

ANNUAL REPORT 2022

REACHING NEW HEIGHTS

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FOREWORD OF THE CHAIRMAN OF BOARD OF DIRECTORS



“ 2023 will be a tumultuous year, but with the fulcrums built from the successes, Lienvietpostbank will maintain the initiative, turn challenges into opportunities to stand ready to welcome new opportunities, achieve more ambitious, strong and drastic goals in accordance with the motto “Change - Decision - Solidarity - Success”.

Dear Shareholders, Customers, Partners and all employees of Lienvietpostbank!

At the General Meeting of Shareholders a year ago, Lienvietpostbank set out significant goals, promoting the Bank's sustainable development. These are the targets of business, revenue growth, profit, especially the charter capital increase plan to improve financial potential, forming the foundation for the Bank to develop safely, effectively, and affirm the position of a financial institution with 15 years of prestigious operation.

By the end of 2022, all of those goals have been accomplished, although 2022 was a challenging year, the world economy changed rapidly and complicatedly with many unprecedented problems, beyond forecast, bringing many difficulties to businesses. Facing this challenging situation, by promoting its fundamental strengths, flexibly adapting and drastically implementing the set plans, Lienvietpostbank not only maintained the Bank's stable operation, but also successfully completed its business targets, maintaining its status as a Joint Stock Commercial Bank with seamless and breakthrough growth as evidenced by remarkable business figures.

As of December 31, 2022, the Bank's charter capital increased to VND 17,291 billion, total assets reached VND 327,000 billion, especially the profit before tax reached VND 5,690 billion, up 56% compared to 2021 and exceeding 19 % compared to the target in the year's business plan (VND 4,800 billion). This is the highest profit in 15 years of operation of the Bank. Other important indicators include credit growth rate of 12.79%, bad debt ratio at 1.45%, maintaining a high amount of capital adequacy ratio (CAR) of 12.36%. Lienvietpostbank is also in the group of efficient banks, which is evidenced by ROAA increasing by 0.38% to 1.46%; ROAE increasing by 3.6% to 22.8%, and the CIR index of 37.5%, much lower than in 2021.

In parallel with the effective business operations, in 2022, Lienvietpostbank has expanded a strong partnership, clarified the content and roadmap for implementing the digital transformation strategy on the basis of consultancy from IBM Vietnam Company Limited and execution of exclusive insurance agency contracts with a term of up to 15 years with Dai-ichi Life Vietnam Co., Ltd. In terms of risk management, the Bank has completed the simultaneous implementation of two rigorous Basel III risk management and IFRS9 financial reporting standards in the banking sector worldwide, thereby improving asset quality, enhancing the risk management capacity and profitability. This has been upgraded by the world's leading credit rating agency, Moody's

Investors Service (Moody's), from B1 to Ba3, equal to Moody's national rating for Vietnam, with a positive outlook.

The above results are achieved thanks to the consistent strategic direction of the Board of Directors, the closeness in the management of the Board of Management along with the determination and consensus of the staff and the companionship and trust of our shareholders and customers.

With those advantages and intrinsic strength, Lienvietpostbank has overcome the difficult situation of the economic situation in general, the financial - banking industry in particular, and at the same time takes quick steps, change vigorously to accelerate even further.

2023 will be a tumultuous year, but with the fulcrums built from the successes, Lienvietpostbank will maintain the initiative, turn challenges into opportunities to stand ready to welcome new opportunities, achieve more ambitious, strong and drastic goals in accordance with the motto “Change - Decision - Solidarity - Success”.

Before taking a new position, Lienvietpostbank must set out the first goals of accumulating fundamental values, comprehensively transforming, keeping customers at the core to constantly seek new growth drivers, expand customer size, improve brand image and optimize costs to generate more revenue

With the clear strategic direction of the Board of Directors, the adequate preparation of resources and the broad support of customers, partners and shareholders, Lienvietpostbank will certainly achieve the set goals in 2023, starting a development journey with full of new wills and aspirations.

Sincerely thanks.

CHAIRMAN OF THE BOARD OF DIRECTORS
Nguyen Duc Thuy

CHAPTER 1

OVERVIEW OF THE BANK



OVERVIEW

Trade name	LIEN VIET POST JOINT STOCK COMMERCIAL BANK
Business Registration Certificate no.	6300048638
Charter capital	VND 17,291,053,690,000
Owner's investment capital	VND 17,291,053,690,000
Address	Lienvietpostbank Tower, No. 210 Tran Quang Khai, Hoan Kiem District, Hanoi
Tel	024 62 668 668
Fax	024 62 669 669
Website	www.lienvietpostbank.com.vn
Stock symbol	LPB

BUSINESS LINES:

- Mobilize capital, undertake credit activities, payment and treasury services, other activities;
- Contribute capital, purchase shares of other enterprises in accordance with the law;
- Participate in the money market according to the State Bank's regulations;
- Directly carry on business or establish a subsidiary with legal status, independent accounting and own capital to trade in foreign exchange and gold on the domestic and international markets when approved by the State Bank;
- Entrust, undertake entrustment or act as agents in sectors relating to banking operations, asset management, and investment capital of domestic and foreign organizations and individuals under the entrustment contracts.

VISION

TO BECOME A LEADING RETAIL BANK IN VIETNAM –
A BANK FOR EVERYONE

MISSION

TO OFFER CUSTOMERS AND SOCIETY A WIDE RANGE
OF PRODUCTS AND SERVICES WITH EXCELLENT
QUALITY. - TO CREATE MAXIMUM BENEFITS FOR THE
BANK AND THE SOCIETY

CORE VALUE



DISCIPLINE: Lienvietpostbank is a united collective, living and working in a disciplined manner, implemented according to the principle of Compliance and Obedience. Compliance means respecting the Law, strictly complying with the provisions of the Law and the Bank. Obedience is submission to the orders of superiors and managers. The management level includes administrative management and work management.



CREATIVITY: Is the driving force and decisive factor to develop and improve work productivity, service quality, and work efficiency. Creativity must be carried out in a principled manner and always create breakthroughs to make the Bank develop continuously and sustainably.



HUMANITY: Is the value that Lienvietpostbank always cares about and aims for, with the philosophy of all people and for People. Human Values are expressed based on two principles, Norm and Altruism.

The standard is that all members of Lienvietpostbank must live and work according to the provisions of the Law and the general standards of the society. Altruism means that all members of Lienvietpostbank must always have compassion and nobility.

BANKING NETWORK

NETWORK SYSTEM

- Head office: 1
- Representative office: 3
- Branch: 80
- Transaction office: 481
- Postal transaction office: 568

NUMBER OF NEW BRANCHES/TRANSACTION OFFICES OPENED IN 2022

- Branch: 4
- Transaction office: 1

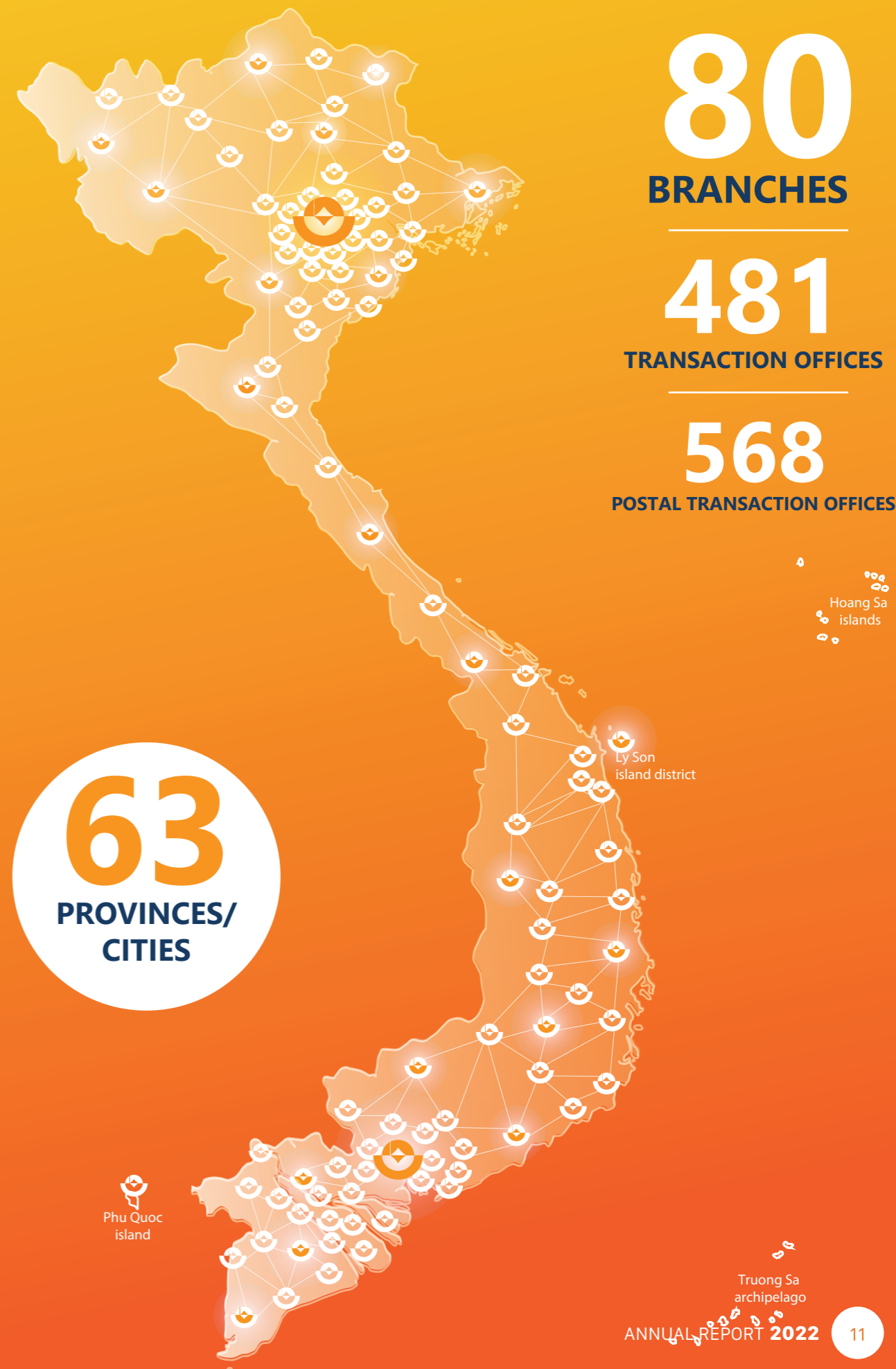
NUMBER OF BRANCHES/TRANSACTION OFFICES MOVED IN THE YEAR

- Branch: 5
- Transaction office: 5

NUMBER OF BRANCHES/TRANSACTION OFFICES IN THE REGIONS

No.	Area	Number of branches	Number of transaction office
1	Hanoi	10	24
2	Northern Mountain Region	12	83
3	Northern Plains Region	15	92
4	Central Region	17	117
5	Ho Chi Minh City	5	12
6	Southeast region	11	81
7	Southwest region	10	72

- Subsidiaries, affiliated companies: None



FORMATION AND DEVELOPMENT PROCESS



2008

28/03/2008: The Governor of the State Bank of Vietnam signed the License to establish the Bank (License 91/GP-NHNN).

01/05/2008: Officially opened Lien Viet Commercial Joint Stock Bank in Hau Giang province.

2011

23/7/2011: The bank changed its name to Lien Viet Post Commercial Joint Stock Bank – Lienvietpostbank after the capital contribution by Vietnam Post Corporation and became the largest shareholder.

2014

Honored with the award “Best Saving Bank Vietnam 2014” (Best Saving Bank Vietnam) by Global Banking & Finance Review.



2017

05/10/2017: Officially listed and traded LPB shares on the Upcom decentralized stock exchange.

Completed branch coverage to all 63/63 provinces and cities nationwide.

2018

Moody’s Investors Service assigned first-time ratings and assessments to LienVietPostBank. (B2 rating with ‘stable’ outlook.

Honored with the award “Best Mobile Banking Project” by The Asian Banker.

2019

Signed the Cooperation Agreement with the global financial institution J.P.Morgan.

Completed the implementation of pillar I and pillar III of Basel II as required by Circular 41/TT-NHNN ahead of schedule. By 2020, with the completion of the internal capital adequacy assessment (ICAAP), the Bank completed all 3 pillars of Basel II ahead of schedule.



2020

15/20/2020: Launched LienViet24H Digital Bank. Products are developed on the basis of merging online platforms including: Vi Viet non-physical card, Digital banking (Internet Banking & Mobile Banking) and card services.

9/11/2020: Lienvietpostbank’s shares were officially listed on the Ho Chi Minh Stock Exchange (HOSE).



2021

Moody’s has upgraded Lienvietpostbank’s credit rating to B1 – Stable.

Successfully issued VND 22,549 billion worth of Valuable papers, including VND 20,740 billion worth of Certificates of deposit/Common bonds and 1,809 billion VND of Tier 2 capital bonds.

Honored with the award “Fastest Growing Retail Bank Vietnam 2021 by Global Business Outlook magazine.



2022

The bank has received many prestigious awards from international and domestic organizations, such as: Fastest growing retail bank in Vietnam 2022 awarded by International Finance Magazine, Top 500 Largest Enterprises in Vietnam (Lienvietpostbank ranked 61st), etc.

OUTSTANDING AWARDS AND CERTIFICATIONS IN 2022



LEADING LICENSEE IN CREDIT CARD
RETAIL SPENDING VOLUME 2021



MARKET MAKER OFFERS
THE BEST FX SWAPS OF 2021



LEADING LICENSEE IN CREDIT CARD
RETAIL SPENDING VOLUME GROWTH 2021



CORPORATE EXCELLENCE AWARD



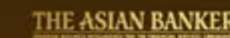
LEADING LICENSEE IN BALANCE OF
PLATINUM CARD 2021



FASTEST GROWING RETAIL BANK
VIETNAM 2022



LEADING LICENSEE IN
NEW CARD ACQUISITION 2021



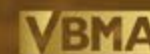
TOP 500 LARGEST PRIVATE ENTERPRISES
IN VIETNAM 2022



LEADING LICENSEE IN BALANCE OF
DEBIT CARD 2021



FASTEST GROWING RETAIL BANK
VIETNAM 2022

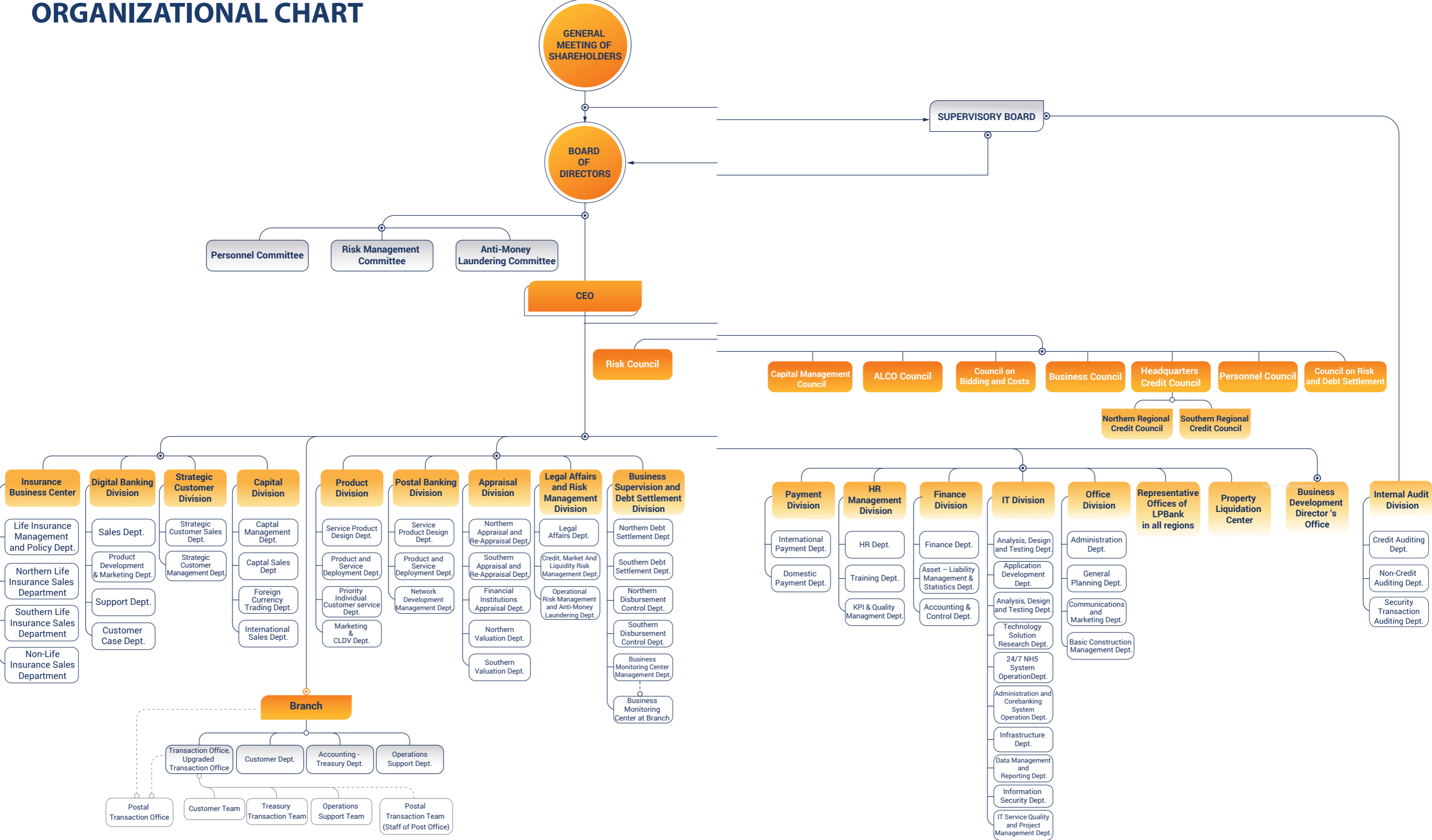


THE MOST TRADED FX SWAP
MARKET MAKER IN 2021



TOP 500 LARGEST ENTERPRISES
IN VIETNAM 2022
Lienvietpostbank ranked 27th
TOP 500 LARGEST ENTERPRISES
IN VIETNAM 2022
Lienvietpostbank ranked 61st

ORGANIZATIONAL CHART



BOARD OF DIRECTORS



CHAIRMAN OF THE BOARD OF DIRECTORS

Mr. NGUYEN DUC THUY

Year of birth: 1976

Education: Bachelor of Business Administration

Number of years of experience in the financial sector: 11 years

Number of securities owned by individuals at Lienvietpostbank: 47,806,200 shares, equivalent to 2.765% share capital

(From December 9, 2022, the Board of Directors elected Mr. Thuy as the Chairman of the Board of Directors)



VICE CHAIRMAN OF THE BOARD OF DIRECTORS

Mr. HUYNH NGOC HUY

Year of birth: 1966

Education: Master of Finance

Number of years of experience in the financial sector: 16 years

Number of securities owned by individuals at Lienvietpostbank: 495,482 shares, equivalent to 0.029% share capital

(From December 9, 2022, Mr. Huy ceased to hold the position of Chairman of the Board of Directors and the Board of Directors elected him as the Deputy Chairman of the Board of Directors)



VICE CHAIRMAN OF THE BOARD OF DIRECTORS

Mr. DUONG CONG TOAN

Year of birth: 1979

Education: Bachelor of Business Administration

Number of years of experience in the financial sector: 14 years

Number of securities owned by individuals at Lienvietpostbank: 220,737 shares, equivalent to 0.013% share capital



MEMBER OF THE BOARD OF DIRECTORS

Mr. LE HONG PHONG

Year of birth: 1962

Education: Doctor of Economics

Number of years of experience in the financial sector: 36 years

Number of securities owned by individuals at Lienvietpostbank: 243,080 shares, equivalent to 0.014% share capital



INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS

Ms. DUONG HOAI LIEN

Year of birth: 1981

Education: Master of Finance

Number of years of experience in the financial sector: 18 years

Number of securities owned by individuals at Lienvietpostbank: 115,000 shares, equivalent to 0.007% share capital



STANDING VICE CHAIRMAN OF THE BOARD OF DIRECTORS

Mr. PHAM DOAN SON

Year of birth: 1967

Education: Master of Business Administration.

Number of years of experience in the financial sector: 28 years

Number of securities owned by individuals at Lienvietpostbank: 31,935,524 shares, equivalent to 1,847% share capital

SUPERVISORY BOARD



HEAD OF THE SUPERVISORY BOARD

Mr. TRAN THANH TUNG

Year of birth: 1967

Education: Bachelor of Banking and Finance

Number of years of experience in the financial sector: 30 years

Number of securities owned by individuals at Lienvietpostbank: 253,828 shares, equivalent to 0.015% share capital

MEMBER OF THE SUPERVISORY BOARD

Ms. NGUYEN THI LAN ANH

Year of birth: 1967

Education: Master of Economics

Number of years of experience in the financial sector: 9 years

Number of securities owned by individuals at Lienvietpostbank: 0 shares, equivalent to 0% share capital

MEMBER OF THE SUPERVISORY BOARD

Mr. PHUNG THE VIET

Year of birth: 1989

Education: Bachelor of Banking and Finance

Number of years of experience in the financial sector: 9 years

Number of securities owned by individuals at Lienvietpostbank: 0 shares, equivalent to 0% share capital

BOARD OF MANAGEMENT



ACTING CEO

Mr. HO NAM TIEN

Year of birth: 1971

Education: Master of Banking and Finance

Number of years of experience in the financial sector: 29 years

Number of securities owned by individuals at Lienvietpostbank: 536,834 shares, equivalent to 0.031% share capital

- From July 16, 2020 to March 17, 2023, Mr. Tien held the position of Standing Deputy CEO.

- From March 17, 2023, Mr. Tien was appointed to hold the position of Acting CEO

PERMANENT DEPUTY CEO

Mr. BUI THAI HA

Year of birth: 1976

Education: Master of Business Administration

Number of years of experience in the financial sector: 15 years

Number of securities owned by individuals at Lienvietpostbank: 835,416 shares, equivalent to 0.048% share capital

- From June 11, 2014 to March 21, 2023, Mr. Ha held the position of Deputy CEO.

- From March 21, 2023, Mr. Ha holds the position of Standing Deputy CEO.

DEPUTY CEO CUM CHIEF ACCOUNTANT

Ms. NGUYEN THI GAM

Year of birth: 1970

Education: Master of Science in Controlling Finance; ACCA International Accounting and Auditing Practice Certificate - UK

Number of years of experience in the financial sector: 29 years

Number of securities owned by individuals at Lienvietpostbank: 525,845 shares, equivalent to 0.03% share capital

BOARD OF MANAGEMENT



DEPUTY CEO
Ms. NGUYEN ANH VAN

Year of birth: 1972

Education: Master of Banking and Finance

Number of years of experience in the financial sector: 27 years

Number of securities owned by individuals at Lienvietpostbank: 676,611 shares, equivalent to 0.039% share capital



DEPUTY CEO
Mr. HOANG VAN PHUC

Year of birth: 1977

Education: Master in Management of Non-Traditional Security

Number of years of experience in the financial sector: 18 years

Number of securities owned by individuals at Lienvietpostbank: 271,448 shares, equivalent to 0.016% of share capital



DEPUTY CEO
Mr. VU QUOC KHANH

Year of birth: 1981

Education: Bachelor of Business Administration

Number of years of experience in the financial sector: 20 years

Number of securities owned by individuals at Lienvietpostbank: 1,091,853 shares, equivalent to 0.063% share capital



DEPUTY CEO
Mr. NGUYEN THANH TUNG

Year of birth: 1973

Education: Master of Banking and Finance

Number of years of experience in the financial sector: 29 years

Number of securities owned by individuals at Lienvietpostbank: 130,891 shares, equivalent to 0.008% share capital



DEPUTY CEO
Ms. VU THI HIEN

Year of birth: 1970

Education: Bachelor of Economic

Number of years of experience in the financial sector: 9 years

Number of securities owned by individuals at Lienvietpostbank: 271,478 shares, equivalent to 0.016% of share capital



DEPUTY CEO
Mr. NGUYEN QUOC THANH

Year of birth: 1983

Education: Master of Information Technology

Number of years of experience in the financial sector: 8 years

Number of securities owned by individuals at Lienvietpostbank: 271,400 shares, equivalent to 0.016% share capital

BOARD OF MANAGEMENT



DEPUTY CEO

Mr. NGUYEN NGOC NAM

Year of birth: 1966

Education: Master of Banking and Finance

Number of years of experience in the financial sector: 23 years

Number of securities owned by individuals at Lienvietpostbank: 352,579 shares, equivalent to 0.02% of share capital



DEPUTY CEO

Ms. LE THI THANH NGA

Year of birth: 1980

Education: Master of Business Administration

Number of years of experience in the financial sector: 21 years

Number of securities owned by individuals at Lienvietpostbank: 673,578 shares, equivalent to 0.039% share capital



DEPUTY CEO

Mr. NGUYEN QUY CHIEN

Year of birth: 1971

Education: Bachelor of Economic Law; Bachelor of Finance – Credit

Number of years of experience in the financial sector: 25 years

Number of securities owned by individuals at Lienvietpostbank: 506,649 shares, equivalent to 0.029% share capital



DEPUTY CEO

Mr. LE ANH TUNG

Year of birth: 1972

Education: Bachelor of Economics

Number of years of experience in the financial sector: 23 years

Number of securities owned by individuals at Lienvietpostbank: 643,849 shares, equivalent to 0.037% share capital



DEPUTY CEO

Mr. KIM MINH TUAN

Year of birth: 1975

Education: Master of Banking and Finance

Number of years of experience in the financial sector: 15 years

Number of securities owned by individuals at Lienvietpostbank: 386,400 shares, equivalent to 0.022% share capital



RISK MANAGEMENT ACTIVITIES

The bank has completed all 3 pillars according to Basel II standards. In 2022, the Bank continued to implement and complete the Basel III project to improve the Bank's risk management capacity, gradually approaching international standards. Risk management activities continued to be maintained regularly, continuously, inseparably from business activities and towards the goal of comprehensive material risk management.

CREDIT RISK MANAGEMENT

The global economic situation and financial markets were volatile, greatly affecting the activities of the Banks. Facing that situation, Lienvietpostbank always focused on credit quality control in parallel with effective credit growth. In 2022, Lienvietpostbank achieved a credit growth rate of 12.79% and the bad debt ratio at 1.45%.

Credit risk management was strictly implemented throughout from Head Office to business units:

- The appraisal, control of disbursement, credit approval were decentralized between the business unit and the head office, both ensuring the initiative of the business unit in credit granting and the independence and objectivity. In the context of Lienvietpostbank's retail implementation.
- Credit risks were identified early, controlled and handled through systematic data analysis tools, as well as directly checked by three lines of defense. Accordingly, business divisions proactively identified causes, measured and evaluated in detail to have solutions to minimize and prevent arising risks.
- Portfolio management helps to control compliance with credit limits and safety ratios, analyze changes across the portfolio to forecast changes that may lead to risks early, make recommendations to change relevant policies.
- The Bank actively strengthened the appropriation of Allowance For Credit Losses to control the risks arising from overdue debts. The Bank's Non-performing loan ratio as of December 31, 2022 reached ~ 142%.
- Debt settlement has always been focused in order to strengthen the measures to channelize, handle and recover overdue debts and bad debts.

OPERATIONAL RISK MANAGEMENT

The operational risk management has undergone many changes with the synchronous deployment of the main tools: Loss Data Collection (LDC) from the operating risk management software; Risk Control Self Assessment (RCSA); Key Risk Indicators (KRIs). The review of abnormal signs and erroneous transactions has been enhanced to detect operational risks early, thereby giving early warning to relevant units.

The Bank always focused on assessing the impact and new points of newly issued legal documents (laws, decrees, circulars) that affect the banking operations so that the business units could plan to develop internal documents and set out the implementation plan. In addition, the Head Office also provided timely legal advice and answered to units throughout the system, creating a basis for the Bank to deploy/cooperate with a wide range of customers. The Bank always timely researched and applied legal regulations in complex fields such as insurance, information technology, etc. to ensure the rights and interests of Lienvietpostbank when participating in cooperation and transactions with Lienvietpostbank's major partners and customers. Accordingly, the Bank always operated on the basis of respect for the law, ensuring the safety in the provision of financial products and services in accordance with regulations.

The internal document system was constantly reviewed and updated, in which, special attention was paid to review of the Bank's digital transformation activities to ensure that the document system was complete, up-to-date and in compliance with the applicable laws and regulations. Typical signs of risk and fraud of banking activities: Fraud, forgery of records, technology crimes, information security, safety of vaults, etc. were enhanced with review, early warning and development of effective prevention plans.

Business management was continuously deployed throughout the system to maintain business continuity in the complicated situation of the Covid-19 epidemic in the first half of 2022. Disease response plans were developed closely and flexibly in accordance with the direction of the Committee for Disease Prevention and Control as well as other governing agencies.

In 2022, the Bank continued to implement the IT system security project to improve the risk management capacity of the Bank to deal with IT risks, especially in the context that the Bank has been in the phase of gradual digital transformation.

MANAGEMENT OF MARKET RISK, LIQUIDITY AND INTEREST RATES

System liquidity was guaranteed to be regularly, continuously maintained and the capital use efficiency was optimized. The Bank's liquidity adequacy ratios well met the regulations of the State Bank.

In the context that the money market - interest rates in 2022 have strong and unpredictable fluctuations, the Bank has proactively assessed risks and used hedging measures including foreign currency derivatives, interest rate derivatives and at the same time adjusted the interest rate policy to update according to market fluctuations and the policy of the State Bank. In addition, the Bank regularly reviews the policy system, upgrades tools for market risk management, interest rate risk management on bank books, liquidity risk management to ensure identification, measurement effectively control potential risks.

The Bank's stable capital structure has also been significantly improved with the increase of charter capital, medium and long-term capital...The Bank also paid great attention to the implementation of capital adequacy assessment (ICAAP) to ensure safe and effective capital management through the use of modern computational modeling tools.

In 2022, the Bank successfully implemented the Basel III project. The implementation of Basel III

created a solid risk management framework and affirmed the transparency in the Bank's operations. At the same time, it also added a sustainable foundation to help the Bank's business activities thrive in the upcoming strategic period, especially in 2023, a very special year for LienVietpostbank when the bank celebrates 15 years of formation and development.

ANTI-MONEY LAUNDERING

In 2022, the Bank continued to implement synchronously the contents of the framework on On Prevention and Combating Money Laundering, Terrorist Financing and Proliferation of Weapons of Mass Destruction, which focused on implementing information technology applications (official application of the KYC component of the anti-money laundering system, implementing the Transaction Screening application)) to improve compliance efficiency and prevent money laundering/terrorist financing risks for the Bank.

Training and warnings on anti-money laundering/terrorist financing continued to be deployed throughout the Bank in order to improve the understanding, awareness and responsibility of officers and employees in crime prevention, money laundering/terrorist financing.

In addition to regular supervision, in 2022, the Bank also focused on the international payment activities and online transactions in order to detect, prevent and take timely preventive measures against risks related to illegal cross-border money movement and fraud via electronic means - one of the criminal activities with a sudden increase in recent years.

Besides the above risk factors, there were also a number of force majeure risk factors such as natural disasters, war or dangerous epidemics on a large scale. These risks would bring really serious consequences, directly affecting the business and development of the economy in general as well as of LienVietPostBank in particular.



RISK MANAGEMENT ORIENTATION IN 2023

In 2023, risk management will continue to be one of the key tasks in the Bank's operations, whereby, the Bank will focus on investment and planning of new plans and strategies to: (i) Upgrade and modernize risk management; (ii) Invest in the development of early risk warning tools and (iii) Respond to changes in the Law on Anti-Money Laundering No. 14/2022/QH15 and related guiding documents, (iv) Towards sustainable development in operations at the Bank; (v) Strengthen the control of critical/potentially risky activities in order to detect and give early risk warning.

In order to reduce the concentration risk, the Bank continues to promote the development of small loans, loans for agriculture and rural areas; loans for small and medium enterprises, cooperatives, production models applying high technology, participate in the associated value chain; develop products and services to increase the proportion of non-credit revenue; at the same time control credit for potential risk fields such as real estate,

securities, BOT traffic projects; provide loans in foreign currency according to the Government's policy.

In 2023, the Bank aims to complete the risk management & anti-money laundering and counter-terrorist financing framework and restructure the framework on anti-money laundering and counter-terrorist financing to meet the changes in anti-money laundering legislation. At the same time, the Bank also continues to accelerate progress and complete other key projects such as: Upgrade of the anti-counterfeiting system, information technology safety and security assessment, etc., contributing to improving the efficiency and management capacity of the Bank.

In addition, with the goal of integrating the environmental and social risk management system into the risk management framework, the Bank is expected to focus its resources on implementing projects related to sustainable development in 2023.

CHAPTER 2

OPERATIONAL SITUATION IN 2022



BUSINESS RESULTS IN 2022

Although the global economy showed signs of recession and fluctuations in financial market, Lienvietpostbank's business activities still made steady progress and achieved very good results. In 2022, all business targets showed sign of high growth, in particular, the profit increased by 56%, exceeding 19% of the year plan. The Bank has maximized its available strengths to promote retail, develop service activities, and at the same time, has always been flexible and proactive in taking appropriate implementation measures in line with market developments, ensuring the efficient business growth.



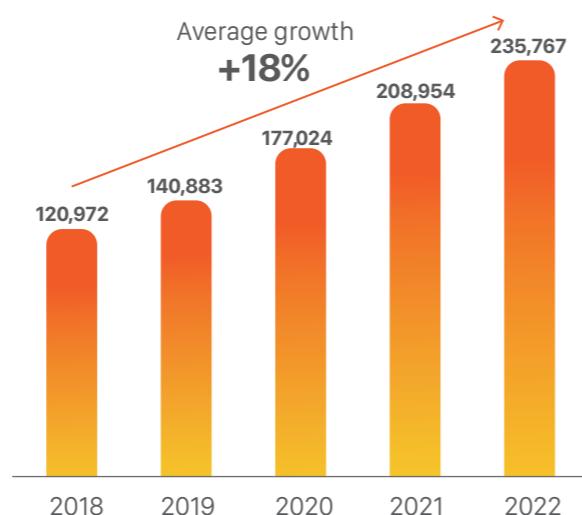
OUTSTANDING CREDIT

Reached **VND235,767** BILLION
UP **12.8%** COMPARED TO 2021

The growth of credit balance mainly focused on production and business, agriculture and rural areas and other priority areas encouraged to develop according to the policy of the Government. During the implementation process, Lienvietpostbank always focused on credit quality control to ensure safety in business activities.

Credit structure continued to shift towards increase in the retail proportion. The retail growth accounted for 65% of total credit growth in 2022.

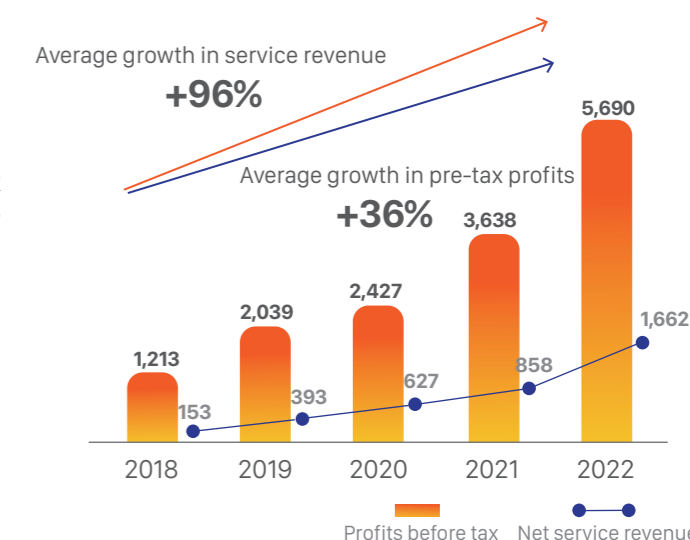
In parallel with business promotion, the Bank still implemented support policies for customers affected by the Covid epidemic to restore production and business activities. Thanks to that, many customers have recovered their production and growth and have been able to repay their debts to the Bank, contributing to increasing the interest income in 2022.



NET SERVICE REVENUE

VND1,662 BILLION
UP APPROX **94%** COMPARED TO 2021

Service activities in 2022 showed signs of good performance, contributing to the increase in the proportion of non-credit income. The Bank paid great attention to developing many service activities such as Cards, Digital Banking, Payment, Insurance, etc. by offering many promotion programs, preferential policies for customers and especially always improved the service quality, diversified the products and services to suit several customer segments.

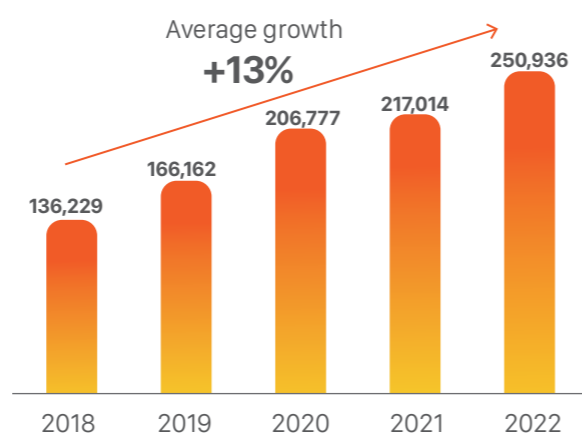


TT1 MOBILIZATION

VND250,936 BILLION
UP **15.6%** COMPARED TO 2021

With a network of transaction points across provinces/cities, Lienvietpostbank has mobilized idle capital from the population with the proportion of mobilization from individual customers accounting for 65% of total deposits, and retail growth accounting for 70% of total capital mobilization growth in 2022. The Bank also introduced appropriate deposit interest rate policies to balance the deposit growth commensurate with the credit growth in order to maximize resource utilization efficiency.

Tier 2 capital raising activity was still be implemented in 2022, thus contributing to the increase in the equity capital as well as the proportion of medium and long-term deposits; the capital adequacy ratio has always been maintained at a good level, meeting the regulations of the State Bank, especially increasing the capital adequacy ratio CAR.



PROFITS BEFORE TAX

VND 5,690 BILLION
UP **56%** COMPARED TO 2021

Regarding profits, the Bank completed the whole year profit plan after 9 months of operation and by December 31, 2022, the pre-tax profits reached VND 5,690 billion, exceeding 19% of the year plan.

The Bank has synchronously implemented the provision of products and services on the Digital Banking channel and the traditional network channel, thereby meeting all customer needs anytime, anywhere. The strength of the network has greatly supported the Bank in developing Digital Banking services, thereby increasing the number of customers and bringing business efficiency to the Bank by cross-selling many products and services.

In 2022, in the context of the economy still facing many difficulties, the Bank flexibly implemented many solutions to stabilize the operation situation and made efforts to exceed the business plan. At the end of the year, the Bank's profitability indicators increased, showing the effectiveness of the implemented measures and good business results, in particular, Net profit margin (NIM) increased by more than 0.4%, reaching 3.96%; ROAA increased 0.38% to 1.46%; ROAE increased by 3.6% to 22.08%; At the same time, the Bank's CIR index reached 37.5%, much lower than in 2021 due to the optimization of operating cost management.

FINANCIAL SITUATION

FINANCIAL SITUATION

Unit: million VND

Indicators	2020	2021	2022	% up and down
Total assets	242,342,951	289,193,879	327,745,847	13.33%
Revenue	19,593,134	23,141,046	29,741,327	28.52%
Taxes and other payables	248,948	230,687	878,161	280.67%
Profits before tax	2,426,553	3,638,018	5,689,681	56.40%
Profits after tax	1,861,908	2,873,248	4,510,253	56.97%

KEY FINANCIAL INDICATORS

Unit: million VND

Indicators	2020	2021	2022	Assessment
1. Capital size				
Charter capital	10,746,389	12,035,905	17,291,054	
Total assets	242,342,951	289,193,879	327,745,847	
Capital Adequacy Ratio	10.81%	11.26%	12.36%	Comply with the regulations
2. Business results				
Lendings	165,556,591	202,108,411	285,735,526	
Debt collection	129,436,100	169,979,065	259,211,147	
Overdue debts	3,843,644	4,864,444	6,993,244	Despite many fluctuated economy, the Bank still managed to keep the bad debt ratio below 1.5%. Lienvietpostbank is in the group of banks with relatively low bad debt ratio
Bad debt	2,527,349	2,863,454	3,426,818	
Overdue outstanding underwritten debt/ Total outstanding debt Ratio	0.00%	0.00%	0.00%	
Overdue debts/ Total debt Ratio	2.17%	2.33%	2.97%	
Bad debt/ Total debt Ratio	1.43%	1.37%	1.45%	
3. Solvency				
Liquidity coverage ratio	14.79%	11.54%	16%	
30-day affordability ratio				
- VND	77.80%	67.56%	140.58%	
- Foreign currency	-18.32%	157.83%	35.18%	

SHAREHOLDER STRUCTURE, CHANGE IN OWNER'S INVESTMENT CAPITAL

SHARE

Total number of shares (as of 31 December 2022): **1,729,105,369** shares

Of which:

- Number of freely transferable shares: **1,609,981,588** shares
- Number of transfer restriction shares: **119,123,781** shares (according to Clause 1, Article 56 of the Law on Credit Institutions, Individual shareholders and institutional shareholders with their representatives being members of the Board of Directors or the Supervisory Board or General Directors (Directors) of credit institutions may not transfer their shares during their incumbency and other cases as prescribed by law.

SHAREHOLDER STRUCTURE

Type of shareholder	Number of shareholders	Number of shares	Share ownership percentage (%)
Classification by ownership percentage			
- Major shareholder	1	140,501,644	8.13
- Remaining shareholders	65,473	1,588,603,725	91.87
Classification by type			
- Individual shareholders	65,346	1,397,143,298	80.80
- Institutional shareholders	128	331,962,071	19.20
Classification by nationality			
- Domestic shareholders	65,197	1,642,758,305	95.00
- Foreign shareholders	277	86,347,064	5.00
Classification by State ownership			
- State shareholders	1	140,501,644	8.13
- Other shareholders	65,473	1,588,603,725	91.87
Total	65,474	1,729,105,369	100.00

c) Change in owner's investment capital: Total number of shares issued in 2022: **525,514,895** shares

- Issuance under the Lienvietpostbank's Employee Stock Ownership Plan:
 - Number of shares distributed: **34,995,849** shares
 - Number of shareholders received the issued shares: **6,512** shareholders
- Public Offering:
 - Number of shares distributed: **264,999,670** shares
 - Number of shareholders received the issued shares: **33,205** shareholders
- Issuance of shares to pay dividends in 2021:
 - Number of shares distributed: **225,519,376** shares
 - Number of shareholders received the issued shares: **62,316** shareholders
- Capital increase:

Year	Value of Increasing Capital (VND)	Charter capital after increase (VND)	Form of capital increase	Approving Agency
2008	3,300,000,000,000	3,300,000,000,000	Establishment	SBV
2009	350,000,000,000	3,650,000,000,000	Public offering to existing Shareholders	SBV, SSC
2011	2,000,000,000,000	5,650,000,000,000	Converting VND 2,000 billion of convertible bonds offered to the public in 2010	SBV, SSC
2011	360,000,000,000	6,010,000,000,000	Merger of Vietnam Postal Savings Service Company	Prime Minister, Ministry of Finance, SBV and SSC
2012	450,000,000,000	6,460,000,000,000	Offered privately to Vietnam Post	Prime Minister, Ministry of Finance, SBV and SSC
2018	1,039,994,280,000	7,499,994,280,000	Issued shares to pay dividends; offered shares to the public to existing Shareholders and issued shares under the Employee Stock Ownership Plan	SBV, SSC

Year	Value of Increasing Capital (VND)	Charter capital after increase (VND)	Form of capital increase	Approving Agency
2019	1,381,446,670,000	8,881,440,950,000	Issued shares to pay dividend in 2017; Offered shares to existing shareholders	SBV, SSC
2020	888,042,240,000	9,769,483,190,000	Issued shares to pay dividends in 2018 and issued shares to increase capital from equity	SBV, SSC
2020	976,905,960,000	10,746,389,150,000	Issued shares to pay dividends in 2019	SBV, SSC
2021	1,289,515,590,000	12,035,904,740,000	Issued shares to pay dividends in 2020	SBV, SSC
2022	349,958,490,000	12,385,863,230,000	Issued shares under the Employee Stock Ownership Plan	SBV, SSC
2022	2,649,996,700,000	15,035,859,930,000	Offered shares to existing shareholders	SBV, SSC
2022	2,255,193,760,000	17,291,053,690,000	Issued shares to pay dividends in 2021	SBV, SSC

TREASURY STOCK TRADING: Nil

OTHER SECURITIES:

Issuance of Valuable papers by Lienvietpostbank

Over the past 15 years of operation and development, the Bank has gained a lot of experience in the issuance of valuable papers, including: Convertible bonds, Tier 2 Bonds, Privately issued bonds, Certificate of deposit and always fulfilled all obligations as committed.

In 2022, the Bank successfully issued nearly VND 16,000 billion worth of Bonds and Certificates of Deposit of Lienvietpostbank with the terms from 1 to 10 years, whereby the total balance of Valuable Papers issued at December 31, 2022 was more than VND 35,000 billion.

FLEXIBLE CAPITAL CONTROL IN BUSINESS ACTIVITIES



CURRENCY TRADING

Due to the impact of the global economic situation, the change in operating policy of the State Bank and a series of events in the domestic financial market led to many fluctuations in monetary activities in the interbank market in 2022. In the first half of 2022, the market liquidity was quite stable and the capital was abundant. Entering the second half of 2022, the interbank market faces many difficulties due to the influence of many factors: shortage of capital (caused by deposit growth much slower than credit growth of the whole system), the consecutive events that negatively impacted liquidity and market sentiment. This led to the increase in the sharp interest rate to 7-8%/year in the interbank market, the credit institutions limited transactions because of potential bad debt risks.

Although the interbank market faced many fluctuations, Lienvietpostbank has determined the right goals and persevered in the right direction set out in each period. The Bank has flexibly used capital mobilization channels in the money market

to meet short-term capital needs and fulfilled the goals set out at the beginning of the year, ensuring the liquidity of the whole system at all times (especially in the context of complicated market liquidity, almost freezing at times); maintained the compulsory reserve in accordance with regulations of the State Bank and complied with the capital adequacy ratios in operation.

In the first half of 2022, the Bank took advantage of low-cost deposits from the interbank market to serve the short-term capital needs, thereby maximizing the Bank's capital efficiency. By the second half of 2022, in line with the actual situation, the system's liquidity coverage goal was put on top. Thanks to flexible use of transaction types and expansion of relationships with many partners, in 2022 the Bank's liquidity was always guaranteed, Lienvietpostbank has always been an active member in the interbank market with a sharp increase in transaction volume and sales compared to 2021 (the growth rate of transaction volume and sales was more than 60% and 76%, respectively).

On the basis of the achievements of 2022, in 2023, the Bank will continue to promote operations in the money market, flexibly use funds in the interbank market to meet the Bank's capital use needs, while promotes the cooperation relationship with domestic and foreign partners, raising the image of the Bank in the domestic and international financial markets.

TRADING IN FOREIGN CURRENCIES AND DERIVATIVES

In the interbank foreign currency market, the Bank has always been an active member and leading market maker of the market. In 2022, with impressive trading results, the Bank continues to be in the nomination list for 02/02 prestigious awards for VBMA's FX SWAP Market Maker.

In 2022, the Bank has implemented many measures and programs to promote sales, support Business Units and customers to overcome barriers from the Covid-19 pandemic, closely followed the market developments and minimized the impact due to adverse fluctuations in the international market. By the end of December 2022, the profits from sales/purchase of foreign currencies in the corporate customer segment of business units reached VND 47.2 billion, exceeding 51.94% of the plan, up 39.64% compared to the same period in 2021.

In 2023, the Bank continues to set out the target of ensuring foreign currency liquidity of the whole system, closely monitor the market developments to promptly advise, support the Business Units and customers, seek business opportunities that bring good profits for the Bank, continuing to affirm its pioneering and active role in the interbank foreign currency market.

DEBT SECURITIES TRADING

One of the Bank's outstanding activities in 2022 was the successful offering of nearly VND 1,900 billion worth of Tier 2 bonds to the public, including bonds with terms of 07 years and 10 years at the floating interest rate, and more than VND 14,000 billion worth of valuable papers to the counterparties in the



interbank market. This success not only increased the equity capital, improved the capital adequacy ratio (CAR), but also helped the Bank diversify the capital mobilization products to enhance the Bank's competitiveness and was a measure of the Bank's prestige, position and brand in the market.

In addition, the Bank has actively promoted the investment of valuable papers by credit institutions in 2022. Investment activities were diversified on the basis of taking advantage of market opportunities and interest rate trends to restructure the investment portfolios, maximize the profits associated with liquidity risk& interest rate management and control. The Bank's investment portfolio of valuable papers issued by credit institutions was relatively uniform and diversified in terms of terms, interest rates and issuers; the total investment portfolio of valuable papers issued by domestic credit institutions (excluding Government-guaranteed bonds) as of December 31, 2022 reached more than VND 10,000 billion. The Bank continued to affirm its role and position in the market, while consolidating and strengthening good cooperative relationships with partners in the banking and financial system.

With the efforts and results achieved in 2022, the Bank has stabilized the investment/issuance of valuable papers in the context of many difficulties and challenges, creating a premise to support the growth of this activity in 2023 when the market recovers.

EFFECTIVE RETAIL STRATEGY



INDIVIDUAL CUSTOMER SEGMENT – TAKING ADVANTAGE OF A STRONG TRANSFORMING POSITION

In 2022, taking advantage of its large position in the provinces, especially in rural areas, the Bank continued to promote traditional products such as: Loans for Agriculture and Rural Development; Production and Business Loans; Real estate loans; Retirement loans, Affiliate loans, etc. As a result, the whole system could easily grow out of the credit room granted by the State Bank despite many difficulties in the market. In addition, the Bank also implemented preferential loan interest rate programs for customers in order to restore production, business and consumption activities after the epidemic period.

In terms of capital mobilization from individual customers, it can be said that 2022 was a year of strong transformation with a total growth of 23,940 billion VND, equal to 270% of the same period last year. This is the largest growth rate ever of the Bank. The whole bank focused on mobilizing capital from Head Office to Business Units. Accordingly, the Head Office continuously implemented sales promotion campaigns and emulation programs. In particular, the business conference on capital mobilization was synchronously deployed in 7 regions across the system. Instead of serving customers at the counter, the insurance agents at the business unit actively searched for potential customers from many channels. Not only the accounting department, but all departments agreed to implement fundraising marketing. Roadshows, leaflets distribution, and direct consultations in densely populated areas have brought remarkable results in increasing capital mobilization and developing new customers.

LOAN
VND117,203 BILLION
 (INCLUDING CREDIT CARD)

CUSTOMERS
350.108 CUSTOMERS

MOBILIZATION FROM INDIVIDUAL CUSTOMERS
VND141,604 BILLION



CORPORATE CUSTOMER SEGMENT – STABLE AND SUSTAINABLE DEVELOPMENT

In 2022, the corporate customer segment continued to develop stably and sustainably. Accordingly, the bad debt control was focused on implementing combined with the provision of multi-services for customers. In the context of economic difficulties due to the covid epidemic, the Bank always strived to accompany the corporate customers with three focus groups: Corporate customers operating in the field of import and export, corporate customers operating in the field of construction and installation, and corporate customers operating in the field of trade and production. By the end of 2022, the total outstanding loans to corporate customers reached VND 118,564 billion

MOBILIZED LOAN CUSTOMER
VND109,385 BILLION VND 118,564 BILLION 24,394 corporate customers

COLLECTION AND PAYMENT SERVICES

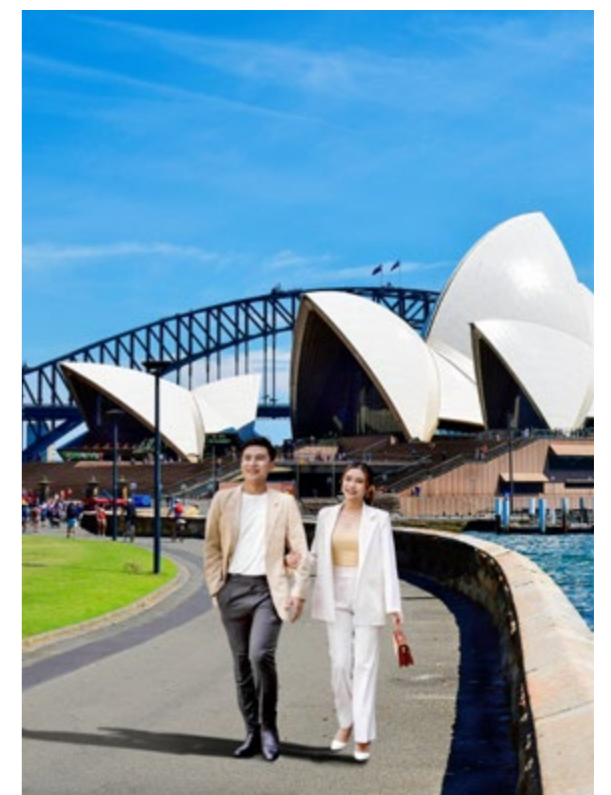
With a large network covering all provinces/cities across the country, the Bank has been focusing on promoting collection and payment services. The promotion of collection service makes it easier for people to pay bills and the State Budget (State Budget)...through direct deposit at the Bank's transaction points, and step by step help people, especially people in rural areas, get used to non-cash payments through online bill payment applications. Especially, the state budget collection service is one of the key services to help collect the state budget correctly, fully and timely minimize administrative procedures, saving time and costs, bringing convenience and satisfaction for customers.



OVERSEAS FUNDS TRANSFER FOR INDIVIDUAL CUSTOMERS - THE BREAKTHROUGH OF 2022

In 2022, the overseas funds transfer product for individual customers focused on creating impressive numbers. Profits from foreign currency trading and service fee collection was 72.32 billion, completing 109% of the plan. In 2022, the work of "disseminating knowledge" about overseas funds transfer products was organized in a methodical and serious way. The efficiency has been reflected very clearly in the business results in 2022 of 95 business units of the whole system.

overseas funds transfer products have contributed to creating a "push" for the retail service segment at Lienvietpostbank. Products helped change the sales mindset of business units through the sales force's way to cross-sell many other products and services in addition to the main products such as credit, deposit, insurance... Business units have also actively researched and grasped customer needs more carefully and understood to propose appropriate financial solutions and product packages.



LIFE INSURANCE EXCEEDING THE LIMIT – A SUCCESSFUL BREAKTHROUGH

SIGNING CEREMONY OF EXCLUSIVE 15-YEAR CONTRACT – LIENVETPOSTBANK REACHES NEW HEIGHTS

Defining Life Insurance as the key product, after nearly a year of negotiation, on November 22, 2022, Lienvietpostbank and Dai-ichi Life officially signed the cooperation agreement to extend existing commitment to long-term and sustainable cooperation by the signing ceremony for an exclusive 15-year bancassurance agreement. This exclusive contract (Contract) provided the Customer with uninterrupted service during the validity period of the Insurance Policy. Accordingly, more and more customers will trust Lienvietpostbank more and more. The employees have been given more opportunities to learn to improve professional skills, deeply understand products to advise customers.



REVENUE

VND792 BILLION
UP **28%** COMPARED TO 2021

FLEXIBILITY - CREATIVITY IN DIFFICULTIES

In 2022, the period of separation due to the covid epidemic was an extremely difficult period for the sale of life insurance due to the reason that life insurance products are specific product that sales staff need to directly advise customers. However, in difficult circumstances, there were many creative ways of doing things from the business unit itself. Online training courses were implemented flexibly via Zoom to improve sales skills for employees. Direct contactless consultation forms and articles sharing the humanistic meaning of insurance were made by sales staff through channels such as Zalo, Viber, Facebook, etc. The epidemic made the customers feel insecure about their health and finances, so this was a golden time for sales staff to actively advise on the meaning and human values of life insurance to customers. Immediately after the end of the distance order, training programs and focused training classes were organized by each region/area to help improve the planning and sales skills for employees. Supervision, sales consulting guidance, and complaint settlement procedures were issued in a timely manner so that the employees could master and be proactive in business implementation and customer support.

SELLING FROM THE HEART

In particular, the spirit of responsible sales - sales from the heart was always promoted so that the insurance sales staff could give the right and sufficient advice for each customer's needs and circumstances. As a result, more and more employees as well as customers have believed in the human value of life insurance products. Risk is something no one wants to think about, but when it happens, the financial amount that the customer is paid has alleviated some of the burden both mentally and physically for the family.

As of December 2022, 1,320 customers have received insurance benefits with a total compensation value of VND 85 billion. Many families have shared relief when their loved ones were unfortunate. As a result, customers' children could go to school, daily living expenses were still maintained.

DIVERSIFICATION OF NON-LIFE INSURANCE – OPTIMIZATION OF RESOURCES

This success not only came from the efforts and determination of the whole system, but also from the timely formulation and adjustment of the Non-Life Insurance (business plan in line with the reality of each period. In which, it is necessary to mention the policy of product diversification, restructuring from implementation of compulsory insurance products to promotion of the voluntary insurance products, such as An Khang Credit Insurance, Health Insurance, Motorcycle Insurance, etc., for deposit customers, loan customers, account opening customers, card opening customers, current customers, etc.

It can be said that Non-Life Insurance in 2022 has had a successful transformation in the direction of product diversification, serving the diverse needs of all customers. Non - Life insurance products were also designed with high humanity, in addition

to the limitation of risks for the Bank in recovering outstanding loans, those products also focused on ensuring the interests of customers in case of risks. Financial amount helps customers ease the pain when the breadwinner is unfortunately at risk. In 2022, more than 100,000 customers have trusted to choose to participate in Non - Life insurance products provided by Lienvietpostbank. In which, 3,250 customers have been paid insurance benefits with a total payment of more than VND 50 billion.

The success of Non - Life insurance product diversification has shown the correctness in optimizing business resources of the Bank in the context of general difficulties of the whole industry, providing many suitable and meaningful products and services to meet the increasingly diverse needs of customers.

SERVICE FEES

ACHIEVED **112%** OF THE PLAN
UP **39%** COMPARED TO 2021





DIGITAL TRANSFORMATION CONTINUOUS AND COMPREHENSIVE DEVELOPMENT PROCESS

In the 15-year development journey, Lienvietpostbank has been proud to be a pioneer in investing in a comprehensive and methodical digitalization strategy for different customer segments. Maintaining that initiative, in 2022, Lienvietpostbank focused on promoting core products and services of Digital Bank such as: continuous investment and technical infrastructure improvement, upgrading of security solutions in payment, development of contactless payment forms, and update of new utility features on Lienviet24h digital banking platform, focusing on bringing convenience and modern digital experience to customers, getting closer to the goal of becoming the leading retail bank in Vietnam - a bank for everyone

DIGITIZATION OF CUSTOMER EXPERIENCE

Digitization of Customer Experience is considered a key element to the “long haul running” in the bank’s digital transformation race. In addition, customers using digital channels also require convenience and personalization of services. Lienvietpostbank is proud to be a pioneer in digital transformation, ready to keep pace with technology trends, especially Digital Banking services through Lienviet24h application. Optimizing the customer’s experience journey, Lienviet24h brings outstanding benefits of account opening, online transactions with high safety and security. Just by “touching” on the application, users can easily open an online payment account based on eKYC electronic customer identification method without having to go to the counter. The procedures are simplified and “digitized” quickly, integrating the services of choosing beautiful digital accounts according to the needs of customers.

2022 was also a successful year for Lienviet24h digital banking platform when supporting multi-platforms, helping customers manage financial products synchronously and seamlessly on channels: website (Lienviet24h.vn), mobile application (Lienviet24h application) with a full range of Digital Banking products and services: Account management, online payment account opening, balance change notification, identification by chip-mounted CCCD; Transactions and funds transfers were completely free of charge; Payment by QR code; Payment of electricity, water, telecommunications, television, insurance, and hospital bills; Deposit, deposit, withdraw savings, borrow money online; Card service, and flexible installment payment. Besides products and services that are considered as strengths and core of Digital Bank, Lienviet24h also focused on integrating with other digital platforms to provide and increase more utilities for customers such as: Online shopping, booking air tickets, trains, hotel rooms, movie tickets; payment entrustment, gifts...

The optimization and omnipotence of Lienviet24h digital banking platform not only catches up with the changing trends of the market and

customer behavior, but also helps to optimize costs, contributing to business results exceeding the target of the whole bank with a total balance of online savings via Lienviet24h/Vi Viet in 2022 of VND **25,565** billion, new development of **824,561** users, the completion rate compared to the plan in 2022 of **111.2%**. Cumulatively, the whole bank has **4.4** million users of Lienviet24h/Vi Viet, **41.2** million transactions were made with a total transaction value of VND **669,833** billion.

The year 2022 also marked the successful operation of the Smart Digital Transaction Office (Digital Transaction Office) - one of the steps to concretize the Bank’s system-wide transformation strategy in 10 years (2018 - 2028). Currently, Digital Transaction Office applies advanced security technology, high safety, bringing many experiences to customers with 100% digitized procedures such as identification of customers by AI camera, automatic queue of transactions with Smart Queue, service registration by Smart Form without any paperwork. In order to shorten the time to identify customers in just 5 seconds and complete the registration procedures for customers, Digital Transaction Office has integrated countless advanced technologies such as: Artificial intelligence, Face recognition, forgery & fraud identification.

The target of leading the non-cash payment channels has also become Lienvietpostbank’s development strategy. The bank demonstrated its outstanding ability in the credit card segment, in particular, the number of new cards issued in 2022 increased by 32% compared to the number of cards issued in 2021 (2022: 114,545 cards, 2021: 86,524 cards). Thanks to the transformation advantage and effective card business strategy of the Digital Banking Division, it has made an important contribution to the completion of the goals set out in 2022 with **328,113** cards of all kinds activated, including **113,495** international credit cards, **23,085** international debit cards, **191,533** domestic debit cards. The number of issued credit cards and activated credit cards was **114,515** cards and **113,495** respectively, **113.5%** higher than the plan. The credit card issuance process

was also changed by Lienvietpostbank towards transformation, virtual card issuance and granting of pre-approval limits to customers who regularly use the bank's services.

Regarding the card business, Lienvietpostbank continuously launched many lines of card products and technology applications to automatically operate products and services from internal systems to customer service, shorten the processing time and increase experience for customers. With the feature of automatically updating the card limit as soon as the credit card balance is paid and the automatic debit service registration, Customers will actively choose the minimum payment or full payment from the payment account right on the Lienviet24h application without worrying about being late.

In addition, Lienvietpostbank always focuses on upgrading the security system, optimizing the payment system and bringing peace of mind to customers by adding the feature of paying card balances by Card ID number; upgrade of the 3D Secure 2.0 security system for international credit and debit cards; confirmation of online payment transactions (eCom) via SMS OTP of domestic cards.

In addition to improve the utilities and service quality, Lienvietpostbank promotes Digital Marketing implementation activities to promote the Bank's products and services through the following channels: Social Media Marketing, Viral Video, Affiliate Marketing and actively implement the incentive programs for new and existing customers when spending such as: Cashback on spending, free golfing, free use of business class airport lounge service, and promotions in conjunction with partners VISA, JCB, NAPAS, Tiki, Shopee... Particularly for Premium cards, customers also receive special privileges such as: cash withdrawal equal to 50% of credit limit at more than 2 million ATMs with Visa/JCB logo worldwide; participation in installment service with preferential interest rate of 0% at thousands of payment acceptance points affiliated with the Bank.

At the end of the year, Lienvietpostbank recorded a spectacular breakthrough in the business of digital banking products and services and also achieved achievements when continuously receiving great prizes. (Please see the details of the Prize List on pages 16-17)

ORIENTED GOALS IN 2023

With the orientation to become a leading bank on digital platforms, Lienvietpostbank is consistent in its policy and orientation to develop solutions to improve payment features and utilities on the digital platform, streamlining the transaction process, payment and focus on optimizing the personal experience for customers. Several projects under construction and project pipeline are as follows:

- Strongly develop Mobile Payment, integrate Tap to Pay payment into Google Pay, Apple Pay. Provide "One-touch" service via mobile device to pay for goods and services, contactless and cashless payment, ensuring the safety and security for customers.
- Build a comprehensive ecosystem with partners in telecommunications, payment intermediaries, agriculture, retail, insurance, etc., to provide 'One-stop shop' for Banking – Insurance - Finance facilities, serving the financial management needs of customers.
- Strongly implement Virtual Card product, helping to reduce the card issuance time for customers and provide quick service. Customers can enjoy shopping online immediately without the physical card.
- Building a Loyalty system for all Card and Digital Banking products and services, helping the Bank to assess customers' needs and consumption habits, thereby cross-selling financial products such as: lending, mobilizing, insurance, investment, etc.
- Develop and realize the "Blue Ocean" strategy for rural areas:



- Through the direct provision of the Bank's financial products and services to people such as rural domestic credit cards in order to provide opportunities for people to easily access capital for small consumer loans, civilized and modern payment services, contributing to healthy microfinance market, limit and push back black credit problems in agricultural and rural areas. Besides, people can withdraw money through the POS system at the postal transaction offices in villages and communes and consume, pay with low interest rates.
- In addition, deploying mobilization programs through the Rural Loan and Mobilization Team by providing services on cash flow management, mobilization and credit on Lienviet24h application for Team Leaders to play the role. The role is to provide financial services for rural people all the way to the village.
- With the strategy of exploiting customer groups in rural areas, Lienvietpostbank

promotes appropriate marketing programs to increase the number of customers opening Lienviet24h accounts with eKYC online identification, develop loans, credit funds and effectively manage cash flow for customers.

- Develop and build product packages with incentives for corporate customers such as salary payment entrustment packages, preferential combo packages; provide services such as cash flow management, batch money transfer, payment for a variety of services (electricity, water, tax, etc.), savings, integration of utilities such as online account opening, digital account opening, digital signature authentication, transactions and financial management with 24/7 support from the customer care center with the goal of providing a safe experience and bringing savings and efficiency to the enterprises.
- Digitize the granting of overdraft limits, issue online credit cards on Internet Banking/Mobile Banking digital channels.

OUTSTANDING IT ACTIVITIES IN 2022



Defining digital transformation as an inevitable trend for banking activities, a series of technology projects have been successfully implemented.

PROJECT INVESTMENT AND IMPLEMENTATION SITUATION

No.	Project group	Results
1	Infrastructure projects	Completed: 28 packs / In progress: 18 packs
2	Information Security Projects	Completed: 1 pack / In progress: 1 pack
3	Maintenance and software license renewal packages	Completed: 29 packs / In progress: 3 packs
4	Software system implementation projects	Completed: 2 packs / In progress: 10 packs

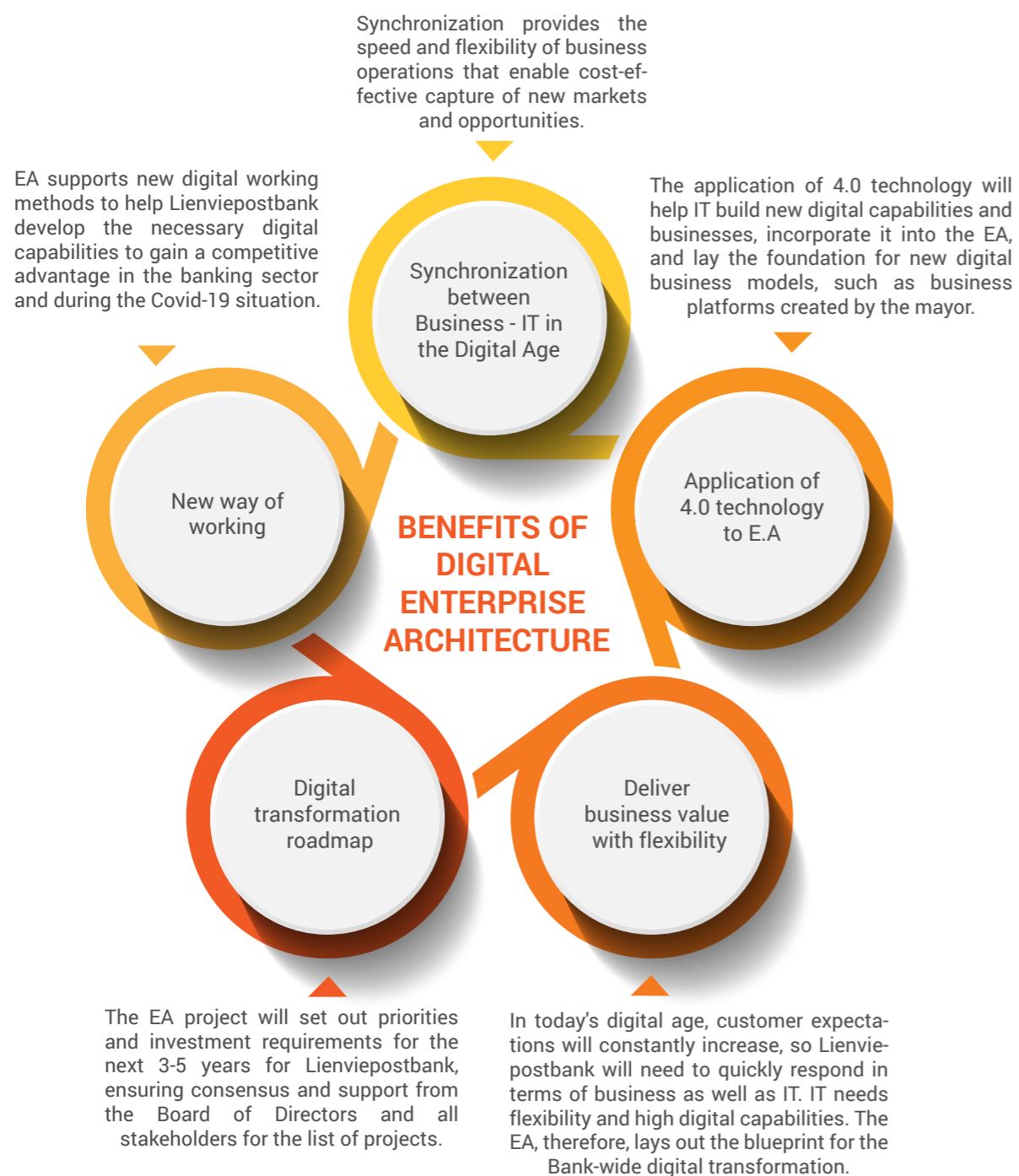
INFORMATION TECHNOLOGY PROJECTS AND ACTIVITIES DURING THE YEAR

No.	Project/activity	Contents	Results
1	EA - Enterprise Architecture	Implementation of the project of Enterprise Architecture Consulting by IBM partner	Building an immediate Digital Transformation roadmap within a 5-year period with 22 foundational projects for the Bank to gradually implement the transformation roadmap into a Digital Enterprise Architecture.
2	Basel III and IFRS 9	Implementation of Basel III risk management standards and IFRS 9 financial statements.	Completing the simultaneous implementation of Basel III and IFRS 9 – two rigorous financial reporting and risk management standards in the banking sector worldwide.
3	Core Banking access matrix by title on Hr/AD	- Issuance of the access authorization matrix of the Core Banking system (CoreBanking). - Implementation of AD + OTP Password authentication for all Bank and Post Office users on Corebanking	Minimizing the risks in the Bank's business activities.
4	Uniform	Uniform Project - Unified interface for 9 branches/transaction offices and the basis for a full-scale go-live project in January 2023	Building a common interface for over-the-counter transactions, shortening business processes and operations. The results of pilot implementation at 9 branches/transaction offices are the basis for the whole-store go-live project in January 2023
5	Insurance Sales Management Software	Coordinate with Product Division and related units to build insurance sales management software.	Creating an effective sales channel from process automation to sales opportunity management, customer care, sales control.
7	Security 3DS EMV 2.0	Deploying the project to upgrade the 3DS EMV 2.0 security system for online transactions of VISA, Mastercard, JCB cards	Coordinating with NHS and partners to implement a project to upgrade the 3DS EMV 2.0 security system for online transactions of VISA, Mastercard, JCB cards according to the plan of international card organizations VISA, Mastercard right on the Mobile App.
8	Electronic System	Kiosk - Implement electronic Kiosk project and LCD centralized management software - Implement the project of Synchronous installation of LCD screen system at HO & DK	- Improving marketing efficiency at the front office of the business unit. - Professional advertising images - Communication content is centrally and synchronously managed from the head office.

In 2022, the Bank signed a cooperation agreement with IBM to successfully implement the project of building “Enterprise Architecture (EA)” which is considered as the “City Planning” to help build a strategic planning to implement the Bank’s Digital Strategy with close coordination and integration

between Business and IT, integration of digital capabilities into IT architecture to bring business values with high flexibility, new way of working, laying the foundation for the journey to Smart Awareness Bank through digital transformation.

Benefits of “Digital Enterprise Architecture” to Lienvietpostbank



OBJECTIVES AND ORIENTATIONS FOR THE PERIOD OF 2023-2027

Continuing the digital transformation journey, in the period of 2023-2027, LPB orients to promote digitalization, digital transformation as an important part of the overall business strategy with the following goals and roadmap:

OBJECTIVES

Digitization and digital transformation reach Good level.

IMPLEMENTATION ORGANIZATION

Implement in phases and gradually expand until the goal is achieved. After each stage, analysis and evaluation will be carried out to make timely adjustments in line with the actual situation at the bank.

IMPLEMENTATION SCHEDULE

About the organization

Following the advice of IBM, the Bank changes the organizational model by building the following two structures separately:

- **Run the bank:** The purpose is to manage, operate and develop existing IT systems (ensuring the Bank still operates stably).
- **Transform the bank:** : Establish an independent Digital Transformation Office (DTO) to implement innovation projects, improve IT application in management, operation & business.

About the implementation schedule:

The roadmap focuses on 6 main pillar groups, including:

- **Pillar 1:** The set of 3 CoreBanking core systems, Card & LienViet24h is considered the “backbone” of the bank’s digital transformation strategy. Ensuring the smooth and stable operation is always a key task, along with the upgrade of the system to provide better services to customers and promote the development of the Bank.
- **Pillar 2:** Digitize & Automate the operating process, operation & customer experience.

Track and automate the business processes using Business Process Management (BPM) systems, Business Activity Tracking (BAM) tools, and Robotic Process Automation (RPA). Improve

the processes by AI in automation solutions to increase operational efficiency and increase competitive advantage.

- **Pillar 3: DataLake**
Enable the Bank to collect large amount of structured/unstructured data in batches or near real time for better analytical results and become a data-driven decision-making bank. DataLake is a platform that enables the Bank to improve its predictive capabilities to gain better customer insight, governance, customer acquisition and profitability management.
- **Pillar 4: Open API & Open Banking:**
Step by step upgrade and convert the Bank connection with partners into open API & Microservices, towards the development of Open Banking API, allowing 3rd parties to access banking data with the consent of customers to help the fintech community create services and increase revenue for banks.
Build a comprehensive ecosystem with remittance partners, payment intermediaries, agriculture, retail, insurance, etc., to provide ‘One-stop Shop’ providing Banking – Insurance – Finance facilities, serving the financial management needs of customers.
- **Pillar 5:** Organizing, building and operating IT systems according to international standards and advanced technology
Research and apply selectively according to the roadmap of IT management and governance standards that are being widely applied in the world, ensuring that they are suitable to the operating model and culture of the organization.
- **Pillar 6: Building Information Security Capacity**
Increase the investment and deployment of security and privacy solutions commensurate with the importance and risks of the information system to ensure information security.

CHAPTER 3
REPORTS AND
EVALUATIONS OF THE BOARD
OF MANAGEMENT



ASSESSMENT OF EXECUTIVE MANAGEMENT IN 2022

AS ONE OF THE PIONEER BANKS TO APPLY BASEL RISK MANAGEMENT STANDARDS ACCORDING TO INTERNATIONAL STANDARDS

In 2022, LienVietPostBank announced that it had met the governance standards under Basel III in order to improve the quality of capital, financial capacity and affirm the Bank's position. In addition to the implementation and application of Basel III, LienVietPostBank also implemented international financial reporting standards (IFRS) to enhance financial transparency and improve the efficiency and safety in operations towards the comprehensive international financial standards. LienVietPostBank continued to implement advanced governance standards in line with the international practices, in order to integrate deeply into the international capital market and lay the foundation for stable and sustainable development.

Lienvietpostbank always strictly implemented the risk management, strictly complied with all operating safety ratios in accordance with regulations of the State Bank. The CAR was always maintained at a higher level than the State Bank's regulations to ensure the safety and soundness of operations, and to well meet the capital requirements.

FOCUS ON HUMAN RESOURCE DEVELOPMENT AND CREATE EMPLOYEE'S ATTACHMENT TO THE BANK

Human resource management is one of the activities that Lienvietpostbank always cares about to develop sufficient resources in terms of quality and quantity to meet the increasing requirements of expertise to ensure that the requirements in business implementation are met.

In 2022, the number of trainees and face-to-face and online training courses continued to increase compared to 2021. Training materials and exam questions were constantly updated and renewed to be close to the reality of implementation and create excitement for students in learning and improving knowledge. In addition to new employee training, the Bank also continuously has intensive and advanced training courses for all employees. As a result, the quality of human resources was improved, ensuring professional qualifications to bring customers the best products and services and the most accurate and effective advice.

Lienvietpostbank is also one of the banks with the most professional and orderly working culture, thereby giving employees a dynamic, compliant but enthusiastic working style. The working environment creates transparency, creates conditions for qualified personnel to promote, encourages the innovation and creativity. In 2022, the Bank has adjusted policies for employees in the direction of competition, closely associated with work efficiency, contribution process and commitment of employees to the bank. This has created a spirit of teamwork, solidarity and human resource cohesion with the Bank.

MODERN TECHNOLOGY PLATFORM TO BE READY FOR THE GOAL OF DIGITAL TRANSFORMATION

Lienvietpostbank is always interested in investing in IT systems to meet the requirements of product and service innovation in the era of 4.0 technology and digital transformation. The bank is working with consulting partner IBM to implement the Digital Enterprise Structure Consulting project to review the entire IT system. Based on the project results, Lienvietpostbank will make IT investments in accordance with a long-term technology strategy, implement digital transformation,

and digitize banking operations in a comprehensive way from internal operations to customer transactions.

Thereby, continue to optimize the available advantages and strengths, towards higher efficiency, especially in the coming period when the number of customers increases rapidly thanks to Digital Banking services.

The bank has also implemented many new projects and solutions to improve technology in many areas of operation, improve the labor productivity and develop many features and utilities on LienViet24h application with the most modern technology on the market, ensuring the competitiveness with other banking applications.

FLEXIBLE MANAGEMENT OF CAPITAL BALANCE AND INTEREST RATE POLICY TO SUIT EACH PERIOD

The Bank always implements the mobilization policies according to the policy of the State Bank, adjusts interest rates in accordance with each period to balance the capital growth in accordance with the credit growth, using mobilized capital sources.

In some difficult periods in the deposit market, Lienvietpostbank still increased its deposits from retail customers, especially individual customers due to the reason that: (i) The network covers the whole country, so the transaction with customers has many advantages; (ii) The brand name of Lienvietpostbank has created a reputation in the market and is trusted and chosen by customers. Therefore, the Bank's ability to mobilize retail customers is very good, always ensuring capital for business and complying with operating safety ratios as prescribed by the State Bank.

IMPROVE SERVICE QUALITY, GROW THE NUMBER OF CUSTOMERS

In 2022, many IT applications have been implemented during operation to shorten customer service time and

enhance automation in business processes. The use of technology to improve processes is one of the activities that the Bank will strongly develop in the coming time to give customers the best service experience.

The quality of personnel has also been improved, especially the direct sales department to conduct consulting and sales methodically in accordance with the process and regulations, at the same time, help customers choose products and services that best suit their needs. In the past year, the Bank also implemented a policy of free transfer service, beautiful digital account opening program, payment via LienViet24h application with a diverse service ecosystem, etc. This has contributed to an increase in the number of customers, especially those using Card and Digital Banking services. With the increase in the number of existing customers, the Bank will have a very large customer in the next few years and can exploit and cross-sell many products and services, increasing business efficiency.

STRENGTHEN THE ORGANIZATIONAL STRUCTURE, BUSINESS MANAGEMENT POLICIES

Lienvietpostbank continues to strengthen the organizational structure, complete functions, and tasks of Divisions/Departments such as: Digital Banking Division, IT Division, Insurance Business Center, etc., in the direction of specialization, in line with the strategic orientation, improving the operational efficiency. In addition, the network of branches and transaction offices will be expanded by 5 points compared to 2021 to develop retail activities in rural areas, and at the same time strengthen risk control. Regarding internal regulations, business processes, product and service regulations, the Bank regularly reviews and adjusts to suit the actual situation, complies with legal regulations, and simplifies steps to increase overall labor productivity.

ORIENTATION, DEVELOPMENT PLAN IN 2023

PROMOTE RETAIL DEVELOPMENT BASED ON EXPLOITING THE STRENGTH OF A LARGE NETWORK

As one of the commercial joint stock banks with the largest network in Vietnam with 561 banking transaction points (as of December 31, 2022) and the right to exploit postal transaction points to district-level areas across the country, Lienvietpostbank has many advantages in penetrating and developing the retail market in each remote area. Based on that strength, the Bank continues to promote the development of a small customer base in many areas, especially focusing on development in difficult economic areas, with the aims to minimize the “black credit” in the context of potential retail space; strengthen cross-selling of products and services, especially technology products, to rural areas.

ENSURE STABLE AND SUSTAINABLE GROWTH OF CAPITAL ON THE BASIS OF FLEXIBILITY IN BALANCING RESOURCES TO INCREASE EFFICIENCY

The Bank is flexible in balancing capital sources to optimize the utilization of resources, on the basis of ensuring operational safety ratios in accordance with regulations of the State Bank and in line with the credit growth rate. Accordingly, the Bank will regularly analyze and assess the impacts of the market on business activities and develop monthly business scenarios from which to offer appropriate interest rate policies and products according to each period.

STRENGTHEN THE ENTIRE ORGANIZATIONAL STRUCTURE TO BETTER MATCH ACTUAL OPERATIONS AND IMPROVE OPERATIONAL EFFICIENCY

The Bank continues to strengthen the organizational structure to increase specialization in each service segment, reduce operating time, and optimize costs by streamlining the apparatus in the direction of professionalism, efficiency and in line with business orientations.

In addition, the Bank continues to focus on reviewing regulations and operating procedures from Head Office to business units to regularly update in accordance with the actual situation, to meet the requirements of service quality and labor productivity, thereby contributing to shortening the time to perform work, enhancing the automation in business processes and especially developing high-tech products and services to increase customer experience.

IMPROVE RISK MANAGEMENT CAPACITY TO MEET THE REGULATIONS OF THE STATE BANK AND INTERNATIONAL STANDARDS

In 2022, Lienvietpostbank has completed Basel III Risk Management Standard, accordingly, the Bank will continue to promote the application of this Standard into practice in the coming years in order to create a solid risk management framework and affirm transparency in operations as well as create a sustainable foundation to help business activities thrive in the upcoming strategic period.

In addition, the Bank also implemented many solutions such as: (i) building of control layers in depth, close coordination between control layers, implementation of smooth control at all levels from Head Office to each business unit; (ii) organization of training courses on risk identification for employees, thereby enhancing the supervisory role of each control loop to strengthen and detect risks early, thereby limiting the damage.

ACCELERATE THE DIGITAL TRANSFORMATION PROGRESS TO IMPROVE THE QUALITY OF INTERNAL OPERATIONS AND SERVICE QUALITY FOR CUSTOMERS

The Bank continues to set out the goal of Digital Transformation as a key task in the coming time, based on the following bases: (i) Mastering technology, digitalization and comprehensive digital transformation in operations and in the process of dealing with customers; (ii) Building of a



comprehensive digital financial ecosystem (including a non-cash payment ecosystem), development of microfinance; (iii) Unified customer experience on both online and offline channels; (iv) development of more transaction features to increase the competitiveness of LienViet24h application in the market.

The promotion of the development of Digital Bank and a nationwide network system will create a resonance to help Lienvietpostbank develop sustainably and further contribute to business results in the coming years, thereby increasingly affirming the Bank's position and prestige in the market.

IMPROVE THE QUALITY OF HUMAN RESOURCES

In 2023, the Bank will continue to focus on improving the quality of human resources through skill and professional training programs, regularly organizing experience sharing sessions to support new employees easily capture and execute the work. In addition, the Bank also regularly reviews, assesses and adjusts personnel to suit their capacity and experience in order to improve labor productivity; develops a salary and bonus regimes and appropriate remuneration policy to encourage employees to unleash their creativity, increase labor productivity, and stabilize their work.

DIVERSIFY REVENUE SOURCES, INCREASE INCOME FROM NON-CREDIT ACTIVITIES

The Bank focuses on developing and promoting key services through competition programs and

policies to encourage customers to prioritize using Lienvietpostbank's services. In addition, the Bank is always interested in improving the quality of customer care through the development of consulting skills and professional knowledge for the staff to give customers the best experience when using Lienvietpostbank's services.

In 2023, information technology software for customer management and intensive service of key service groups such as Cards, Digital Banking, Insurance will be developed. This is an automated tool to help the sales team closely grasp the needs, consumption habits, and financial capabilities of customers to design products suitable for each customer. With the goal of increasing the number of cross-selling products per customer, revenue from non-credit services will increase, contributing to shifting the proportion of non-credit income in the Bank's revenue structure.

AGGRESSION IN BAD DEBT RECOVERY

LienVietPostBank continues to promote the recovery of bad debts and overdue debts by many measures such as debt payment supervision, asset seizure, lawsuit initiation and judgment enforcement, focusing on recovering the debt groups with high recoverability. At the same time, LienVietPostBank also reviews and re-evaluates the situation of structured debts of customers affected by Covid-19 to take measures to classify and handle effectively, ensuring low bad debt ratio in accordance with regulations of the State Bank.

CHAPTER 4

ASSESSMENT OF THE BOARD OF DIRECTORS ON THE BANK'S PERFORMANCE



ASSESSMENT OF THE BOARD OF DIRECTORS ON THE OPERATIONAL ASPECTS OF THE BANK AND THE MANAGEMENT AND ADMINISTRATION

2022 was a year of economic fluctuations, the domestic economy has recovered but still faces many difficulties and challenges. However, with the timely guidance of the Party, National Assembly, and Government, along with determination and sense of responsibility, the banking industry in general and Lien Viet Post Bank (Lienvietpostbank) in particular have actively contributed to the process of socio-economic recovery and development. That result was achieved thanks to the leadership of the Bank's Board of Directors and the cooperation and solidarity of all employees of Lienvietpostbank.

After identifying the challenges, in 2022, the Board of Directors has regularly supervised and directed the activities of the Executive Board and made correct and timely decisions to accompany and support the Executive Board in business activities to fulfill the set plans. The Board of Directors has also actively developed detailed operational plans, always adhered to the plans and goals, and at the same time, has been flexible in management and thorough in management, relying on that Lienvietpostbank has achieved satisfactory results, complete the tasks assigned by the General Meeting of Shareholders and the Board of Directors. Specific results of Lienvietpostbank in 2022:

- As of December 31, 2022, the Bank's total assets reached nearly VND 328,000 billion (up 13% compared to 2021), capital mobilized from people and organizations reached more than VND 250,900 billion and loans from market 1 reached more than VND 235,700 billion. Especially, the Bank's accumulated profit reached more than 5,600 billion VND, exceeding the whole year plan, this is the highest level in 14 years of operation of the Bank.
- Implement the Resolution of the General Meeting of Shareholders, in 2022, Lienvietpostbank has successfully increased its charter capital through issuance of shares to pay dividends, share issuance under the Employee Stock Ownership Plan (ESOP), share offering to existing shareholders. Accordingly, the charter capital of Lienvietpostbank increased from VND 12,035,904,740,000 at the beginning of

2022 to VND 17,291,053,690,000 by the end of the year. The increase in charter capital helps raise the brand and value of Lienvietpostbank to investors and the financial market.

- In 2022, Lienvietpostbank was awarded the "Asia Pacific Enterprise Awards 2022", this is a large and prestigious award organized annually by Enterprise Asia - the leading NGO in the region held annually in 14 Asian countries and markets. In addition, Lienvietpostbank also received 05 major awards for international card business; the Leading Licensee in Total Retail Spending Volume in 2021; The Leading Licensee in Merchant Sales Growth in 2021; The Leading Licensee in Balance of Platinum Card in 2021; The Leading Licensee in New Credit Card Acquisition in 2021; The Leading Licensee in Balance of Debit Card in 2021.

In addition to the goal of business development, Lienvietpostbank has always maintained the motto "Social integration in business". Every year, Lienvietpostbank still sponsors activities related to education, health care, social security, and grants to areas facing difficulties due to natural disasters and epidemics. Specifically, in 2022, Lienvietpostbank sponsored tens of billions dong for the renovation and construction of facilities for schools, sponsored the Fund for the Poor, sponsored the construction of houses of gratitude, and built houses for the poor. In addition, Lienvietpostbank also sponsored religious and belief works, memorial works for heroes with meritorious services to the country.



THE PLANS AND DIRECTIONS OF THE BOARD OF DIRECTORS

In 2023, there will still be many challenges, so in order to promote business activities, strive for stable and sustainable development, and improve the position of Lienvietpostbank in the financial market, the Board of Directors orients a number of key strategies in 2023 as follows:

- Maintain the credit growth at a reasonable rate on the basis of ensuring liquidity according to regulations, promoting credit activities in the fields of production and business, loans for agricultural and rural areas, consumer loans, etc. Grant credit according to the Green Classification List. Develop a variety of credit products suitable to each type and production and business needs of people and businesses. Select good quality loan customers. Limit credit extension to customers and related persons with large outstanding loans and limit credit granting to potentially risky sectors such as real estate and securities.
- Focus on diversifying income sources, increasing the proportion of revenue from non-credit activities through the following products: Insurance, Guarantee, collection on behalf of payment, domestic payment, overseas funds transfer, foreign currency trading, etc.
- Promote risk management, control and handling of bad debts. Strictly and regularly inspect, monitor and evaluate the use of loan and debt repayment ability of customers, especially customers in potentially risky fields, and customers with large outstanding loans to limit bad debts.
- Build the next staff, the source staff for the system and units from the bottom up by improving the capacity and quality of each position through training and coaching activities, orientation, promotion, and companionship from Head Office and each manager at Branches and Units.
- Accelerate digital transformation activities to improve the quality of internal operations and service quality for customers.

CHAPTER 5
COMPANY MANAGEMENT



BOARD OF DIRECTORS

MEMBERS AND STRUCTURE OF BOARD OF DIRECTORS

Please see page 20-21 of the Annual Report

COMMITTEES UNDER THE BOARD OF DIRECTORS

- **Human Resources Committee**

Decide on personnel issues within the assigned authority.

Appraise to submit to the Board of Directors for approval and decision on personnel decentralization issues beyond the Committee's authority.

Research, advise and advise the Board of Directors to handle personnel issues arising in the process of conducting procedures for election, appointment, dismissal and dismissal of members of the Board of Directors, members of the Supervisory Board and the Executive Board of the company; promulgate internal regulations under the authority of the Board of Directors on salary, remuneration, bonus, personnel selection regulations, training and remuneration policies for the Executive Board, officers and employees; decide on matters within its competence related to the Bank's personnel work.

Act as the focal point in organizing the research and directing the implementation of strategic projects on the Bank's organizational structure and operations to advise and propose to the Board of Directors on the development of strategies and policies on governance, human resource development and organizational structure.

- **Risk Management Committee**

Advise and assist the Board of Directors in planning risk strategies, directing the development and approval of the Bank's risk management policies; Approve and decide on investments, related transactions, management policies and risk treatment plans within the scope of functions and tasks.

Analyze and give warnings about the Bank's safety against potential risks and risks and measures to prevent these risks in the short and long term.

Review and evaluate the suitability and effectiveness of current regulations and risk management policies to make recommendations and proposals to the Board of Directors.

- **Anti-Money Laundering Committee**

Advise the Board of Directors in planning strategies related to anti-money laundering, ensuring compliance with business strategies, the provisions of the Law and the Bank's Charter; decide to approve investments, related transactions, the

anti-money laundering throughout the banking system; the management and supervision of the implementation of the Bank's guidelines and policies on anti-money laundering.

Research and give warnings about the Bank's safety against potential risks and risks and preventive measures for risks related to anti-money laundering in the short and long term.

Review and evaluate the suitability and effectiveness of current anti-money laundering regulations and policies to make recommendations and proposals to the Board of Directors.

ACTIVITIES OF MEMBERS OF THE BOARD OF DIRECTORS AND INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors of Lien Viet Postbank works on the principle of collective leadership - individual accountability, makes decisions by majority, exercises rights and performs obligations as prescribed in the Charter of the Bank, Regulations on organization and operation of the Bank. In 2022, the Board of Directors conducted four periodical meetings of the Board of Directors and decided on nearly 700 issues under the authority of the Board of Directors in the form of collecting written opinions of members of the Board of Directors. The decisions of the Board of Directors are adopted to resolve issues related to the operational development orientation, system building, management and supervision of the activities of the Executive Board, enhance the position and prestige of Lien Viet Postbank in the financial market.

Regarding the activities of members of the Board of Directors, each member of the Board of Directors is assigned specific tasks based on the principle of promoting the strengths of each member, creating collective intellectual strength to complete the tasks set by the General Meeting of Shareholders and proposed by the Board of Directors. Each member of the Board of Directors with a high sense of responsibility, always closely follows the assigned work, timely supports the Executive Board to solve difficulties and problems in the process of operation. The independent members of the Board of Directors, in addition to performing their duties in accordance with the Law, the Charter and relevant regulations of the Bank, are also responsible for supervising and urging the Executive Board and related units to carry out the activities of the Board of Directors, Resolutions and decisions of the General Meeting of Shareholders and the Board of Directors, Independent members of the Board of Directors always give opinions to ensure objectivity and independence, for the purpose of stable and sustainable development of the Bank.



SUPERVISORY BOARD



MEMBERS AND STRUCTURE OF THE SUPERVISORY BOARD

Please see page 22 of the Annual Report

ACTIVITIES OF THE SUPERVISORY BOARD

In 2022, the Supervisory Board held five meetings with the full attendance of all members of the Supervisory Board, and at the same time regularly collected written opinions, held consultations, discussed, and decided on contents and tasks within its functions and duties as prescribed by law. The supervisory work of the Supervisory Board is specifically implemented as follows:

- Supervision of the Supervisory Board to the Board of Directors, Executive Board and shareholders**

Supervise the compliance with the provisions of law and the Bank's charter in the management and administration of the Bank and implementing the resolutions of the General Meeting of Shareholders of the Board of Directors and the Board of Directors.

Monitor the compliance with regulations on capital adequacy ratio, operational safety ratio, asset classification, provisioning, operation restructuring; overseeing major business activities such as capital mobilization, capital use, foreign exchange status, credit quality, credit growth rate, etc.

Supervise the Bank's operations by receiving information on the management and administration of the Bank through resolutions, regulations, processes, regulations, directives, official dispatches, reports, notices... of the Board of Directors and the Board of Directors.

- Coordination of activities between the Supervisory Board for the activities of the Board of Directors, the Executive Board and other managers**

The Supervisory Board regularly coordinates with the Board of Directors, the Executive Board and other managers to properly perform their functions and duties. The Supervisory Board regularly participates in regular/periodical meetings of the Board of Directors, monthly briefings of the Executive Board. The Supervisory Board also provides information and documents on the management, administration and business activities of the bank to serve the control of the Supervisory Board.

Through control activities, the Supervisory Board has given opinions and recommendations to the Board of Directors and the Executive Board on measures to strengthen control, reduce risks, ensure compliance with the provisions of the Law, the Charter, and internal regulations, contributing to improving the quality, efficiency and safety of the Bank's operations.

- Other activities of the Supervisory Board**

In 2022, the Supervisory Board participated in appraising the 2021 Financial Statements and the 2022 Semi-Annual Financial Statements, assessing the legitimacy, reasonableness, honesty and caution in the accounting work. make statistics and prepare financial statements, in accordance with the accounting regime, accounting standards applicable to credit institutions in Vietnam and relevant legal regulations.

The Supervisory Board directly directs and supervises the activities of the Internal Audit Division in the implementation of the annual audit plan to ensure that it is close to the actual operation of the Bank.

The Supervisory Board regularly reviews the internal regulations on the activities of the Supervisory Board and Internal Audit to be consistent with the provisions of the law, the charter, organizational model and operational practice.

TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

SALARY, BONUS, REMUNERATION, BENEFITS

Please see page 159 of the Annual Report

STOCK TRADING BY INSIDERS (As of December 31, 2022)

No.	Transaction performed by	Relations with insiders	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reason for increase, decrease (purchase, sale, conversion, reward...)
			Number of shares	Ratio %	Number of shares	Ratio %	
1	Nguyen Duc Thuy	Chairman of the Board of Directors	34,244,089	2.76	41,570,611	2,76	Dividends and purchase of shares offered for sale to increase charter capital
2	Pham Doan Son	Standing Vice Chairman of the Board of Directors cum CEO	22,875,754	1.85	27,770,021	1.85	Dividends and purchase of shares offered for sale to increase charter capital
3	Huynh Ngoc Huy	Vice Chairman of the Board of Directors	107,792	0.009	430,854	0.03	Dividends and purchase of shares offered for sale to increase charter capital
4	Duong Cong Toan	Vice Chairman of the Board of Directors	158,117	0.013	191,946	0.013	Dividends and purchase of shares offered for sale to increase charter capital
5	Le Phong Hong	Member of the Board of Directors	91,825	0.007	211,374	0.014	Dividends and purchase of shares offered for sale to increase charter capital
6	Duong Hoai Lien	Member of the Board of Directors	0	0	100,00	0.006	Dividends and purchase of shares offered for sale to increase charter capital
7	Tran Thanh Tung	Head of the Supervisory Board	99,444	0.008	220,720	0.015	Dividends and purchase of shares offered for sale to increase charter capital
8	Ho Tien Nam	Permanent Deputy CEO	106,935	0.009	466,813	0.031	Dividends and purchase of shares offered for sale to increase charter capital
9	Nguyen Thi Gam	Deputy CEO	16,257	0.001	453,257	0.03	Dividends and purchase of shares offered for sale to increase charter capital

No.	Transaction performed by	Relations with insiders	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reason for increase, decrease (purchase, sale, conversion, reward...)
			Number of shares	Ratio %	Number of shares	Ratio %	
10	Nguyen Van Anh	Deputy CEO	139,185	0.011	727,358	0.048	Dividends and purchase of shares offered for sale to increase charter capital
11	Bui Thai Ha	Deputy CEO	106,935	0.008	726,450	0.048	Dividends and purchase of shares offered for sale to increase charter capital
12	Kim Minh Tuan	Deputy CEO	0	0	336,000	0.022	Dividends and purchase of shares offered for sale to increase charter capital
13	Vu Khanh Quoc	Deputy CEO	117,605	0.01	949,438	0.06	Dividends and purchase of shares offered for sale to increase charter capital
14	Nguyen Thanh Tung	Deputy CEO	13,819	0.001	113,819	0.007	Dividends and purchase of shares offered for sale to increase charter capital
15	Nguyen Thanh Quoc	Deputy CEO	0	0	236,000	0.016	Dividends and purchase of shares offered for sale to increase charter capital
19	Nguyen Ngoc Nam	Deputy CEO	6,591	0.0001	306,591	0.02	Dividends and purchase of shares offered for sale to increase charter capital
17	Le Thi Thanh Nga	Deputy CEO	22,510	0.001	585,721	0.04	Dividends and purchase of shares offered for sale to increase charter capital
18	Vu Thu Hien	Deputy CEO	68	0	236,068	0.016	Dividends and purchase of shares offered for sale to increase charter capital
19	Nguyen Chien Quy	Deputy CEO	33,416	0.003	440,565	0.029	Dividends and purchase of shares offered for sale to increase charter capital
20	Le Anh Tung	Deputy CEO	53,590	0.004	559,869	0.037	Dividends and purchase of shares offered for sale to increase charter capital
21	Hoang Phuc Van	Deputy CEO	65,742	0.005	42	0	Dividends and purchase of shares offered for sale to increase charter capital

No.	Transaction performed by	Relations with insiders	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reason for increase, decrease (purchase, sale, conversion, reward...)
			Number of shares	Ratio %	Number of shares	Ratio %	
22	Hoang Phuc Van	Deputy CEO	42	0	236,042	0.016	Dividends and purchase of shares offered for sale to increase charter capital
23	Pham Doan Phu	Son of Mr. Pham Doan Son - Standing Vice Chairman of the Board of Directors cum CEO	484,464	0.04	588,115	0.04	Dividends and purchase of shares offered for sale to increase charter capital
24	Nguyen Xuan Thuy	Mr. Nguyen Duc Thuy's younger brother - Chairman of the Board of Directors	1,810,480	0.15	80	0	Dividends and purchase of shares offered for sale to increase charter capital
25	Duong Tuyet Lan	Ms. Duong Hoai Lien's younger brother - Member of the Board of Directors	0	0	163,330	0.010	Dividends and purchase of shares offered for sale to increase charter capital
26	Le Quynh Van	Mr. Bui Thai Ha's younger daughter in law - Member of the Board of Directors	1,162	0.0001	5,270	0.0004	Dividends and purchase of shares offered for sale to increase charter capital
27	Nguyen Van Huong	Nguyen Thi Gam's daughter - Deputy CEO	0	0	1,558	0.0001	Dividends and purchase of shares offered for sale to increase charter capital
28	Pham Thi Thanh Thuy	Mr. Bui Thai Ha's wife - Deputy CEO	1,917,424	0.159	2,369,078	0.16	Dividends and purchase of shares offered for sale to increase charter capital
29	Vu Vinh Quoc	Mr. Vu Quoc Khanh's younger brother - Deputy CEO	0	0	56,312	0.004	Dividends and purchase of shares offered for sale to increase charter capital
30	Hoang Van Hanh	Mr. Hoang Van Phuc's brother - Deputy CEO	0	0	933	0.0001	Dividends and purchase of shares offered for sale to increase charter capital
31	Nguyen Hong Cuong	Mr. Hoang Van Phuc's brother in law - Deputy CEO	0	0	2,169	0.0002	Dividends and purchase of shares offered for sale to increase charter capital

No.	Transaction performed by	Relations with insiders	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reason for increase, decrease (purchase, sale, conversion, reward...)
			Number of shares	Ratio %	Number of shares	Ratio %	
32	Nguyen Viet Anh	Mr. Phung The Viet's younger brother – Member of the Supervisory Board	0	0	3,185	0.0001	Dividends and purchase of shares offered for sale to increase charter capital
33	Nguyen Lan Anh	Ms. Nguyen Anh Van's sister - Deputy CEO	20,049	0.001	40,533	0.0027	Dividends and purchase of shares offered for sale to increase charter capital
34	Nguyen Thi Ngoc Bich	Mr. Nguyen Quoc Than's sister - Deputy CEO	0	0	348,158	0.023	Dividends and purchase of shares offered for sale to increase charter capital
35	Nguyen Hong Nhung	Mr. Phung The Viet's wife - Member of the Supervisory Board	0	0	3,200	0.0003	Dividends and purchase of shares offered for sale to increase charter capital
36	Nguyen Duy Cuong	Mr. Phung The Viet' father in law - Member of the Supervisory Board	0	0	1,938	0.0002	Dividends and purchase of shares offered for sale to increase charter capital
37	Bui Thi Thanh Huyen	Mr. Duong Cong Toan's sister in law – Vice Chairman of the Board of Directors	473,319	0.04	574,585	0.04	Dividends and purchase of shares offered for sale to increase charter capital
38	Duong Cong Doan	Mr. Duong Cong Toan's brother - Vice Chairman of the Board of Directors	12,663,741	1.05	25,373,148	1.69	Dividends and purchase of shares offered for sale to increase charter capital
39	Nguyen Thi Nguyet	Mr. Duong Cong Toan's younger sister in law - Vice Chairman of the Board of Directors	107,792	0.008	132,111	0.008	Dividends and purchase of shares offered for sale to increase charter capital
40	Duong Cong Thang	Duong Cong Toan's younger brother - Vice Chairman of the Board of Directors	63,983	0.005	77,672	0.005	Dividends and purchase of shares offered for sale to increase charter capital
41	Nguyen Duc Ung	Ms. Nguyen Thi Gam's brother in law – Deputy CEO	63,079	0.005	89,966	0.005	Dividends and purchase of shares offered for sale to increase charter capital
42	Nguyen Anh Van	Deputy CEO	727,358	0.048	588,358	0.039	Selling

No.	Transaction performed by	Relations with insiders	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reason for increase, decrease (purchase, sale, conversion, reward...)
			Number of shares	Ratio %	Number of shares	Ratio %	
43	Dang Minh Hoang	Ms. Nguyen Anh Van's son - Deputy CEO	0	0	139,000	0.009	Purchase
44	Pham Thi Thanh Thuy	Mr. Bui Thai Ha's wife - Deputy CEO	2,369,078	0.158	1,942,578	0.129	Selling
45	Pham Thi Ngoc Bich	Mr. Nguyen Quoc Thanh's sister - Deputy CEO	400,381	0.023	286,798	0.017	Selling
46	Duong Cong Doan	Mr. Duong Cong Toan's brother – Vice Chairman of the Board of Directors	29,179,120	1.687	21,168,696	1.224	Selling

CONTRACTS OR TRANSACTIONS WITH INSIDERS: None

ASSESSMENT OF THE COMPLIANCE OF REGULATIONS ON CORPORATE GOVERNANCE

Lienvietpostbank always complies with the regulations on corporate governance, fully and promptly implements the timely disclosure of information on the 6-month/yearly corporate governance report and the annual report in accordance with the law.

CHAPTER 6
SUSTAINABLE
DEVELOPMENT REPORT





SUSTAINABLE DEVELOPMENT IN LIENVIETPOSTBANK

Currently, the sustainable development is a topic of global concern and the Government of Vietnam has also made commitments and actions towards sustainable development including:

- Directive No. 03/CT-NHNN dated 24 March 2015, on promoting green credit growth and environmental – social risks management in credit granting activities. In which, the State Bank of Vietnam has set a target right from 2015, credit activities of the banking industry should focus on environmental protection, improve the efficiency of resource and energy use; contribute to improve environmental quality, protect human health, ensure sustainable development;
- Decision No. 1604/QD-NHNN dated August 07, 2018 approving the scheme for green banking growth in Vietnam. Accordingly, the strategic project aims to increase the awareness and social responsibility of the banking system with respect to environmental protection, directing credit flows and financing environmentally friendly projects; At the same time, the State Bank of Vietnam has issued environmental and social risk management manuals for 10 economic sectors in credit granting activities;
- The Law on Environmental Protection, effective from January 1, 2022, has demonstrated Vietnam's commitment to green growth and sustainable development. The Law sets out a framework for the State Bank of Vietnam to implement relevant policies to protect the environment through investment capital flows;
- Decision No. 882/QD-TTg dated July 22, 2022 approving the National Strategy on Green Growth for the 2021-2030 period: building policy institutions associated with green growth goals, mobilize financial resources and promote investment for green growth;

- Circular no. 17/2022/TT-NHNN providing guidelines on environmental risk management in credit extension by credit institutions and foreign bank branches issued on December 23, 2022 in order to comply with the requirements of Clause 4, Article 149 of the Law on Environmental Protection "The Governor of the State Bank shall provide guidelines for management of environmental risks in credit extension" in order to achieve the goal of green credit growth in the whole system;
- In particular, the signing of the Strategic Framework for Sustainable Development Cooperation with the United Nations on August 11, 2022 demonstrates the Government's strong determination towards sustainable development in Vietnam.

Perceiving the orientation of the Government, the State Bank of Vietnam as well as the role of financial institutions in coordinating green capital sources and pioneering in developing the sustainable financial sector, Lienvietpostbank's orientation in 2023 towards the following main contents: (i) Orient the bank's business activities according to the retail model, promote green credit and retail lending; (ii) Enhance position in the market; (iii) Promote service development (iv) Enhance digital transformation to improve the quality of internal operations and the quality of services provided to customers; (iv) Strengthen risk management; (v) Manage the cost and improve the operational efficiency; (vi) Strengthen the organizational model and increase labor productivity; (vii) Improve the capacity and quality of human resources and build a team of human resources for the system.

At the same time, Lienvietpostbank established a working group dedicated to sustainable development and made resource investment in 2023 to implement sustainable development methodically, systematically and effectively at the Bank.



OVERVIEW OF LIENVIETPOSTBANK'S SUSTAINABLE DEVELOPMENT REPORT

Lienvietpostbank's 2022 Sustainable Development Report publicly discloses the Bank's economic, environmental and/or social impacts during its operation on the basis of transparency and compliance with GRI standards.

Applied standard	Contents of Lienvietpostbank's Sustainable Development Report refer to GRI standards of Global Initiative Organization
Scope of report	The information and data cover all activities of the bank in the period from January 1, 2022 to December 31, 2022, and especially focus on the highlights of sustainable development and the key features throughout the strategy and corporate culture at the Bank.
Contents	<p>The Sustainable Development Report is part of the Bank's annual report in 2022. Therefore, the report focuses on the following main contents:</p> <ul style="list-style-type: none"> • Involvement of stakeholders • Corporate culture • Practice thrift and comply with environmental protection laws • Report on the results of social indicators • Economic indicators report • Results of implementing programs and projects towards sustainable development at Lienvietpostbank • Sustainable Credit Program • Report on Community and social responsibility

INTERACTIONS WITH STAKEHOLDERS

uring its operation, Lienvietpostbank regularly interacts with internal and external stakeholders, including: shareholders, investors, customers, employees, management agencies, communities, press agencies, suppliers and partners. Specifically:

Method of Interactions with stakeholders	Interaction frequency
SHAREHOLDERS/INVESTORS	
General Meeting of Shareholders	Annual or extraordinary
Update information periodically via IR website, in person, phone, email	Frequently
Meet the Analysts	Frequently when incurs
CUSTOMER	
Customer care center and hotline operate 24/7	24/7
Take a satisfaction survey	On monthly basis
Social networks and newsletters to monitor feedback on MXH	On daily basis
EMPLOYEES	
Satisfaction survey	
Annual employee meeting	On annual basis
Internal publications, internal newsletters	On daily basis
Talk to Trade Union	On annual basis
Environment for connection, training, exchange	On monthly basis
MANAGEMENT AGENCIES	
Maintain regular dialogue mechanism	
Meet and exchange at forums	When arising
Provide thematic presentations and reports	When arising
Contribute to draft policies	When arising
COMMUNITY	
Coordinate with local authorities	When arising
Social security programs joining hands with local authorities	When arising
PRESS AGENCY	
Press Conference	When arising
Press release/periodical performance report	When arising
A team of experts responds to provide information to the press	When arising
SERVICE PROVIDER	
Meet and discuss additional directly in the bidding regulations, cooperate with suppliers	When arising according to the process
Stay competitive	On regular basis according to the procedure
Ensure Transparency In Procurement	On regular basis according to the procedure
Quality service, clear origin of goods	On regular basis according to the procedure



RESULTS OF SUSTAINABLE DEVELOPMENT IMPLEMENTATION AT LIENVIETPOSTBANK

CORPORATE CULTURE

CORPORATE CULTURE MANIFESTO

In order to concentrate the wisdom and strength of the collective Leadership and staff of Lienvietpostbank, striving for the immediate and long-term goals of the Bank, the Bank's top leaders was deeply aware of the need to build, constantly improve and promote the cultural identity of Lienvietpostbank as the foundation and driving force for the Bank's continuous, effective, sustainable and lasting development.

CORE VALUES

- Discipline, creativity and humanity

BUSINESS AWARENESS:

- Fully comply with laws and regulations; integrate business and society.
- Self-finding defects to improve and improve business is the secret of success.

BUSINESS PHILOSOPHY

3 Core Concepts of Lienvietpostbank:

- Without People, the project is meaningless;
- Without Client, the Bank is purposeless;
- Without Conscience, Reputation, Talent and Vision, LienVietPostBank is useless.

Opinions:

- Shareholders: are the foundations of the Bank.
- Customers: are the benefactors of the Bank.
- The customer is not always right, but always the customer!
- Employees: are the strength of the Bank.
- Taking care of the workers' lives according to the motto "Living on salary, Rich by bonus".
- Market: Is a measure of the position of each

organization participating in the market. Lienvietpostbank has only partners, no competitors.

Products and services:

- Products and services: continuously to be innovated to offer what customers need instead of what the Bank has.
- Modernization, towards Mobile Banking.

STRATEGY OF BUILDING AND IMPLEMENTING CORPORATE CULTURE LIENVIETPOSTBANK

Lienvietpostbank's corporate culture revolves around 03 Core Values: Discipline, Creativity and Humanity. To promote and spread these values to nearly 12,000 employees throughout the system, Lienvietpostbank focuses on the following main solutions:

- Leaders set an example in attitude, style, and action. In particular, at Lienvietpostbank, there is a unique way of dividing leaders, which are administrative leaders (managers by title) and work leaders (Individuals act as the focal point responsible for projects, plans and affairs).
- Focus on widely communicating through the Bank's communication channels (website,

fanpage, Lienvietpostbank Radio audio bulletin, LPB News video bulletin, communication screen system (LCD, Kiosk, computer screen), publications and through training programs for newly recruited employees as well as integrated in professional training programs.

- Every year, there are a series of activities to reflect and promote corporate culture, typically the 28/3 Anniversary and Family Day.
- Lienvietpostbank's unique human value focuses on the material and spiritual life of its employees, the way to make the employees consider the Bank as their second family, their own second home. At the same time, attach great importance to the altruistic virtue at work, create conditions for employees to be bold, autonomous, creative in their activities, and have the opportunity to correct mistakes.
- Human Value is reflected in arousing the spirit of philanthropy in all employees through the Bank's strong community contribution activities as well as creating favorable conditions for all Business Units and professional units at the Head Office to actively carry out social and charity activities.



SAVE AND COMPLY WITH ENVIRONMENTAL PROTECTION LAWS

On the basis of the spirit of respecting the law, Lienvietpostbank always strictly complies with the provisions of the law on environmental protection in all activities at the Bank. In particular, environmental factors are also one of the factors considered in the process of implementing products and services to customers and also one of the criteria to build the Bank's goals towards green credit models to ensure sustainable and harmonious development. Accordingly, the Bank has developed products such as high-tech agriculture, ornamental plants, shrimp farming, etc., contributing to promoting green credit.

- Prioritize research and development of green credit products with preferential credit conditions to support businesses in applying green technology, which is beneficial to the environment, to access bank capital;
- Search for domestic and foreign partners and organizations to finance low-interest capital to create a channel to access cheap credit for customers who meet environmental standards and conditions;
- Develop modern banking services, using high technology, environmentally friendly technology, contributing to green growth

In addition, the Bank has been providing credit to projects in compliance with environmental regulations through the following:

- Develop internal regulations on environmental risk management in credit granting activities;
- Manage the granting of credit for projects related to the environment, closely monitor the use of loans to ensure that the Client does not misuse it, causing adverse impacts on the environment;
- Strictly appraise the conditions of the Project, in order to ensure that credit is only granted to projects that have been licensed and approved in compliance with environmental regulations in accordance with the law.

In addition, embracing the spirit of thrift practice and environmental protection, in daily operations, the Bank has applied measures to encourage emission reduction and resource saving such as:

- Minimize consumption of ink and paper at the Bank through a combination of measures: (i) Apply an online search channel for documents implementing operations at the bank; (ii) Continuously invest in information technology systems to increase labor productivity and automate business processes at the Bank, minimize Manual Paperwork; (iii) Implement programs to encourage customers to transact via electronic channels, etc.
- Reduce waste through the use of water plants allows reuse of water bottles, reuse of ink cartridges, control of the amount of bottled water used at internal bank meetings, etc. From time to time, waste at the Bank is also collected and sorted separately according to the process to ensure environmental hygiene and recycle for reusable wastes.
- Apply Smart water control devices at the bank to control and minimize the amount of wastewater at the office during operation.

Regularly maintain and maintain equipment and machinery at the Bank (including vehicles and machines) to reduce the level of emissions into the air and waste. In particular, old means of transport, which are at risk of increasing emissions to the environment, are also replaced on time.

REPORT ON SOCIAL INDICATORS

RESPONSIBILITY TO EMPLOYEES

Recruitment policy, salary & career path

Recruitment, training and human resource development are carried out in an open and transparent manner in order to create equality for all employees.

The total number of employees as of December 31, 2022 was 12,203, up 14.4% compared to 2021 and the number of newly recruited female officers in 2022 accounted for over 55%.

In recent years, Lienvietpostbank has constantly innovated and perfected its recruitment policy to improve efficiency and attract high-quality human resources in the market to implement the Bank's business strategy.

Forms and methods of recruitment are diversified: recruitment examination, centralized entrance exam, online...

Promote the cooperation with prestigious universities to research, exchange and deploy Sponsorship programs, Job Fair, etc. in order to attract talented students and access quality human resources.

The average income of employees at Lienvietpostbank has continuously grown over the years.

Career development roadmap: Lienvietpost-bank has a career development roadmap for some job positions and is developing a roadmap for the remaining positions.

Compensation and benefits

Lienvietpostbank's non-wage benefits have many different forms: birthday, filial piety, vacation, vacation, periodical health check, health insurance, preferential credit products for employees.

Lienvietpostbank also pays special attention to female employees through gratitude events on March 8 and October 20.

The relationship between the employee and the employer

The leadership of Lienvietpostbank (employer) always listens to and considers the opinions of employees before making changes that directly affect employees.

Occupational health and safety

Employees at Lienvietpostbank receive annual health checks and participate in fire prevention and fighting training courses.

For employees doing treasury operations, Lienvietpostbank has toxic allowances, ...

Employees at the Bank are also regularly trained on risks and risks at work in order to raise the awareness of compliance and protect the safety of employees in the working process such as: Information security, anti-corruption, risk and risk management measures in daily operations, etc.

Training

The training programs organized by Lienvietpostbank are core training programs built according to the roadmap associated with each job position. Based on the training route of each job position, the staff will be arranged to train in groups of specialized programs, meeting the necessary requirements of the job through many forms of training (internships), media, videoconference, E-learning or other online forms...).

The training contents are diverse and rich, closely following the strategic goals of the professional divisions, focusing on practicality.

Develop specialized training programs, improve professional skills, train vocational certificates.

Focus on improving leadership capacity at all levels.

Total training courses: 206 courses.

Total training classes: 803 classes.

The total number of trainees participating in training was 142,096 times, up ~161% compared to 2021.

Diversity and equal opportunity

All decisions related to employees of Lienvietpostbank are based on clear criteria, instead of religion or gender

Regarding staff structure, Lienvietpostbank continues to maintain a reasonable ratio between managers and employees, ensuring optimality in corporate governance and administration. In the management and administration apparatus, there are participation of female officials.

Do not use child labor

Lienvietpostbank does not use child labor and advocates not to use child labor in all positions.

Do not use child labor

Lienvietpostbank always complies with the provisions of labor laws.

Forced and forced labor is not acceptable at Lienvietpostbank. Violations will be handled in accordance with the Laws and Regulations of the Bank.

Work environment

Lienvietpostbank has implemented many activities to create the best working environment for employees such as:

- Motivation mechanism for staff is always respected, associated with performance evaluation, salary payment;
- The planning, appointment, training, and encouragement of staff to constantly make efforts to improve work efficiency;
- Organize programs such as LPB's Family Day, regional and national sports festival, activities for staff children on International Children's Day 1/6, Mid-Autumn Festival, flavor contest, photo contest, article writing,... about professional activities as well as feelings towards the Bank,...

RESPONSIBILITIES TO CUSTOMERS

In the context of the system of joint stock commercial banks with fierce competition, customer care is one of the key factors that Lienvietpostbank focuses on to improve its competitive advantage in terms of service quality. That increases customer satisfaction.

The Bank periodically implements customer care gratitude programs on special occasions such as customer's birthday, International Women's Day 8/3, Vietnamese Women's Day 20/10, Lunar New Year... Besides, the gratitude seminars for loyal customers is also implemented at the business units throughout the system. Information about products, programs as well as forms are published fully and transparently on official information channels such as website, fan-page of the Bank. Information about products, programs as well as forms are published fully and transparently on official information channels such as website, fanpage of the Bank. The system of leaflets,

brochures, standee, post-er about products and services (SPDV) is printed in color and displayed at the counter space. The interest rate table is printed in A4 size and displayed on the counter. Electronic screen system: ipad, Kios, LCD continuously displays information about products and services, promotions, exchange rates, interest rates clearly and beautifully to help customers easily access information.

In addition, ensuring safety and protecting the interests of customers is always given top priority by Lienvietpostbank. Before being issued, products and services must meet the requirements and regulations on information safety and security, and are periodically reviewed and evaluated for improvement in order to ensure that it is suitable to the needs of each customer, minimizes all risks and meets the provisions of the law from time to time.

Along with customer care activities, service quality management at Lienvietpostbank is also focused from policy formulation to implementation monitoring and evaluation. The Bank has developed regulations related to the customer complaint settlement process, which specify very specific principles, responsibilities and detailed processing time for each case. As a result, the Bank always ensures its commitment to customers that all suggestions/complaints are thoroughly received and handled as well as accurate and transparent feedback for customers. In addition, despite the extensive network with 561 transaction points in 63 cities and provinces, the Bank has continuously implemented survey programs to listen to customers' opinions in order to improve service quality better and better such as:

- Monthly survey and measurement of customer satisfaction in various forms such as: calling and interviewing customers, inviting customers to evaluate service quality via QR code or on tablets ...
- Implement and operate many support channels and record customer comments, including: 24/7 Customer Care Call Center free of charge for callers, the Bank's webstie, Suggestion mailboxes located at business units...



REPORT ON ECONOMIC INDICATOR

ABOUT RETAIL

In 2022, after the Covid epidemic has been stabilized, some industries seriously affected during the epidemic period have been recovering and developing and people's living standards have been improved. These are the driving factor for the economy, society and credit demand in 2022 and the following years.

- With the orientation to become a retail bank - a bank for everyone, in recent years, Lienvietpostbank has focused its resources on network development to serve customers in all regions, especially the customers in remote areas, where people previously had little opportunity to use banking products and services. In 2022, the bank has opened 5 new transaction points throughout the system, increasing the number of transaction points to 561 transaction points at the district level. With network advantage, Lienvietpostbank (Lienvietpostbank) has many opportunities to implement its business strategy when the Government's orientation is to promote infrastructure construction, sustainable agricultural and rural development, and local socio-economic development.
- The Bank's business results in 2022 grew strongly compared to 2021, its profit after tax reached VND 4,510 billion, up 57% compared to 2021. As of December 31, 2022, the bank's total assets reached VND 4,510 billion. 327,745 billion dong, up 13.3% compared to the end of 2021. Outstanding customer loans reached 235,767 billion dong, up 12.7% compared to 2021. Market 1 mobilization reached 250,989 billion dong, up 19.8 % compared to 2021.
- In general, most of the bank's business segments have grown well, especially core revenue (net interest income) and service income. In addition, the Bank's CIR (costs to income ratio) improved significantly, down from 50.6% to 37.4%.
- Along with effective business, Lienvietpostbank also actively contributes to the community and society through direct social activities, supporting the development of poor localities, in line with the motto "Socially attached" in business" that the Bank is aiming for in the long run.

ABOUT INDIRECT ECONOMIC EFFECTS

Economic development in areas with high poverty rates

- The Bank always focuses on developing and providing microfinance products, which are flexible, have a simple structure, easy to understand, suitable to the needs of the majority of people, especially people in rural, remote and isolated areas, areas with difficult socio-economic conditions.
- The bank's products such as loans for agricultural and rural areas, retirement loans, affiliated loans... have significantly contributed to helping people stabilize their lives and get rich on their land.
- The Bank is also coordinating with the Project to promote gender equality in Son La - GREAT, providing capital for green hemp farmers, clean coffee growers in chains, the ADB project on strengthening the role of "Son female-headed", etc
- At the same time, the Bank also actively promotes digital products and services such as LienViet24h and online bill collection and payment services to create favorable conditions for people in daily transactions.

Products and services for low-income people

- The Bank's agricultural and rural loan products usually have more favorable interest rates (decreased by 1%/year) to serve low-income people
- Besides, the Bank provides the services of state budget payment, electricity, water bill payment, tuition fees, etc. for free or at a very low fee to ensure that all people can use the service.
- Banking services such as opening a bank account, LienViet24h account are often free to open an account, free to maintain balance and have many incentive programs to reward customers to encourage customers to get acquainted and use banking services, especially digital banking in accordance with the Government's policy.

Improve skills and knowledge for customers and the community

- The Bank cooperated with the Macadamia Association to provide loans to grow macadamia trees and at the same time instructing people on farming techniques... The Bank cooperated with the "Project to promote gender equality in Son La, Lao Cai - GREAT", providing capital for green hemp farmers, clean coffee growing households in chains, the ADB project on strengthening the role of "Women as owners".
- In addition, the Bank's branches also regularly organize small seminars to guide people to use digital banking products and services (LienViet24h).

Support employment in the supply chain or in the distribution chain

- The Bank supports job creation indirectly through credit granting cooperation with partners. The bank is currently cooperating with Yanmar Vietnam to provide credit and guarantee to Yanmar Machine Sales Agents and Customers.
- The Bank is also coordinating with the GREAT Project in Son La to provide chain credit, thereby creating jobs for stakeholders in the production - supply - distribution - consumption chains. The model of chain lending is expected to be replicated in the following years.

Promote local economic development

- With the expansion of the network and the provision of banking products and services, Lienvietpostbank helps to improve the economic conditions in the localities, indirectly facilitating the improvement of the investment environment to help localities attract foreign investment.
- The Bank's products and services in rural and remote areas have improved the social environment, created conditions for people to stabilize their livelihoods, facilitated people to access finance and easier use of banking and financial products and services, digital finance.

- The bank is providing rural credit products that are highly competitive in the market and suitable for customers in rural areas such as Agriculture and Rural Loans, Production and Business Loans, Real estate loans, retirement loans, affiliate loan. (Currently, credit in agriculture and rural areas accounts for over 30% and is maintaining growth). Rural agriculture has been and will be one of the Bank's strategic orientations and with this orientation, the Bank will develop and deploy more products to serve the development of rural agriculture. Thereby, contributing to supporting the livelihoods of people and promoting local economic development.
- Along with that, implementing the policy of the Government, the State Bank, Lienvietpostbank has focused on deploying high-tech agricultural loan products, in coordination with industry associations to advise farmers on advanced farming and husbandry techniques, helping people stabilize their lives and get rich on their own land.

SHOPPING HABITS

Procurement activities at Lienvietpostbank are carried out on the basis of internal regulations with clear criteria and norms corresponding to different approval levels to ensure fairness and transparency in procurement activities at the Bank.

ANTI-CORRUPTION

Responding to the Party's and Government's guidelines on anti-corruption, the Bank's Board of Directors has thoroughly grasped the spirit of respecting the law and directed fiercely in controlling, detecting and preventing negative acts, corruption. Accordingly, a series of measures have been implemented synchronously at Lienvietpostbank such as:

- Integrate anti-corruption criteria and measures to control and prevent corruption in all internal regulations of the Bank.
- Regular training and propaganda on anti-corruption at the Bank to raise awareness, roles and responsibilities in anti-corruption work and compliance culture of employees through periodic training courses, internal training, newsletters, warning dispatches, etc...



- Publicity and transparency about the Bank's organization and operation (press release, website, internal information sharing channel, etc.)
- Develop and implement norms, standards and regimes in all activities of the Bank, especially in spending and human resources.
- Applying internal codes of conduct, specific regulations on functions, duties and responsibilities of employees and units at the Bank in the process of operation and provision of products/services to Customer.
- Focus on investing in information technology systems in order to improve the experience and quality of services provided to customers, more effectively support the operation process at the Bank, increase productivity, reduce manual work and thereby contribute to limiting corruption.
- Actively make non-cash payments in the Bank's activities, at the same time, encourage customers to use non-cash payment means and digital products through promotions and incentives to make a small contribution to the Government's efforts to limit cash and control corruption.
- Mandatory collection of Client's beneficial owner information (especially corporate clients), applying enhanced detection and control measures against individuals with Political influence according to regulations provisions of Vietnamese law.
- Continuously monitor, review and evaluate operational activities at the Bank to detect and prevent corrupt acts in a timely manner. At the same time, the Bank also has a set of internal regulations to take prompt action if corruption is suspected.

TAXATION

Thoroughly grasping the spirit of respect for the law, the Bank always transparently and fully discloses financial reporting information and strictly complies with tax regulations of Vietnamese law. Accordingly, in 2022, the Bank has paid/deducted over VND 900 billion to the State Budget.

In addition to complying with tax laws in its operations, the Bank has also implemented many products to support state budget collection (taxes, fees, charges) and receipts (fees, charges), administrative fines).



RESULTS OF IMPLEMENTING PROGRAMS AND PROJECTS TOWARDS SUSTAINABLE DEVELOPMENT AT LIENVIETPOSTBANK

The bank has a comprehensive financial development strategy and plan, always focusing on developing and providing microfinance products that are flexible, simple, easy to deploy, suitable to the needs of the majority of people, especially people in rural, remote and isolated areas, areas with difficult socio-economic conditions. The products are highly competitive in the market and suitable for customers in rural areas such as agricultural and rural loans, production and business loans, real estate loans, retirement loans, affiliate loans.

Rural agricultural credit is a strategic direction of the Bank, currently accounts for over 30% and is maintaining growth. In particular, the Bank has also focused on implementing high-tech agricultural loans such as loans for growing macadamia trees. Loan products for agriculture and rural areas usually have more favorable interest rates (decreased by 1%-2%/year) to serve low-income people.

Contributing to the sustainable development of rural areas, the Bank is cooperating with partners such as ADB, Yanmar Vietnam and GREAT Project, Women's Union, Farmers' Union... partner with ADB to work towards providing credit to women-owned businesses. In 2022, the Bank cooperated with Yanmar Vietnam to provide credit to customers who borrow to buy agricultural machinery and guarantee/credit to Yanmar Vietnam's Agents. The Bank also cooperated with GREAT (Gender Equality Promotion Project in Son La) to pilot the lending model along the production - supply - distribution - consumption chain, in which the Bank provided capital for farmers in Son La area to grow green hemp and clean coffee in chains. This model of chain lending is expected to be evaluated and revised in 2023 for replication in the following years

In addition, the Bank also participates in green credit: Granting credit for renewable energy projects such as small hydroelectricity and solar energy, and providing credit for high-tech agricultural projects such as loans growing macadamia trees, lending to grow clean vegetables according to VietGap standard.

Implementing the Government's policy of non-cash payment, the Bank also actively promotes and guides people to use digital banking products

and services such as: LienViet24h and online bill collection and payment services to create favorable conditions for people, especially people in rural areas, to familiarize themselves with cashless transactions and use digital banking services in daily transactions. The services of state budget payment, payment of electricity, water, tuition fees... are free or charged at very low fees; bank accounts, LienViet24h accounts are often accompanied by incentive programs to encourage customers to familiarize themselves with and use the service.

The Bank focuses on training and guiding customers. The Bank has been coordinating with industry associations such as Macadamia Association, Farmers' Union, Women's Union to advise people on advanced farming and husbandry techniques... to help people stabilize life, get rich on their own land. In addition, the Bank's staff actively guides people to install and use LienViet24h and online banking products and services.

Ensuring the safety of the Customer and protecting the interests of the Customer is the top priority; products and services must first ensure to meet the requirements and regulations on safety and security, periodically reviewed and evaluated for improvement to ensure they are suitable for the needs of each customer, minimize all risks and respond to legal regulations from time to time.

The bank also focuses on researching and building digital banking products and services on the LienViet24h application in order to ensure simplicity, ease of operation and convenience for customers to use the Bank's products and services, while minimizing risks, ensuring capital safety, and improving the Bank's credit quality.

With the expansion of the network and the provision of banking products and services, Lienvietpostbank helps to improve economic conditions in localities, indirectly supporting people's livelihoods, creating conditions to improve the investment environment to help localities attract foreign investment.

Currently, the bank operates under the model of a multi-purpose retail commercial bank, providing a variety of products and services to many different customers. In the coming time, the Bank will continue to restructure and adjust the specialized service model to add more customer segments such as Priority customers, Wholesale customers...



SUSTAINABLE CREDIT PROGRAM

In 2022, the Bank has promoted interest rate incentive programs and issued new incentive programs to help customers access the Bank's capital for the purpose of restoring production and business activities and stabilizing consumption and life:

- Loan interest incentive program with a reduction of 1%-2%/year, implementing synchronous incentives for loan product groups such as: group of loans for agriculture and rural development, group of short-term loans term for production and business, real estate products group, car loan group, science and technology loans through the loan association, consumer loan products with collateral (medium and long term).
- Interest rate incentive program for individual customers to borrow to buy and trade in agricultural materials, widely applied throughout the system to individual customers who need to borrow according to loan products to buy and trade in agricultural materials. By the end of December 2022, outstanding loans for agricultural materials and products reached more than VND 1,000 billion.
- Interest rate incentive program for individual customers to borrow money to buy Yanmar Vietnam Agricultural machinery, applied throughout the system to individual customers who want to buy Yanmar Vietnam Agricultural

machinery to serve agricultural development. From March 2022 to the end of December 2022, disbursed revenue is nearly 3 billion dong, loans are concentrated in the Southwest and Southeast regions.

- Responding to the policy of the National Assembly, the Government and supporting socio-economic recovery and development after the impact of Covid-19, the Bank has reduced loan interest rates for corporate customers in the last 2 months of 2022. With a loan balance of more than 3,000 billion VND, the Bank prioritizes to reduce loan interest rates by up to 1%/year for corporate customers, especially export enterprises and enterprises operating in priority fields such as agriculture and rural areas. Lienvietpostbank (Lienvietpostbank) is committed to always providing basic financial products and services, targeting the target audience of financial inclusion.
- Lienvietpostbank takes advantage of its extensive network to provide products to customers across the country in order to create favorable conditions for people, especially people in rural, remote and remote areas to access and use Easy to use banking products and services. Bank officers are always ready to guide and support customers to use their products and services, especially digital banking products and services, which are still very new to people in rural areas.

- Collection services, bill payment services are promoted in rural areas to contribute to forming the habit of using banking and financial products and services, especially digital banking products and services for people in rural areas.
- With the group of Retired Customers, the Bank provides salary payment services through accounts and also provides retirement credit products. These products and services greatly support the group of retired customers, giving them more flexibility in using their money and quickly responding to the capital needs of customers. Retirement lending is implemented through coordination with retirement groups established in localities from commune, district, province and city levels across the country. For retirees, the bank cooperates with the Post Office to meet customers at pension payment points, post offices, commune cultural points, introduce and guide customers on loan procedures and how to use accounts and cards instead of cards. Retirement loan balance at the end of 2022 is about more than VND 10,000 billion.
- The Bank continues to actively coordinate with local socio-political organizations to provide services in rural areas. Coordinate with local Associations such as Farmers' Union and Women's Union to let people know about Lienvietpostbank's products and services. At the same time, through these organizations

to promote lending of agricultural and rural development loan products, loans through the loan association, production and business loans, etc. Outstanding loans through the affiliate group at the end of 2022 are about more than 1,500 billion VND.

- For the field of green credit: The Bank provides credit for small hydroelectric projects in the northern mountainous provinces such as Yen Bai, Ha Giang and solar energy projects in Hoa Binh. application of high-tech and clean agriculture in the provinces of Dak Lak, Dak Nong, Ben Tre, Dien Bien, Tien Giang (Loan project for growing Macadamia trees, Loan project for growing clean vegetables according to VietGap standards). The total outstanding balance of green credit as of December 31, 2022 is VND 2,271 billion.
- Especially, within the framework of the Macadamia nutraceutical program, the Bank cooperated with the Macadamia Association to organize seminars in the provinces/districts/communes/villages to introduce the plants, measures to prevent risks (buying quality varieties, planting techniques and taking care of trees...), bank loan packages to promote people's awareness about growing macadamia trees.

REPORT ON COMMUNITY AND SOCIAL RESPONSIBILITY

STATEMENT ON THE BANK'S SOCIAL RESPONSIBILITY AND STRATEGY

Derived from the life philosophy of the founders of the Bank, which is a business and entrepreneur growing up and developing in any society, a major cause of success is the favorable conditions that society offers in terms of policy, culture, and people. Therefore, businesses and entrepreneurs have an obligation to contribute back to society and the community with practical activities. From this philosophy, Lienvietpost bank has set a policy since the early days of its establishment in 2008 which is «Social integration in business».

Along with the effective implementation of business activities, Lienvietpostbank is committed to actively contributing to the community and society through direct social activities, sponsorship activities, and charity movements. Lienvietpostbank has been building a reputation as the Number One Bank for Corporate Social Responsibility (CSR).

TYPICAL PROGRAMS AND SOCIAL ACTIVITIES OF LIENVIETPOSTBANK

From the year of establishment 2008 to December 2022, Lienvietpostbank and its founding shareholders have actively contributed over 3,000 billion VND to the community and society through a series of social programs and activities, focusing on 5 pillars:

1. Education –human resource training.
2. Medical.
3. Culture + Sports.
4. Social Security.
5. Support poor local development..

In which, the field of education - training is the largest field and accounts for over 50% of the total amount of Lienvietpostbank spent on social activities because the Bank's leadership believes in the long-term and sustainable development of the country and the community, there is nothing better than through education and training activities.

The most prominent feature of Lienvietpostbank's social activities until 2023 is that the Bank has built 2 brands and 2 great reputations: The bank building the

most schools in Vietnam (The bank and Shareholders finance the construction of 250 schools at all levels meeting national standards) and the Bank founding and sponsoring the most scholarship funds in Vietnam (founded and sponsored 09 province/city level study promotion funds) and sponsored dozens of scholarship programs).

In 2022, Vietnam's economy and society will transition to a new normal after the Covid-19 epidemic. If in 2021, the health sector associated with this contribution to disease prevention and control is the highlight of Lienvietpostbank's social activities, in 2022, education - training, culture and sports will be clear marks. reflects the Bank's consistent policy since its establishment of "Social Engagement in Business".

Education – Training

- Support finance to build schools in Quang Nam, Ninh Thuan, Lai Chau, Tay Ninh, Tra Vinh, and Dien Bien provinces
- Co-found and sponsor Pham Van Tra Study Promotion Fund in Hau Giang province, Pham Van Tra Study Promotion Fund in Can Tho city

Culture

- Sponsor the interior and the inauguration ceremony of the Temple of Heroes and Martyrs of Dien Bien Phu, Dien Bien Province.
- Sponsor the construction of the Martyrs Memorial Temple, the Memorial House at the Ke Go lake bed, Ha Tinh province.
- Additional funding and inauguration ceremony of Truong Son Martyrs Memorial Temple, Quang Binh province
- Sponsor the repair and renovation at the communal house in Cam Thanh commune, Cam Thuy district, Thanh Hoa province
- Sponsor Da Lat Flower Festival 2022
- Sponsor the opening program of the national tourism year in Quang Nam province 2022
- Sponsor the community center of Lien Hoa commune, Dong Hung district, Thai Binh province



Sport

- Advertise the Lienvietpostbank brand to accompany the Hanoi Police Football Team
- Sponsor VTV to buy the rights to the World Cup 2022

Social Security

- Sponsor the Fund for the Poor in Ben Tre Province, Lam Dong Province

- Sponsor the construction of gratitude houses in Thai Nguyen province
- Sponsor the great solidarity house in Tuyen Quang province

Support poor local development

- Sponsor the construction of Veterans Road in Ben Tre province



CHAPTER 7

FINANCIAL STATEMENTS

**Lien Viet Post Commercial Joint Stock Bank
Information about the Bank**

Banking License 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 24th 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 President (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
Head office	Lienvietpostbank Building No. 210 Tran Quang Khai Street, Trang Tien Ward, Hoan Kiem District Hanoi, Vietnam	
Audit firm	KPMG Vietnam Company Limited	

**Lien Viet Post Commercial Joint Stock Bank
Information about the Bank**

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

	Note	31/12/2022 VND million	31/12/2021 VND million
A ASSETS			
I Cash	4	2,983,877	2,751,278
II Balances with the State Bank of Vietnam ("SBV")	5	10,323,700	9,867,646
III Deposits with and loans to other Credit institutions ("CIs")	6	31,967,998	22,438,493
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)	-
IV Securities held for trading	7	566,280	232,521
1 Securities held for trading		566,280	232,521
V Derivatives and other financial assets	8	-	84,831
VI Loans to customers		230,636,976	205,783,434
1 Loans to customers	9	235,506,871	208,954,136
2 Allowance for loans to customers	10	(4,869,895)	(3,170,702)
VII Debts purchased	11	257,484	-
1 Debts purchased		260,453	-
2 Allowance for debts purchased		(2,969)	-
VIII Investment securities		42,007,290	38,689,486
1 Available-for-sale securities	12(a)	42,007,290	38,706,806
3 Allowance for investment securities	12(c)	-	(17,320)
IX Long-term investments		315,931	315,931
4 Other long-term investments	13	315,931	315,931
X Fixed assets		1,693,198	1,584,457
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)
XII Other assets	16	6,993,113	7,445,802
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)
TOTAL ASSETS		327,745,847	289,193,879

The accompanying notes are an integral part of these financial statements

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

The accompanying notes are an integral part of these financial statements

	Note	31/12/2022 VND million	31/12/2021 VND million
OFF STATEMENT OF FINANCIAL POSITION ITEMS			
1	38(a)	59,340	63,340
2	38(a)	74,355,004	72,977,996
		<i>Foreign currency purchase commitments</i>	<i>2,270,761</i>
		<i>Foreign currency sale commitments</i>	<i>1,130,987</i>
		<i>Swap commitments</i>	<i>69,576,248</i>
4	38(a)	1,786,014	1,281,853
5	38(a)	944,919	891,795
6	38(a)	301,096	2,828,995
7	38(b)	1,107,733	1,782,255
8	38(c)	5,916,900	3,123,928
9	38(d)	2,650,884	4,508,038

March 27 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

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

March 27 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

No.	Items	2022 VND million	2021 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
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)
Net cash flows from operating activities before changes in operating assets and liabilities		10,352,326	5,882,017
Changes in operating assets			
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)
Changes in operating liabilities			
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)
I	NET CASH FLOWS FROM OPERATING ACTIVITIES	7,859,662	10,458,874

The accompanying notes are an integral part of these financial statements

	2022 VND million	2021 VND million	
CASH FLOWS FROM INVESTING ACTIVITIES			
01	Payments for purchases of fixed assets	(145,140)	(354,296)
02	Proceeds from disposals of fixed assets	8,816	12,768
03	Payments for disposals of fixed assets	(8,279)	(12,097)
09	Dividends and profit received from long-term equity investments	53,877	-
II	NET CASH FLOWS FROM INVESTING ACTIVITIES	(90,726)	(353,625)
CASH FLOWS FROM FINANCING ACTIVITIES			
01	Proceeds from capital contributed and/or issuing shares	2,999,955	-
III	NET CASH FLOWS FROM FINANCING ACTIVITIES	2,999,955	-
IV	NET CASH FLOWS DURING THE YEAR	10,768,891	10,105,249
V	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	33,906,684	23,801,435
VII	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Note 35)	44,675,575	33,906,684

March 27 2023

Prepared by:

Reviewed by:

Approved by:



Tran Hoai Thu
 Head of Finance Department



Nguyen Thi Gam
 Chief Accountant



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 24th 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).

(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 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.

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:

Group	Overdue status
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:
	• Debts in breach of clauses 1, 3, 4, 5, 6 of Article 126 of the Law on Credit Institutions; or
	• Debts in breach of clauses 1, 2, 3, 4 of Article 127 of the Law on Credit Institutions; or
• Debts in breach of clauses 1, 2, 5 of Article 128 of the Law on Credit Institutions.	
(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.	

Group	Overdue status
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.
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	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	Retain the latest debt classification as before January 23, 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.

Provisions for specific 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 specific provision	Time
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:	95%
▪ With a remaining term of below 1 year	85%
▪ With a remaining term of between 1 year to 5 years	80%
▪ With a remaining term of over 5 years	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%

Types of collateral assets	Maximum discount rates
(h) Real estates	50%
(i) Other collateral assets	30%

General provision for credit risk

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) Debt 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	3 - 5 years

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) Prepaid expenses

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:

Overdue status	Rate of allowance
• 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 and funds

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:

	Annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax	100% of 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 expense

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.

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
	2,983,877	2,751,278

5. BALANCES WITH THE STATE BANK

	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 rates	
	31/12/2022	31/12/2021
Preceding month's average balances of deposits of:		
<i>Customer:</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 Million VND
Deposits to other credit institutions		
Current accounts		
■ 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
	<u>31,367,998</u>	<u>21,287,760</u>
Loans to other CIs		
■ In VND	658,198	1,150,733
■ Allowance for loans to other CIs	(58,198)	-
	<u>600,000</u>	<u>1,150,733</u>
	<u>31,967,998</u>	<u>22,438,493</u>

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	-
	<u>31,022,673</u>	<u>19,916,682</u>

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	<u>58,198</u>	<u>-</u>

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

	31/12/2022	31/12/2021
Term deposit in VND	4.00% - 8.60%	
Term deposit in foreign currency	4.00% - 4.75%	
Loan in VND	5.8% - 13%	
Loan in foreign currency	<u>0.00%</u>	

7. SECURITIES HELD FOR TRADING

	31/12/2022 VND million	31/12/2021 VND million
Other securities held for trading		
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
Other securities held for trading		
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	Assets / (Liabilities) VND million	Total contract nominal value VND million	Assets / (Liabilities) VND million
Currency derivative financial instrument				
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
	<u>90,627,836</u>	<u>(42,030)</u>	<u>75,419,423</u>	<u>84,831</u>

9. LOAN TO CUSTOMERS

	31/12/2022 VND million	31/12/2021 VND million
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
	<u>235,506,871</u>	<u>208,954,136</u>

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

	31/12/2022 VND million	31/12/2021 VND million
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
	<u>235,506,871</u>	<u>208,954,136</u>

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:

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

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	%
Loans to economic entities				
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%
Loans to individuals				
Household business, individuals	116,942,677	49.65%	97,147,593	46.48%
	<u>235,506,871</u>	<u>100.00%</u>	<u>208,954,136</u>	<u>100.00%</u>

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%
	<u>235,506,871</u>	<u>100.00%</u>	<u>208,954,136</u>	<u>100.00%</u>

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 includes:

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

Movements in general allowance for loans to customers are as follows:

	General allowance VND million	Specific allowance VND million	Total VND million
Balance as of January 1 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 as at 31 December 2022	1,751,300	3,118,595	4,869,895

	General allowance VND million	Specific allowance VND million	Total VND million
Balance as of January 1, 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 as 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	-
Principal of the debts purchased	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
Debt securities		
■ Bonds issued by Government and local government (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
Equity securities		
■ Equity securities issued by other local CIs	1	431,113
	42,007,290	38,706,806
Allowance for investment securities	-	(635)
■ General allowance	-	(16,685)
■ Allowance for diminution in value of securities	-	(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) (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
Debt securities		
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
Equity securities		
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 end at December 31, 2022

	Allowance for diminution in value of available-for-sale debt securities VND million	General allowance for available- for-sale debt securities 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	<u>-</u>	<u>-</u>	<u>-</u>

Year end at December 31, 2021

	Allowance for diminution in value of available-for-sale debt securities VND million	General allowance for available- for-sale debt securities 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	<u>16,685</u>	<u>635</u>	<u>17,320</u>

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 percentage %
Investments in economic entities			
Lien Viet Security Joint Stock Company	1,375,000	15,931	5.50
Viet Lao Power Joint Stock Company	30,000,000	300,000	6.87
		<u>315,931</u>	

As at 31 December 2021

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

14. TANGIBLE FIXED ASSETS

Year ended at 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
Cost					
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	<u>784,204</u>	<u>790,350</u>	<u>900,041</u>	<u>355,144</u>	<u>2,829,739</u>
Accumulated depreciation					
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	<u>285,150</u>	<u>588,657</u>	<u>498,012</u>	<u>255,125</u>	<u>1,626,944</u>
Net book value					
Opening balance	399,171	171,003	425,725	96,920	1,092,819
Closing balance	<u>499,054</u>	<u>201,693</u>	<u>402,029</u>	<u>100,019</u>	<u>1,202,795</u>

14. TANGIBLE FIXED ASSETS (CONTINUED)

Year ended at 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
Cost					
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
Accumulated depreciation					
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
Net book value					
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 on 31 December 2022

	Definite land use rights VND million	Software VND million	Total VND million
Cost			
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
Accumulated amortisation			
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
Net book value			
Opening balance	393,123	98,515	491,638
Closing balance	389,965	100,438	490,403

Year ended on 31 December 2021

	Definite land use rights VND million	Software VND million	Total VND million
Cost			
Opening balance	373,270	251,945	625,215
Additions	36,519	10,815	47,334
Disposals	409,789	262,760	672,549
Accumulated amortisation			
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
Net book value			
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)
	6,993,113	7,445,802

- (i) (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/QD-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.

- (i) Costs pending for allocation including:

	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
Borrowings from the SBV		
▪ Borrowings based on credit facilities (i)	122,642	168,382
▪ Borrowings secured by mortgage of valuable papers	2,950,368	1,534,482
Deposits from the State Treasury		
▪ 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
Demand deposits from other CIs		
▪ In VND	25,772	26,944
▪ In foreign currencies	10	10
Term deposits from other CIs		
▪ In VND	26,059,925	26,174,277
▪ In foreign currencies	11,608,740	10,647,600
	37,694,447	36,848,831
Borrowings from other CIs		
▪ 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 OF CUSTOMERS

	31/12/2022 VND million	31/12/2021 VND million
Current accounts		
▪ In VND	18,117,334	17,264,500
▪ In foreign currencies	643,650	581,941
Term deposits		
▪ In VND	194,153,393	158,755,651
▪ In foreign currencies	2,813,204	3,401,189
Marginal deposits		
▪ In VND	138,977	245,670
▪ In foreign currencies	686	18,314
Deposits for special purposes		
▪ 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
Deposits from economic entities		
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
Deposits from individuals		
Individuals	139,353,905	115,085,412
	215,888,025	180,276,346

Year-end annual interest rates were as follows:

	31/12/2022	31/12/2021
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

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

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:

	31/12/2022	31/12/2021
Certificate of deposit in VND		
Below 12 months	3.20% - 10.50%	-
From 12 months to 5 years	4.00% - 7.40%	4.00% - 8.80%
Bond in VND		
From 12 months to 5 years	3.30% - 5.90%	3.60% - 7.10%
Over 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
	<u>9,975,668</u>	<u>7,393,773</u>

(i) 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)
Closing balance	<u>396,538</u>	<u>222,114</u>

22. OBLIGATIONS TO THE STATE TREASURY

Year ended on 31 December 2022

	Incurred during the year			
	Opening balance VND Million	Payable amount VND Million	Paid/ offset VND Million	Closing balance 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 on 31 December 2021

	Incurred during the year			
	Opening balance VND Million	Payable amount VND Million	Paid/ offset VND Million	Closing balance 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

Lien Viet Post Commercial Joint Stock 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)

23. CAPITAL AND RESERVES

Form B05/TCTD
 (Issued in accordance with Circular
 No. 49/2014/TT-NHNN
 dated 31 December 2014 of
 the Governor of State Bank of Vietnam)

	Charter capital VND million	Share capital surplus VND million	Reserve fund for supplement of charter capital VND million	Financial reserve fund VND million	Investment and development fund VND million	Undistributed profit VND million	Total VND million
Balance as at 1/1/2021	10,746,389	57	587,366	1,161,514	3,793	1,732,607	14,231,726
Net profit in the year	-	-	-	-	-	2,873,248	2,873,248
Capital increase through paying dividend in stocks	1,289,516	-	-	-	-	(1,289,516)	-
Appropriation of funds in the year	-	-	143,662	287,325	-	(430,987)	-
Appropriation of reward and welfare fund (Note 21)	-	-	-	-	-	(303,097)	(303,097)
Balance as at 31/12/2021	12,035,905	57	731,028	1,448,839	3,793	2,582,255	16,801,877
Balance as at 1/1/2022	12,035,905	57	731,028	1,448,839	3,793	2,582,255	16,801,877
Net profit in the year	-	-	-	-	-	4,510,253	4,510,253
Capital increase through issuing stocks under employee selection program (i)	349,958	-	-	-	-	-	349,958
Capital increase through offering stocks (ii)	2,649,997	-	-	-	-	-	2,649,997
Capital increase through paying dividend in stocks (iii)	2,255,194	-	-	-	-	(2,255,194)	-
Appropriation of funds in the year	-	-	225,513	451,026	-	(676,539)	-
Appropriation of reward and welfare fund	-	-	-	-	-	(256,931)	(256,931)
Balance as at 31/12/2022	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 225,519,376 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 225,519,376 shares, equivalent to VND2,255,193,760,000.

Details of investment capital and shares of the Bank

	31/12/2022	31/12/2021
Shares registered for issuance	1,729,105,369	1,203,590,474
Issued share capital		
<i>Ordinary shares</i>	1,729,105,369	1,203,590,474
Shares in circulation		
<i>Ordinary shares</i>	1,729,105,369	1,203,590,474
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.

24. NET INTEREST INCOME

	2022 VND million	2021 VND million
Interest and similar income		
▪ 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
	25,225,644	20,925,551
Interest and similar expenses		
▪ 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)
	(13,325,675)	(11,908,392)
Net interest income	11,899,969	9,017,159

25. NET FEE AND COMMISSION INCOME

	2022 VND million	2021 VND million
Fee and commission income		
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
	2,096,512	1,113,896
Fee and commission expenses		
Settlement and treasury services	(190,804)	(160,784)
Other expenses	(243,846)	(95,230)
	(434,650)	(256,014)
Net fee and commission income	1,661,862	857,882

26. NET GAIN FROM TRADING OF FOREIGN CURRENCIES

	2022 VND million	2021 VND million
Income from trading of foreign currencies		
Gain from trading of foreign currencies	448,513	512,956
Gain from currency derivative financial instruments	1,222,390	350,580
	1,670,903	863,536
Expenses for trading of foreign currencies		
Loss from trading of foreign currencies	(475,913)	(63,702)
Loss from currency derivative financial instruments	(1,184,527)	(661,047)
	(1,660,440)	(724,749)
Net gain from trading of foreign currencies	10,463	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	(2,769)	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	-

29. NET GAIN/(LOSS) FROM INVESTMENT SECURITIES

	2022 VND million	2021 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 (Note 12)	16,685	(5,421)
Net gain/(loss) from investment securities	345,762	(1,384)

30. NET GAIN FROM OTHER ACTIVITIES

	2022 VND million	2021 VND million
Income from other activities		
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
	334,327	199,033
Expenses for other activities		
Other expenses	(133,180)	(1 65,331)
Net income from other activities	201,147	33,702

31. OPERATING COST

	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

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)
		3,173,737	1,322,250

33. INCOME TAX

(a) Recognised in the statement of income

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

(b) Reconciliation of effective tax rate

	2022 VND million	2021 VND million
Accounting profit before tax	5,689,681	3,638,018
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
	1,179,428	764,770

(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

	2022	2021 Restated
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:

	Weighted average number of ordinary shares	Basic earnings per share VND
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

	31/12/2022 VND million	31/12/2021 VND million
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	31/12/2021
	VND million	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
Other	105,858,974	64,966,016
	<u>611,005,261</u>	<u>453,418,978</u>

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

	31/12/2022	31/12/2021
	VND million	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 de- posits VND million	Contractual value - net VND million	Contractual value - gross VND million	Margin de- posits 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>						
▪ Foreign currency purchase commitments	54,514	-	54,514	2,270,761	-	2,270,761
▪ Foreign currency sale commitments	32,868	-	32,868	1,130,987	-	1,130,987
▪ Swap commitments	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
	<u>77,586,035</u>	<u>139,662</u>	<u>77,446,373</u>	<u>78,267,371</u>	<u>223,392</u>	<u>78,043,979</u>

(b) Uncollected loan interest and fees

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

(c) Written-off bad debts

	31/12/2022	31/12/2021
	VND million	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
	<u>5,916,900</u>	<u>3,123,928</u>

(d) Other assets and documents in custody

	31/12/2022	31/12/2021
	VND million	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
Receivables/(payables)		
Vietnam Post Corporation		
▪ Term and demand deposits	782,954	(878,869)
▪ Other receivables	48,714	49,781
▪ Interest payables on term deposits	(11,892)	(6,016)

	2022 VND million	2021 VND million
Income/(expense)		
Vietnam Post Corporation		
▪ Interest expenses paid	(12,431)	(47,151)

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)

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:

	Held-for- trading VND million	Held-to- maturity VND million	Loans and receivables VND million	Carrying value Available- for-sale VND million	Recognised at amortised cost VND million	Total VND million	Fair value VND million
As at 31 December 2022							
Financial assets							
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	
Financial liabilities							
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:

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.

	Effect to results of operations – increase/ (decrease) in profit	Effect to owners' equity – increase/ (decrease) in equity
	VND million	VND million
Year ended 31 December 2022		
VND appreciates 3% against USD	(623,862)	(499,089)
VND depreciates 3% against USD	623,862	499,089
Year ended 31 December 2021		
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;

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Lienvietpostbank Building, No. 210 Tran Quang Khai Street, Trang
Tien Ward, Hoan Kiem District, Hanoi, Vietnam
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dated 31 December 2014 of
the Governor of State Bank of Vietnam)

As at 31 December 2022	VND	USD	EUR	Other currencies	Total
	VND million	VND million	VND million	VND million	VND million
Assets					
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 Cls	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	-	2,444	-	1,693,198
Other assets	6,093,772	894,860	-	9,122	7,000,198
	316,994,123	15,585,065	21,565	83,241	332,683,994
Liabilities and owner's equity					
Amounts due to the Government and the SBV	3,076,781	-	-	-	3,076,781
Deposits and borrowings from other Cls	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	-	9,975,668
FX position on balance sheet	288,002,629	15,617,684	22,873	47,507	303,690,693
FX position off-balance sheet	28,991,494	(32,619)	(1,308)	35,734	28,993,301
	(20,828,007)	20,828,007	-	-	-
FX position on and off-balance sheet	8,163,487	20,795,388	(1,308)	35,734	28,993,301

- 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 presents the Bank's assets and liabilities classified according to the shorter term of the interest rate re-determination period or the maturity date of the contract at the closing date of accounting period:

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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 to 3 months VND million	From 3 to 6 months VND million	From 6 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million	Total VND million
Assets									
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
Liabilities									
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	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:

	Overdue but not requiring allowance yet					Total
	Not over- due and not requiring allowance	Overdue from 10 to 90 days	Overdue from 91 to 180 days	Overdue from 181 to 360 days	Overdue over 360 days	
	VND million	VND million	VND million	VND million	VND million	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	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	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 at the maximum 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.

As at 31 December 2022	Overdue			Not past due			Total
	Up to 3 months	More than 3 months	Up to 1 month	From over 1 month to 3 months	From over 3 months to 12 months	From over 1 year to 5 years	
	Million VND	Million VND	Million VND	Million VND	Million VND	Million VND	Million VND
Assets							
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	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
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
Total assets	1,509,801	1,054,724	57,990,255	34,051,411	87,120,405	103,724,650	332,683,994
Liabilities							
Amounts due to the Government and the SBV	-	-	-	997,343	78,996	7,993	1,156
Deposits and borrowings from other CIs	-	-	30,870,789	7,019,980	28,481	1,644,075	39,660,022
Deposits from customers	-	-	45,371,747	41,712,492	117,214,072	11,588,372	215,888,025
Derivatives and other financial liabilities	-	-	42,030	-	-	-	42,030
Valuable papers issued	-	-	-	1,799,992	11,099,765	14,925,645	35,048,167
Other liabilities	-	-	9,975,668	-	-	-	9,975,668
Total liabilities	-	-	88,251,527	51,529,807	128,421,314	28,166,085	303,690,693
Net liquidity gap	1,509,801	1,054,724	(30,261,272)	(17,478,396)	(41,300,909)	75,558,565	28,993,301

(*) This balance is determined on the basis of number of overdue days under the contract of each loan, not based on the customer.

Part business result	Credit	Investment	Treasury business and fundraising	Other	Total
	VND million	VND million	VND million	VND million	VND million
19,522,406	2,211,949	(10,824,933)	(6,399,169)	4,510,253	
233,492,130	43,549,233	45,978,013	4,726,471	327,747,847	
-	-	299,747,038	3,947,612	303,690,693	

Year ended on 31 December 2022

Secondary segment reporting by business segments

406,650	396,384	3,115	3,115	896	6,255
17,125	-	5,956	5,956	2,132	9,037
303,266,918	54,709,566	94,875,546	16,732,073	136,952,735	139,564,821
303,690,693	55,102,948	94,884,617	16,735,101	136,968,027	144,803,456
272,068,682	407,407,202	94,630,420	471,777,161	107,357,301	139,564,821
1,693,198	429,911	203,654	386	218,866	218,866
2,983,877	-	1,830,271	636	988,671	988,671
144,803,456	144,803,456	144,803,456	144,803,456	144,803,456	144,803,456
III. Assets					
1. Cash					
2. Fixed assets					
3. Other assets					
IV. Liabilities					
1. External liabilities					
2. Inter-segment liabilities					
3. Other liabilities					
Total	Others	The South	The Central	The North	Total
VND million	VND million	VND million	VND million	VND million	VND million

As at 31 December 2022

Primary segment reporting by geographical segments (continued)

(continued)

dated 31 December 2022 of

the Governor of State Bank of Vietnam)

Form B05/TCCTD

(continued)

Form B05/TCCTD

Lien Viet Post Commercial Joint Stock Bank

Lien Vietpostbank 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

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

Form B05/TCCTD

Lien Viet Post Commercial Joint Stock Bank

Lien Vietpostbank 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)

46. SEGMENT REPORTING*Primary segment reporting by geographical segments*

Year ended 31 December 2022	The North	The Central	The South	Others	Total
	Million VND	Million VND	Million VND	Million VND	Million VND
I. Revenue	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
External revenue	11,213,501	1,747,037	9,800,057	2,465,049	25,225,644
Inter-segment revenue	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
II. Expenses	(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)
External interest expenses	(6,442,993)	(812,950)	(1,302,567)	(4,767,165)	(13,325,675)
Inter-segment interest expenses	(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)
Operating results before allowance expenses	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)
Segment results before tax	2,596,697	181,363	1,779,393	1,132,228	5,689,681
Income tax – expenses	-	-	-	(1,179,428)	(1,179,428)
Segment results after tax	2,596,697	181,363	1,779,393	(47,200)	4,510,253

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.

March 27 2023

Prepared by:



Tran Hoai Thu
Head of Finance Department

Reviewed by:



Nguyen Thi Gam
Chief Accountant

Approved by:



The stamp is circular with a red border. The text inside the stamp reads: "M.S.D.N: 6300048638 - C.T.C.P.", "NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN BƯU ĐIỆN LIÊN VIỆT", and "Đ. HOÀN KIẾM - T.P. HÀ NỘI". A blue handwritten signature is written over the stamp.

Ho Nam Tien
Acting Chief Executive Officer



Lienvietpostbank 

LIEN VIET POST COMMERCIAL JOINT STOCK BANK

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