution and investments	53,877	-
	<hr/> 53,877	<hr/> -



**29. Net gain/(loss) from investment securities**

	<b>2022</b> VND million	<b>2021</b> VND million
Gain from investment securities	343,379	34,404
Loss from investment securities	(14,302)	(30,367)
Reversal/(addition) of allowance for investment securities <i>(Note 12)</i>	16,685	(5,421)
	<hr/>	<hr/>
Net gain/(loss) from investment securities	345,762	(1,384)
	<hr/>	<hr/>

**30. Net gain from other activities**

	<b>2022</b> VND million	<b>2021</b> VND million
<b>Income from other activities</b>		
Proceeds from disposal of assets	8,816	12,768
Income from debts written off	298,260	162,114
Income from interest rate swaps	15,225	8,159
Other income	12,026	15,992
	<hr/>	<hr/>
	334,327	199,033
	<hr/>	<hr/>
<b>Expenses for other activities</b>		
Other expenses	(133,180)	(165,331)
	<hr/>	<hr/>
Net income from other activities	201,147	33,702
	<hr/>	<hr/>

### 31. Operating expenses

	2022 VND million	2021 VND million
Tax, duties and fees	118,935	108,199
Staff costs	3,038,695	2,737,169
In which:		
<i>Salaries and allowances</i>	2,563,451	2,345,285
<i>Salary-based expenses</i>	237,687	205,835
<i>Severance allowances</i>	1,183	782
<i>Other staff costs</i>	236,374	185,267
Expenses on assets	884,358	855,389
In which:		
<i>Depreciation and amortisation</i>	282,836	273,136
<i>Rental expenses</i>	334,040	321,817
<i>Asset repair and maintenance expenses</i>	179,068	161,949
<i>Tools and supplies</i>	69,352	76,832
<i>Other expenses on assets</i>	19,062	21,655
Management expenses	1,072,013	1,179,131
In which:		
<i>Per diem</i>	20,192	9,367
<i>Expenses for union activities</i>	397	185
<i>Communication expenses</i>	9,473	8,651
<i>Printing, marketing and promotion expenses</i>	579,121	838,553
<i>Entertainment, refreshment and conferences</i>	187,837	113,131
<i>Utilities expenses</i>	80,780	76,169
<i>Office materials expenses</i>	27,461	31,164
<i>Other administration expenses</i>	166,752	101,911
Insurance expenses on deposits of customers	181,642	170,195
Other allowances	2,166	-
Amortisation of goodwill	-	34,342
Other operating expenses	9,084	5,996
	5,306,893	5,090,421

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### 32. Allowance and provision expenses

	Note	2022 VND million	2021 VND million
Provision of allowance for loans to other institutions	6	58,198	-
Provision of general allowance for loans to customers	10	196,875	242,120
Provision of specific allowance for loans to customers	10	2,916,330	1,082,547
Provision of allowance for debt purchases	11	2,969	-
Reversal of general allowance for corporate bonds	12	(635)	(2,417)
		<u>3,173,737</u>	<u>1,322,250</u>

### 33. Income tax

#### (a) Recognised in the statement of income

	2022 VND million	2021 VND million
<b>Current tax expense</b>		
Current year	1,163,900	746,000
Adjustments of income tax differences in prior years	15,528	18,770
	<u>1,179,428</u>	<u>764,770</u>

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

	2022 VND million	2021 VND million
Accounting profit before tax	<u>5,689,681</u>	<u>3,638,018</u>
Tax at the Bank's tax rate	1,137,936	727,604
Tax on tax exempt income	(10,775)	-
Tax on non-deductible expenses	36,739	18,396
Adjustments of income tax differences in prior years	15,528	18,770
	<u>1,179,428</u>	<u>764,770</u>

#### (c) Applicable tax rates

The usual income tax rate applicable to the Bank before any incentives is 20%. The income tax computation is subject to the review and approval of the tax authorities.

### 34. Earnings per share

#### Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to the ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

#### (a) Net profit attributable to ordinary shareholders

	2022 VND million	2021 VND million
Net profit during the year	4,510,253	2,873,248
Appropriation to bonus and welfare fund (*)	(256,931)	(303,097)
Net profit attributable to ordinary shareholders	4,253,322	2,570,151

- (\*) The Bank's Board of Management estimated the amount to be appropriated to bonus and welfare fund from profit of 2022 based on the amount appropriated from profit of 2021. The actual amount appropriated to bonus and welfare fund from profit of 2021 (Note 21) is lower than the estimated amount when calculating basic earnings per share of 2021. The Bank's Board of Management assessed this difference as insignificant; therefore, the Board of Management decided not to restate basis earning per share for the year ended 31 December 2021 due to effects of this matter.

#### (b) Weighted average number of ordinary shares

	2022 (Number of shares)	2021 (Number of shares) Restated
Issued ordinary shares at the beginning of the year	1,203,590,474	1,074,638,915
Effect of issuance of shares for dividend payment in 2021	-	128,951,559
Effect of issuance of shares under the employee stock option plan	32,502,994	-
Shares publicly offered to existing shareholders in 2022 (Note 23)	130,915,568	127,473,152
Effect of ordinary shares issued for dividend payment in 2022 (Note 23)	225,519,376	225,519,376
Weighted average number of ordinary shares for the year	1,592,528,412	1,556,583,002

(c) **Basic earnings per share**

	<b>2022</b>	<b>2021 Restated</b>
Basic earnings per share (VND/Share)	2,671	1,651

(d) **Restatement of the weighted average number of ordinary shares and basic earnings per share for the year ended 31 December 2021**

During the year ended 31 December 2022, the Bank issued 264,999,670 ordinary shares to the Bank's existing shareholders at the price of VND10,000 per share, which is lower than the market price of the shares in circulation. Therefore, this is considered a bonus element in the issuance of shares. At the same time, the Bank also issued additional 225,519,376 shares to pay dividends to shareholders. Accordingly, the weighted average number of ordinary shares for the year ended 31 December 2021 would be restated to recalculate basic earnings per share for the year ended 31 December 2021.

Basic earnings per share for the year ended 31 December 2021 are restated as follows:

	<b>Weighted average number of ordinary shares</b>	<b>Basic earnings per share VND</b>
As previously reported	1,203,590,474	2,135
Effect of the shares publicly offered to existing shareholders and shares issued for dividend payment in 2022	352,992,528	(484)
As restated	1,556,583,002	1,651

**35. Cash and cash equivalents**

	<b>31/12/2022 VND million</b>	<b>31/12/2021 VND million</b>
Cash on hand	2,983,877	2,751,278
Balances with the SBV	10,323,700	9,867,646
Deposits with other CIs with original term not exceeding 3 months	31,367,998	21,287,760
	44,675,575	33,906,684

### 36. Employees' benefits

	2022	2021
Total number of employees as at 31 December (person)	12,203	10,649
Average number of employees during the year (person)	11,753	10,420
Basic salaries (1) (VND million)	2,563,451	2,345,285
Allowances (2) (VND million)	238,870	206,617
Other incomes (3) (VND million)	236,374	185,267
Total income (1+2+3) (Note 31)	3,038,695	2,737,169
Average monthly salary (VND million)	18.18	18.76
Average monthly income (VND million)	21.55	21.89

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

#### (a) Assets, valuable papers for pledging, mortgaging and discount, re-discount

	31/12/2022 VND million	31/12/2021 VND million
Real estate	418,557,721	289,986,925
Movable assets	8,721,363	11,429,379
Valuable papers	77,867,203	87,036,658
Others	105,858,974	64,966,016
	611,005,261	453,418,978

#### (b) Assets and valuable papers pledged/mortgaged or given for discount, re-discount

	31/12/2022 VND million	31/12/2021 VND million
Investment securities	10,716,761	14,729,340



### 38. Off-balance sheet items

#### (a) Contingent liabilities and other commitments

	31/12/2022			31/12/2021		
	Contractual value - gross VND million	Margin deposits VND million	Contractual value - net VND million	Contractual value - gross VND million	Margin deposits VND million	Contractual value - net VND million
Loan guarantees	59,340	-	59,340	63,340	-	63,340
Foreign exchange commitments	74,355,004	-	74,355,004	72,977,996	-	72,977,996
<i>In which:</i>						
▪ <i>Foreign currency purchase commitments</i>	54,514	-	54,514	2,270,761	-	2,270,761
▪ <i>Foreign currency sale commitments</i>	32,868	-	32,868	1,130,987	-	1,130,987
▪ <i>Swap commitments</i>	74,267,622	-	74,267,622	69,576,248	-	69,576,248
Letters of Credit	1,791,299	5,285	1,786,014	1,413,842	131,989	1,281,853
Other guarantee	1,044,680	99,761	944,919	983,198	91,403	891,795
Other commitments	335,712	34,616	301,096	2,828,995	-	2,828,995
	<b>77,586,035</b>	<b>139,662</b>	<b>77,446,373</b>	<b>78,267,371</b>	<b>223,392</b>	<b>78,043,979</b>

#### (b) Uncollected loan interest and fees

	31/12/2022 VND million	31/12/2021 VND million
Loan interest not yet collected	1,105,975	1,782,255
Fees not yet collected	1,758	-
	<b>1,107,733</b>	<b>1,782,255</b>

(c) **Written-off bad debts**

	31/12/2022 VND million	31/12/2021 VND million
Written-off principal of debts under surveillance	3,200,989	2,052,215
Written-off interest of debts under surveillance	2,715,877	1,071,566
Other written-off debts	34	147
	5,916,900	3,123,928

(d) **Other assets and documents in custody**

	31/12/2022 VND million	31/12/2021 VND million
Other assets kept under custody	2,650,884	4,508,038

**39. Concentration of assets, liabilities and off-balance sheet commitments by geographical segments**

*As at 31 December 2022*

	Domestic VND million	Overseas VND million	Total VND million
Deposits with and loans to other CIs	31,595,263	430,933	32,026,196
Securities held for trading and investment securities - gross	42,007,290	566,280	42,573,570
Loans to customers - gross	235,506,871	-	235,506,871
Long-term investments	315,931	-	315,931
Amounts due to the SBV	3,076,781	-	3,076,781
Deposits with and loans to other CIs	38,480,272	1,179,750	39,660,022
Deposits from customers	215,657,018	231,007	215,888,025
Valuable papers issued	35,048,167	-	35,048,167
Derivative financial instruments (Total contract value)	90,627,836	-	90,627,836
Contingent liabilities and credit commitments - gross	718,624	1,072,675	1,791,299

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

Significant transactions and balances with related parties at the period-end and during the period were as follows:

	31/12/2022 VND million	31/12/2021 VND million
	<b>Receivables/(payables)</b>	
<b>Vietnam Post Corporation</b>		
▪ Term and demand deposits	782,954	(878,869)
▪ Other receivables	48,714	49,781
▪ Interest payables on term deposits	(11,892)	(6,016)
	<hr/>	
	<b>2022</b>	<b>2021</b>
	<b>VND million</b>	<b>VND million</b>
	<b>Income/(expense)</b>	
<b>Vietnam Post Corporation</b>		
▪ Interest expenses paid	(12,431)	(47,151)
	<hr/>	

Remuneration, salary and other benefits of the key management personnel compensation were as follows:

	2022 VND million	2021 VND million
Board of Directors	(21,197)	(18,465)
Supervisory Board	(2,262)	(2,073)
Chief Executive Officer and other key management personnel	(34,050)	(30,960)
	<hr/>	

#### 41. Disclosure of financial instruments

Circular No. 210/2009/TT-BTC dated 6 November 2009 issued by the Ministry of Finance requires the Bank to disclose the measurement method and related information of fair value of financial assets and financial liabilities for the purpose of comparing their fair value and book value.

The following table presents fair value and book value of the Bank's financial instruments at the end of the annual accounting period:

As at 31 December 2022

	Carrying value				Recognised at amortised cost VND million	Total VND million	Fair value VND million
	Held-for- trading VND million	Held-to- maturity VND million	Loans and receivables VND million	Available- for-sale VND million			
<b>Financial assets</b>							
Cash on hand	2,983,877	-	-	-	-	2,983,877	2,983,877
Balances with the SBV	10,323,700	-	-	-	-	10,323,700	10,323,700
Deposits with and loans to other CIs - gross	-	-	32,026,196	-	-	32,026,196	(*)
Securities held for trading	566,280	-	-	-	-	566,280	(*)
Loans to customers - gross	-	-	235,506,871	-	-	235,506,871	(*)
Debt purchases - gross	-	-	260,453	-	-	260,453	(*)
Investment securities - gross	-	-	-	42,007,290	-	42,007,290	(*)
Long-term capital contribution and investments	-	315,931	-	-	-	315,931	(*)
Fixed assets - gross	-	-	-	-	1,693,198	1,693,198	(*)
Other financial assets	-	-	5,864,102	-	-	5,864,102	(*)
	13,873,857	315,931	273,657,622	42,007,290	1,693,198	331,547,898	
<b>Financial liabilities</b>							
Amounts due to the Government and the SBV	-	-	-	-	3,076,781	3,076,781	(*)
Deposits and borrowings from other CIs	-	-	-	-	39,660,022	39,660,022	(*)
Deposits from customers	-	-	-	-	215,888,025	215,888,025	(*)
Derivatives and other financial assets	42,030	-	-	-	-	42,030	(*)
Valuable papers issued	-	-	-	-	35,048,167	35,048,167	(*)
Other financial liabilities	-	-	-	-	8,683,844	8,683,844	(*)
	42,030	-	-	-	302,356,839	302,398,869	

(\*) The Bank has not determined fair values of these financial instruments for disclosure in the financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System applicable to Credit institutions issued by the SBV. The fair values of these financial instruments may differ from their carrying amounts.

## 42. Financial risk management

This note provides information of the Bank's exposure to risk and describes the policies, the methods used by the Bank's Board of Management to control risk. The most important types of financial risk to which the Bank is exposed are currency risk, interest rate risk, credit risk and liquidity risk.

### *Risk management policy*

The Bank's Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established Risk Management Committee and ALCO, which are responsible for developing and monitoring the Bank's risk management policies in specified areas.

The Bank's risk management policies are established to identify and analyse the risks exposed to the Bank, to set appropriate risk limits and controls, and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training activities, management standards and management systems, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and responsibilities.

The Legislation & Risk Management Division is a focal point to cooperate with Operational Division to undertake both regular and ad-hoc reviews of risk management controls and monitoring procedures, the results of which are reported to the Chief Executive Officer, the Board of Directors. The Internal Audit Division undertakes independent reviews/inspections

Along with setting up the departments in charge of risk management and risk management policies relating to financial instruments, the Bank also coordinates with suppliers in the information technology and telecommunication sectors to build an integrated system of risk management tools to support the risk management operation in protecting customers, suppliers and therefore, to enhance the sustainable development of the Bank.

The policies on currency risk, interest rate risk, credit risk and liquidity risk are analysed in details in Notes 43, 44 and 45.



## 43. Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to price movements in the market. Market risk arises from the open position of interest rates, currency products and equity instruments, all of which are affected by fluctuations in the market in general and each type of market in particular, and changes in market price volatility such as interest rates, foreign exchange rates and equity prices.

### (a) Currency risk

Currency risk is the risk that values of financial instruments will be affected by the changes in foreign exchange rate. The Bank was incorporated and operates in Vietnam and its reporting currency is Vietnam Dong (VND). Most of the Bank's transactions are denominated in VND and USD. As reporting currency of the Bank is VND, thus, the Bank's financial statements could be affected by fluctuations of exchange rate between USD and VND.

Risk arising from transactions denominated in foreign currency would result in foreign exchange gain or loss and these are recognised in the statement of income. This risk exposes when the assets and liabilities of the Bank are denominated in currencies other than the reporting currency and these include cash on hand, deposits with and loans to other CIs, investment securities, loans to customers, deposits and borrowings from other CIs, deposits from customers, other borrowed and entrusted funds and valuable papers issued.

The Bank has set limits on position of each currency based on the internal risk assessment of the Bank and regulations of the SBV. A foreign currency position is monitored on a daily basis and hedging strategies that the Bank ensures positions to be maintained within the established limits. The Bank also maintains open positions to earn profits from exchange rate fluctuations.

The followings are the major exchange rates applied by the Bank at the end of the annual accounting period:

	31/12/2022 VND	31/12/2021 VND
USD	23,595	22,800
EUR	25,322	26,052
GBP	28,616	30,708
CHF	25,651	24,900
JPY	179	199
SGD	17,629	16,841
CAD	17,480	17,851
AUD	16,044	16,621
HKD	3,067	2,948

Carrying amounts of financial assets and liabilities by type of currencies as at 31 December 2022 are as follows:

As at 31 December 2022	VND VND million	USD VND million	EUR VND million	Other currencies VND million	Total VND million
<b>Assets</b>					
Cash on hand	2,887,662	96,041	14	160	2,983,877
Balances with the SBV	9,770,682	553,018	-	-	10,323,700
Deposits with and loans to other CIs	22,871,079	9,062,051	19,107	73,959	32,026,196
Securities held for trading	-	566,280	-	-	566,280
Loans to customers - gross	231,094,056	4,412,815	-	-	235,506,871
Debt purchases - gross	260,453	-	-	-	260,453
Investment securities - gross	42,007,290	-	-	-	42,007,290
Long-term capital contribution and investments	315,931	-	-	-	315,931
Fixed assets - net	1,693,198	-	-	-	1,693,198
Other assets	6,093,772	894,860	2,444	9,122	7,000,198
	316,994,123	15,585,065	21,565	83,241	332,683,994
<b>Liabilities and owner's equity</b>					
Amounts due to the Government and the SBV	3,076,781	-	-	-	3,076,781
Deposits and borrowings from other CIs	26,870,786	12,789,236	-	-	39,660,022
Deposits from customers	212,410,039	3,432,533	14,087	31,366	215,888,025
Derivatives and other financial liabilities	1,233,566	(1,191,536)	-	-	42,030
Valuable papers issued	35,048,167	-	-	-	35,048,167
Other liabilities	9,363,290	587,451	8,786	16,141	9,975,668
	288,002,629	15,617,684	22,873	47,507	303,690,693
FX position on balance sheet	28,991,494	(32,619)	(1,308)	35,734	28,993,301
FX position off-balance sheet	(20,828,007)	20,828,007	-	-	-
<b>FX position on and off-balance sheet</b>	8,163,487	20,795,388	(1,308)	35,734	28,993,301

*Sensitivity to exchange rate*

Below is an analysis of the possible impact on the results of operations and equity for the year ended 31 December 2022 of the Bank. This analysis assumes that all other variables, in particular interest rates, remain constant.

	<b>Effect to results of operations – increase/(decrease) in profit VND million</b>	<b>Effect to owners’ equity – increase/(decrease) in equity VND million</b>
<b>Year ended 31 December 2022</b>		
VND appreciates 3% against USD	(623,862)	(499,089)
VND depreciates 3% against USD	623,862	499,089
<b>Year ended 31 December 2021</b>		
VND depreciates 1% against USD	(36,894)	(28,515)
VND appreciates 1% against USD	36,894	28,515

**(b) Equity price risk**

Equity price risk is the risk that the market values of equities decrease as a result of changes in the values of individual securities. The equity price risk exposure arises from the Bank’s available-for-sale equity securities.

As at 31 December 2022 and 1 January 2022, the Bank’s exposure to equity price risk is minimal because the Bank did not hold significant balance of available-for-sale listed equity securities at the reporting dates.

**(c) 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 to the Bank’s operation possibly derives from difference in maturity or amount between interest-bearing assets and liabilities. Some assets have no specific term or are sensitive to interest rates and do not correspond to specific liabilities.

The assets and liabilities of the Bank are classified by term according to an earlier time between the re-pricing period and the maturity date at the end of the annual accounting period. Expected re-pricing date and maturity date of assets might be very different from those specified in the contract, especially the deposits from customers.

Interest rate risk to the Bank possibly arises from investment, funding and lending activities.



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

- Cash on hand, securities held for trading, long-term investments and other assets (including fixed assets and other assets) are classified as non interest-bearing items at interest rates;
- Balances with the SBV are classified as current deposits, including compulsory reserves, thus the re-pricing interest rate term is assumed to be interest free or within one month;
- The interest rate re-pricing term of investment securities is determined based on contractual interest rate re-pricing term of each security;
- The interest rate re-pricing term of deposits with and loans to other CIs; loans to customers, debt purchases and amounts due to the Government and the SBV; deposits and borrowings from other CIs; deposits from customers are determined as follows:
  - Items with fixed interest rate during the contractual period: the interest rate re-pricing term is determined from the reporting date to maturity date;
  - Items with floating interest rate: the re-pricing interest rate term is determined from the reporting date to the nearest interest rate re-pricing date.
- The interest rate re-pricing term of valuable papers issued is determined based on the actual maturity date of each valuable paper issued; is dependent on the Bank's regulations on interest rates of each issuance.
- Derivatives and other financial liabilities, and other liabilities are classified as non interest-bearing items at interest rates;

The following table shows the Bank's assets and liabilities categorised by the earlier of contractual repricing date or maturity date at the end of the accounting period:

**Lien Viet Post Joint Stock Commercial Bank**  
**LienVietPostBank Building, No. 210 Tran Quang Khai Street**  
**Trang Tien Ward, Hoan Kiem District, Hanoi, Vietnam**  
**Notes to the financial statements for the year ended 31 December 2022 (continued)**

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*the Governor of State Bank of Vietnam)*

As at 31 December 2022

	Overdue VND million	Free of interest VND million	Less than 1 month VND million	From 1 month to 3 months VND million	From over 3 months to 6 months VND million	From over 6 months to 12 months VND million	Over 1 year to 5 years VND million	Over 5 years VND million	Total VND million
<b>Assets</b>									
Cash on hand	-	2,983,877	-	-	-	-	-	-	2,983,877
Balances with the SBV	-	10,323,700	-	-	-	-	-	-	10,323,700
Deposits with and loans to other CIs	37,366	-	24,602,698	7,265,300	120,832	-	-	-	32,026,196
Securities held for trading	-	566,280	-	-	-	-	-	-	566,280
Loans to customers - gross (*)	2,519,679	-	48,491,447	147,252,186	11,944,366	1,459,096	18,997,753	4,842,344	235,506,871
Debt purchases - gross	-	-	39,273	100,273	37,058	43,019	40,830	-	260,453
Investment securities - gross	-	4,715,339	50,000	450,000	1,150,000	500,000	13,610,000	21,531,951	42,007,290
Long-term capital contribution and investments	-	315,931	-	-	-	-	-	-	315,931
Fixed assets - net	-	1,693,198	-	-	-	-	-	-	1,693,198
Other assets	7,480	6,992,718	-	-	-	-	-	-	7,000,198
	2,564,525	27,591,043	73,183,418	155,067,759	13,252,256	2,002,115	32,648,583	26,374,295	332,683,994
<b>Liabilities</b>									
Amounts due to the Government and the SBV	-	-	1,991,293	997,343	59,170	19,826	7,993	1,156	3,076,781
Deposits and borrowings from other CIs	-	-	30,870,789	7,019,980	7,299	21,182	1,644,075	96,697	39,660,022
Deposits from customers	-	-	43,009,625	44,074,614	54,001,720	63,212,352	11,588,372	1,342	215,888,025
Derivatives and other financial liabilities	-	42,030	-	-	-	-	-	-	42,030
Valuable papers issued	-	-	249,819	4,994,426	3,899,769	9,911,383	12,925,843	3,066,927	35,048,167
Other liabilities	-	9,975,668	-	-	-	-	-	-	9,975,668
	-	10,017,698	76,121,526	57,086,363	57,967,958	73,164,743	26,166,283	3,166,122	303,690,693
Interest sensitivity gap on balance sheet	2,564,525	17,573,345	(2,938,108)	97,981,396	(44,715,702)	(71,162,628)	6,482,300	23,208,173	28,993,301

(\*) This balance is determined based on the contractual overdue days of each loan, not on customers basis.

#### 44. Credit risk

Credit risk to the Bank derives from lending, investing and granting guarantees to customers or third parties in which the Bank acts as an intermediary.

Credit risk arises when counterparties lose their ability to pay debt and are monitored continually. To manage the credit risk level, the Bank is attempting to transact only with counterparties who have high credit rating and require collateral if appropriate.

Credit risk to the Bank mainly derives from lending and advances to customers. The credit risk level is shown on the carrying value of the assets in the statement of financial position. In addition, the Bank also faces credit risk in the form of off-balance sheet commitments to extend credit and guarantees.

The concentration of credit risk (on or off-balance sheet) rising from financial instruments accompanies groups of partners in which members have similar economic characteristics that would cause the ability of the groups to fulfil their obligations to be affected if there are fluctuations in economic conditions or other conditions.

The main concentration of credit risk is from various areas and types of customers regarding to investments, loans and advances, credit commitments and guarantees granted by the Bank. Credit risk of the Bank is focused on certain number of economic sectors.

The Bank controls and manages risks by setting policies and procedures, including the credit risk management and operation policy of Risk Council, Risk and Debt Treatment Council and Credit Council. The Bank classifies its loans to customers and other CIs based on Circular 11, through which the Bank could regularly assess risks of doubtful debts, non-performing loans, and propose appropriate solutions.

The Bank manages and controls credit risk by setting policies and issuing regulations regarding to the management of credit risk, creating credit process, reviewing credit risk, building credit rating system, loans classifying and decentralising credit.

##### *Collaterals*

Collaterals are valued by a department independent from the business department, based on market values at the valuation date. The valuation of collaterals is updated periodically in accordance with the regulations. Collaterals mainly comprise real estates, machineries and equipment, and valuable papers. Guidance on valuation of collaterals being movable assets, real estates is regularly reviewed and updated to comply with the SBV's regulations.

##### *Commitments and guarantees*

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. The Bank also perform credit rating and credit risk classification for these commitments and guarantees.

Set out below is the maximum credit exposure of the Bank's balance sheet, excluding any collateral held or credit enhancements:

As at 31 December 2022

	Not overdue and not requiring allowance VND million	Overdue but not requiring allowance yet				Overdue and allowance provided VND million	Total VND million
		Overdue from 10 to 90 days VND million	Overdue from 91 to 180 days VND million	Overdue from 181 to 360 days VND million	Overdue more than 360 days VND million		
Balances with the SBV	10,323,700	-	-	-	-	-	10,323,700
Deposits with and loans to other CIs	31,967,998	-	-	-	-	58,198	32,026,196
Securities held for trading	566,280	-	-	-	-	-	566,280
Loans to customers - gross (*)	224,511,485	868,970	478,867	277,214	1,864,123	7,506,212	235,506,871
Debt purchases	260,453	-	-	-	-	-	260,453
Investment securities - gross	42,007,290	-	-	-	-	-	42,007,290
Other financial assets	5,856,696	-	-	-	-	7,406	5,864,102
	315,493,902	868,970	478,867	277,214	1,864,123	7,571,816	326,554,892

(\*) This balance is determined based on the customers basis.

Refer to types and value of collaterals in Note 37. The Bank is currently holding collateral in the forms of real estate, movable assets, valuable papers and others in kind for the above financial assets. However, the Bank has not been able to determine the fair value of such assets due to the lack of specific guidance and necessary market information. For the purpose of determining whether the assets are impaired and any provision is needed under Vietnamese Accounting Standards, these assets' value are measured in accordance with Circular 11.

## 45. Liquidity risk

Liquidity risk is the risk that results in the Bank's losses and/or failing to meet its payment obligation when the Bank cannot mobilise sufficient liquid capital at appropriate costs and/or cannot sell assets at fair value and/or the Bank has to mobilise funds at high costs to meet its payment obligations at a point of time. Liquidity risk arises due to: un-matching of maturity terms of assets and maturity terms of liabilities, the sensitivity of financial assets to changes in interest rates that makes the Bank unable to meet its payment obligation.

### *Liquidity risk management*

The Bank's objective in managing liquidity risk is to ensure as much as possible that the Bank has sufficient liquidity to meet its obligations as and when they fall due, under both normal and stressed conditions, without incurring preventable losses or affecting the reputation of the Bank.

To limit this risk, the Bank has maintained an appropriate structure of assets and liabilities and also strengthened the ability to raise fund from diversified sources. The Bank manages assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Bank has also assessed the expected cash flows and the availability of current collaterals if additional funding is required.

In addition, the Bank maintains a deposit at the SBV in accordance with current regulations on statutory reserves, and at the same time ensures to maintain solvency ratios, short-term capital ratios for medium and long-term loans and operational prudential ratio limits in accordance with SBV's regulations.

### *Analysis of assets and liabilities based on remaining period to maturity*

The maturity term of assets and liabilities represents the remaining period from the reporting date to the maturity date agreed in the contracts or in 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:

- Balance with the SBV is classified as current deposits including the required reserve, which is determined upon the composition and maturity of the Bank's customer deposits.
- The maturity term of investment securities is based on the contractual maturity date of each type of securities.
- The maturity term of deposits with and loans to other CIs and loans to customers is based on the contractual maturity date. The actual settlement date sometimes varies contractual maturity date when the loan and deposit contracts are extended.
- The maturity term of equity investment is considered to be more than 5 years as equity investments have indefinite maturity.
- The maturity term of deposits, loans from other CIs and deposits from customers are determined on the nature of these amounts or maturity date. For demand deposits from business entities, there is an assumption that a certain volume is maintained in the next term.

- The current accounts of other CIs (“vostro”) and current accounts which are settled upon customers’ demand are considered to be current. The maturity term of term borrowings and deposits is based on their contractual maturity dates. In practice, such items may be rolled over and maintained for longer period.
- The maturity term of fixed assets is determined based on their remaining useful lives.

The table below shows the analysis of assets and liabilities of the Bank by terms of maturity based on the remaining period from the end of the accounting period to the maturity date. In fact, the settlement date of financial assets and liabilities could be different according to separate agreements or amendments to contracts if any.

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**Lien Viet Post Joint Stock Commercial Bank**  
**LienVietPostBank Building, No. 210 Tran Quang Khai Street**  
**Trang Tien Ward, Hoan Kiem District, Hanoi, Vietnam**  
**Notes to the financial statements for the year ended 31 December 2022 (continued)**

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As at 31 December 2022	Overdue		Not past due					Total VND million
	Up to 3 months VND million	More than 3 months VND million	Up to 1 month VND million	From over 1 month to 3 months VND million	From over 3 months to 12 months VND million	From over 1 year to 5 years VND million	Over 5 years VND million	
<b>Assets</b>								
Cash on hand	-	-	2,983,877	-	-	-	-	2,983,877
Balances with the SBV	-	-	10,323,700	-	-	-	-	10,323,700
Deposits with and loans to other CIs	5,468	31,898	24,602,698	7,265,300	120,832	-	-	32,026,196
Securities held for trading	-	-	566,280	-	-	-	-	566,280
Loans to customers - gross (*)	1,496,853	1,022,826	12,431,700	25,435,251	83,263,581	87,287,898	24,568,762	235,506,871
Debt purchases - gross	-	-	39,273	100,273	80,077	40,830	-	260,453
Investment securities - gross	-	-	50,009	1,250,587	3,655,915	14,702,724	22,348,055	42,007,290
Long-term capital contribution and investments	-	-	-	-	-	-	315,931	315,931
Fixed assets - net	-	-	-	-	-	1,693,198	-	1,693,198
Other assets	7,480	-	6,992,718	-	-	-	-	7,000,198
<b>Total assets</b>	<b>1,509,801</b>	<b>1,054,724</b>	<b>57,990,255</b>	<b>34,051,411</b>	<b>87,120,405</b>	<b>103,724,650</b>	<b>47,232,748</b>	<b>332,683,994</b>
<b>Liabilities</b>								
Amounts due to the Government and the SBV	-	-	1,991,293	997,343	78,996	7,993	1,156	3,076,781
Deposits and borrowings from other CIs	-	-	30,870,789	7,019,980	28,481	1,644,075	96,697	39,660,022
Deposits from customers	-	-	45,371,747	41,712,492	117,214,072	11,588,372	1,342	215,888,025
Derivatives and other financial liabilities	-	-	42,030	-	-	-	-	42,030
Valuable papers issued	-	-	-	1,799,992	11,099,765	14,925,645	7,222,765	35,048,167
Other liabilities	-	-	9,975,668	-	-	-	-	9,975,668
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>88,251,527</b>	<b>51,529,807</b>	<b>128,421,314</b>	<b>28,166,085</b>	<b>7,321,960</b>	<b>303,690,693</b>
<b>Net liquidity gap</b>	<b>1,509,801</b>	<b>1,054,724</b>	<b>(30,261,272)</b>	<b>(17,478,396)</b>	<b>(41,300,909)</b>	<b>75,558,565</b>	<b>39,910,788</b>	<b>28,993,301</b>

(\*) This balance is determined based on the contractual overdue days of each loan, not on customers basis.

## 46. Segment reporting

### Primary segment reporting by geographical segments

Year ended 31 December 2022		The North VND million	The Central VND million	The South VND million	Others VND million	Total VND million
<b>I.</b>	<b>Revenue</b>	19,966,162	2,906,642	12,454,597	22,650,313	57,977,714
1.	Interest revenue	19,198,053	2,731,566	11,645,960	19,764,084	53,339,663
	<i>External revenue</i>	11,213,501	1,747,037	9,800,057	2,465,049	25,225,644
	<i>Inter-segment revenue</i>	7,984,552	984,529	1,845,903	17,299,035	28,114,019
2.	Fee and commission income	572,662	162,689	516,715	844,446	2,096,512
3.	Other revenue	195,447	12,387	291,922	2,041,783	2,541,539
<b>II.</b>	<b>Expenses</b>	(17,113,218)	(2,664,026)	(10,228,093)	(19,108,959)	(49,114,296)
1.	Interest expenses	(15,165,380)	(2,162,144)	(8,530,022)	(15,582,148)	(41,439,694)
	<i>External interest expenses</i>	(6,442,993)	(812,950)	(1,302,567)	(4,767,165)	(13,325,675)
	<i>Inter-segment interest expenses</i>	(8,722,387)	(1,349,194)	(7,227,455)	(10,814,983)	(28,114,019)
2.	Depreciation and amortisation	(75,879)	(28,394)	(86,611)	(91,952)	(282,836)
3.	Direct expenses	(1,871,959)	(473,488)	(1,611,460)	(3,434,859)	(7,391,766)
	<b>Operating results before allowance expenses</b>	2,852,944	242,616	2,226,504	3,541,354	8,863,418
	Allowance expenses	(256,247)	(61,253)	(447,111)	(2,409,126)	(3,173,737)
	<b>Segment results before tax</b>	2,596,697	181,363	1,779,393	1,132,228	5,689,681
	Income tax – expenses	-	-	-	(1,179,428)	(1,179,428)
	<b>Segment results after tax</b>	2,596,697	181,363	1,779,393	(47,200)	4,510,253



*Primary segment reporting by geographical segments (continued)*

As at 31 December 2022	The North VND million	The Central VND million	The South VND million	Others VND million	Total VND million
<b>III. Assets</b>	139,564,841	16,916,463	96,664,045	74,600,498	327,745,847
1. Cash	988,676	164,930	1,830,271	-	2,983,877
2. Fixed assets	218,864	74,386	203,654	1,196,294	1,693,198
3. Other assets	138,357,301	16,677,147	94,630,120	73,404,204	323,068,772
<b>IV. Liabilities</b>	136,968,027	16,735,101	94,884,617	55,102,948	303,690,693
1. External liabilities	136,952,735	16,732,073	94,875,546	54,706,564	303,266,918
2. Inter-segment liabilities	9,037	2,132	5,956	-	17,125
3. Other liabilities	6,255	896	3,115	396,384	406,650

*Secondary segment reporting by business segments*

Year ended 31 December 2022	Credit VND million	Investments VND million	Treasury business and fundraising VND million	Others VND million	Total VND million
Segment operating results	19,522,406	2,211,949	(10,824,933)	(6,399,169)	4,510,253
Segment assets	233,492,130	43,549,233	45,978,013	4,726,471	327,745,847
Segment liabilities	-	-	299,743,081	3,947,612	303,690,693

#### 47. Post balance sheet event

Up to the date of these financial statements, there are no significant events occurring subsequent to 31 December 2022 that may significantly affect the financial position of the Bank and require adjustments or disclosures to be made in the financial statements for the year ended 31 December 2022.

#### 48. Unusual items

During the year ended 31 December 2022, the Bank restructured loan repayment periods, offered exemption/reduction of interest/fees to and kept loan groups unchanged for Covid-19 affected customers according to Circular 03 and Circular 14 (Note 3(i)).

#### 49. Approval of the financial statements

The financial statements were approved by the Board of Management of the Bank on 27 March 2023.

27 March 2023

Prepared by:

Tran Hoai Thu  
Head of Finance Department

Reviewed by:

Nguyen Thi Gam  
Chief Accountant

Approved by:



Ho Nam Tien  
Acting Chief Executive Officer

NGÂN HÀNG  
THƯƠNG MẠI  
CỔ PHẦN  
HỮU ĐIỂN  
LIÊN VIỆT