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# THE SUCCESS OF TECH

◆ Consolidated financial statements  
at 31 December 2022

# GENERAL INFORMATION

## The Bank

Vietnam Technological and Commercial Joint Stock Bank (“the Bank”) is a commercial joint stock bank registered and incorporated in the Socialist Republic of Vietnam.

The Bank was incorporated pursuant to Business License No. 0038/GP-NHNN issued by the Governor of the State Bank of Vietnam (“the SBV”) on 6 March 2018 to replace Business License No. 0040/NH-GP on 6 August 1993 and Business Registration Certificate No. 0100230800 issued by the Hanoi Department of Planning and Investment on 21 October 2022. The operating duration is 99 years since 6 August 1993.

On 30 January 2023, Business Registration Certificate No. 0100230800 of the Bank was amended for the 56th time.

The principal activities of the Bank are mobilizing and receiving short, medium and long-term deposit funds from organizations and individuals; lending on short, medium and long-term basis up to the nature and ability of the Bank’s capital resources; conducting settlement and cash services and other banking services as approved by the SBV; conducting investments in subsidiaries, associates, joint-ventures and other companies; conducting investments in bonds and dealing in foreign exchange in accordance with applicable regulations.

## Board of Directors

Members of the Board of Directors of the Bank for the year ended 31 December 2022 and until the date of these consolidated financial statements are as follows:

| No. | Name                               | Position                                   |
|-----|------------------------------------|--|
| 1   | <b>Mr. Ho Hung Anh</b>             | Chairman                                   |
| 2   | <b>Mr. Nguyen Dang Quang</b>       | The first Vice Chairman                    |
| 3   | <b>Mr. Nguyen Thieu Quang</b>      | Vice Chairman                              |
| 4   | <b>Mr. Nguyen Canh Son</b>         | Vice Chairman                              |
| 5   | <b>Mr. Do Tuan Anh</b>             | Vice Chairman <i>(until 22 April 2022)</i> |
| 6   | <b>Mr. Ho Anh Ngoc</b>             | Vice Chairman                              |
| 7   | <b>Mr. Lee Boon Huat</b>           | Member                                     |
| 8   | <b>Mr. Saurabh Narayan Agarwal</b> | Member                                     |
| 9   | <b>Mr. Nguyen Nhan Nghia</b>       | Independent Member                         |

## Board Of Supervision

Members of the Board of Supervision of the Bank for the year ended 31 December 2022 and until the date of these consolidated financial statements are as follows:

| No. | Name                                      | Position  |
|-----|---|---|
| 1   | <b>Mr. Hoang Huy Trung</b>                | Head of Board of Supervision cum Member in charge |
| 2   | <b>Ms. Bui Thi Hong Mai</b>               | Member in charge                                  |
| 3   | <b>Mr. Mag Rer Soc Oec Romauch Hannes</b> | Member  |

## The Executive Team

Members of the Executive Team of the Bank for the year ended 31 December 2022 and until the date of these consolidated financial statements are as follows:

| No. | Name  | Position  |
|-----|---|---|
| 1   | <b>Mr. Jens Lottner</b>                       | Chief Executive Officer   |
| 2   | <b>Mr. Phung Quang Hung</b>                   | Deputy Chief Executive Officer cum Chief Business Banking Officer <i>(from 11 January 2022)</i>   |
| 3   | <b>Mr. Pham Quang Thang</b>                   | Deputy Chief Executive Officer cum Chief Corporate Affairs Officer  |
| 4   | <b>Mr. Phan Thanh Son</b>                     | Deputy Chief Executive Officer cum Chief Global Transaction Service Officer cum Transformation Director <i>(until 21 January 2022)</i>  |
| 5   | <b>Mr. Kalyanaraman Sivaramakrishnan</b>      | Deputy Chief Executive Officer cum Chief Risk Officer   |
| 6   | <b>Mr. Alexandre Charles Emmanuel Macaire</b> | Group Chief Finance Officer <i>(from 11 January 2022)</i>   |
| 7   | <b>Mr. Trinh Bang</b>                         | Group Chief Finance Officer <i>(until 10 January 2022)</i> cum Chief Strategy and Development Officer <i>(until 21 January 2022)</i>  |
| 8   | <b>Ms. Phan Thi Thanh Binh</b>                | Chief Wholesale Banking Officer   |
| 9   | <b>Mr. Darren Neale Buckley</b>               | Chief Retail Banking Group Officer  |
| 10  | <b>Ms. Nikki Dang My Quyen</b>                | Chief Human Resources Officer   |
| 11  | <b>Mr. Nguyen Anh Tuan</b>                    | Chief Information Officer   |
| 12  | <b>Mr. Chu Hong Ngoc</b>                      | Chief Operations Officer  |
| 13  | <b>Ms. Thai Minh Diem Tu</b>                  | Chief Marketing Officer   |
| 14  | <b>Mr. Santhosh Mahendiran</b>                | Chief Data and Analytics Officer  |
| 15  | <b>Mr. Kyle Timothy Justin</b>                | Chief Transformation Officer <i>(until 30 October 2022)</i>   |
| 16  | <b>Mr. Pranav Seth</b>                        | Chief Digital Officer   |
| 17  | <b>Mr. Prasenjit Chakravarti</b>              | Chief of Strategy cum Chief of Transformation Office <i>(from 31 August 2022 to 19 October 2022)</i> Chief of Strategy and Transformation Officer <i>(from 20 October 2022)</i> |

## Legal Representative

The legal representative of the Bank for the year ended 31 December 2022 and until the date of these consolidated financial statements is Mr. Ho Hung Anh, the Chairman.

Mr. Jens Lottner is authorized to sign off reports and documents relating to operations management which comprise the accompanying consolidated financial statements for the year ended 31 December 2022 in accordance with Decision No. 0058/2020/UQ-CT-HDQT dated 6 February 2020.

## Auditors

The auditor of the Bank is Ernst & Young Vietnam Limited.

# REPORT OF THE EXECUTIVE TEAM

The Executive Team of Vietnam Technological and Commercial Joint Stock Bank (“the Bank”) is pleased to present its report and the consolidated financial statements of the Bank and its subsidiaries for the year ended 31 December 2022.

## **The Executive Team’s Responsibility for the Consolidated Financial Statements**

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

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

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

The Executive Team of the Bank confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

## **Statement by the Executive Team**

The Executive Team does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2022, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Financial Reporting Regime for Credit Institutions, regulations of the State Bank of Vietnam and statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of the Executive Team:

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**Mr. Jens Lottner**  
Chief Executive Officer

Hanoi, Vietnam  
20 March 2023

# INDEPENDENT AUDITORS’ REPORT

**To: The Shareholders of  
Vietnam Technological and Commercial Joint Stock Bank**

We have audited the accompanying consolidated financial statements of Vietnam Technological and Commercial Joint Stock Bank (“the Bank”) and its subsidiaries, as prepared on 20 March 2023 and set out on pages 137 to 203 which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and the consolidated cash flow statement for the year then ended and the notes thereto.

## **The Executive Team’s responsibility**

The Bank’s Executive Team is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Financial Reporting Regime for Credit Institutions, regulations of the State Bank of Vietnam and statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as the Executive Team determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors’ responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

**Opinion**

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

**Ernst & Young Vietnam Limited**

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

Hanoi, Vietnam  
20 March 2023

**Tran Thi Thu Hien**  
Auditor  
Audit Practising Registration  
Certificate No. 2487-2023-004-1

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

B02/TCTD-HN

as at 31 December 2022

|   | Notes | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|---|-------|----------------------------|----------------------------|
| <b>ASSETS</b>   |       |                            |                            |
| <b>Cash and gold</b>  | 5     | 4,215,721                  | 3,578,643                  |
| <b>Balances with the State Bank of Vietnam (“the SBV”)</b>            | 6     | 11,475,590                 | 4,908,529                  |
| <b>Balances with and credit granting to other credit institutions</b> | 7     | 82,873,754                 | 70,515,258                 |
| Balances with other credit institutions                               | 7.1   | 69,925,143                 | 39,450,727                 |
| Credit granting to other credit institutions                          | 7.2   | 13,049,711                 | 31,064,531                 |
| Provision for credit granting to other credit institutions            | 7.4   | (101,100)                  | -                          |
| <b>Held-for-trading securities</b>                                    | 8     | 961,034                    | 5,070,812                  |
| Held-for-trading securities   |       | 961,034                    | 5,074,479                  |
| Provision for held-for-trading securities                             |       | -                          | (3,667)                    |
| <b>Derivatives and other financial assets</b>                         | 20    | -                          | 293,768                    |
| <b>Loans to customers</b>   |       | 415,752,256                | 343,605,581                |
| Loans to customers  | 9     | 420,523,705                | 347,341,244                |
| Provision for loans to customers                                      | 10    | (4,771,449)                | (3,735,663)                |
| <b>Debts purchased</b>  | 11    | 107,725                    | 133,418                    |
| Debts purchased   |       | 110,221                    | 136,108                    |
| Provision for debts purchased   |       | (2,496)                    | (2,690)                    |
| <b>Investment securities</b>  | 12    | 103,651,920                | 97,586,088                 |
| Available-for-sale securities   | 12.1  | 104,031,921                | 98,092,062                 |
| Held-to-maturity securities   | 12.2  | -                          | 200,000                    |
| Provision for investment securities                                   | 12.4  | (380,001)                  | (705,974)                  |
| <b>Long-term investments</b>  | 13    | 12,813                     | 12,813                     |
| Other long-term investments   | 13.1  | 13,962                     | 13,962                     |
| Provision for long-term investments                                   | 13.2  | (1,149)                    | (1,149)                    |
| <b>Fixed assets</b>   | 14    | 8,411,382                  | 7,224,481                  |
| Tangible fixed assets   | 14.1  | 3,696,812                  | 3,628,732                  |
| Cost  |       | 5,156,346                  | 4,824,092                  |
| Accumulated depreciation  |       | (1,459,534)                | (1,195,360)                |
| Intangible fixed assets   | 14.2  | 4,714,570                  | 3,595,749                  |
| Cost  |       | 5,913,538                  | 4,541,141                  |
| Accumulated amortization  |       | (1,198,968)                | (945,392)                  |
| <b>Investment property</b>  | 15    | 1,053,124                  | 1,088,924                  |
| Cost  |       | 1,435,699                  | 1,435,699                  |
| Accumulated depreciation  |       | (382,575)                  | (346,775)                  |

|  | Notes     | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|-----------|----------------------------|----------------------------|
| <b>Other assets</b>  | <b>16</b> | <b>70,517,225</b>          | <b>34,710,635</b>          |
| Receivables  |           | 61,609,133                 | 28,117,180                 |
| Accrued interest and fee receivables   |           | 8,028,730                  | 5,807,801                  |
| Deferred income tax assets   |           | 61,050                     | 17,460                     |
| Other assets   |           | 1,616,735                  | 1,448,617                  |
| Provision for other on-balance sheet assets  |           | (798,423)                  | (680,423)                  |
| <b>TOTAL ASSETS</b>  |           | <b>699,032,544</b>         | <b>568,728,950</b>         |
| <b>LIABILITIES</b>   |           |                            |                            |
| <b>Due to the Government and the SBV</b>   | <b>17</b> | <b>7,826</b>               | <b>842</b>                 |
| Deposits and borrowings from the Government and the SBV                                  |           | 7,826                      | 842                        |
| <b>Deposits and borrowings from other financial institutions and credit institutions</b> | <b>18</b> | <b>167,562,969</b>         | <b>112,458,691</b>         |
| Deposits from other financial institutions and credit institutions                       | 18.1      | 61,293,738                 | 45,606,142                 |
| Borrowings from other financial institutions and credit institutions                     | 18.2      | 106,269,231                | 66,852,549                 |
| <b>Deposits from customers</b>   | <b>19</b> | <b>358,403,785</b>         | <b>314,752,525</b>         |
| <b>Derivatives and other financial liabilities</b>                                       | <b>20</b> | <b>1,851,213</b>           | <b>-</b>                   |
| <b>Valuable papers issued</b>  | <b>21</b> | <b>34,006,619</b>          | <b>33,679,824</b>          |
| <b>Other liabilities</b>   | <b>22</b> | <b>23,775,166</b>          | <b>14,795,596</b>          |
| Accrued interest and fee payables  |           | 6,144,022                  | 3,121,881                  |
| Other liabilities  |           | 17,631,144                 | 11,673,715                 |
| <b>TOTAL LIABILITIES</b>   |           | <b>585,607,578</b>         | <b>475,687,478</b>         |
| <b>SHAREHOLDERS' EQUITY</b>  |           |                            |                            |
| <b>Share capital</b>   |           | <b>36,204,797</b>          | <b>35,585,622</b>          |
| Charter capital  |           | 35,172,385                 | 35,109,148                 |
| Share premium  |           | 476,415                    | 476,474                    |
| Other capital  |           | 555,997                    | -                          |
| <b>Reserves</b>  |           | <b>11,608,569</b>          | <b>9,155,896</b>           |
| <b>Retained earnings</b>   |           | <b>64,482,685</b>          | <b>47,453,056</b>          |
| <b>Non-controlling interests</b>   |           | <b>1,128,915</b>           | <b>846,898</b>             |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>  | <b>24</b> | <b>113,424,966</b>         | <b>93,041,472</b>          |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |           | <b>699,032,544</b>         | <b>568,728,950</b>         |

## Consolidated Off-Balance Sheet Items

|  | Notes | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|-------|----------------------------|----------------------------|
| Guarantees for borrowings  |       | 13,253,457                 | 56,682                     |
| Commitments for currency contracts                               |       | 360,120,743                | 279,342,444                |
| <i>Commitments to buy spot foreign currencies</i>                |       | 2,450,745                  | 1,147,456                  |
| <i>Commitments to sell spot foreign currencies</i>               |       | 1,361,969                  | 3,155,974                  |
| <i>Commitments to buy - foreign exchange swap contracts</i>      |       | 178,699,591                | 137,419,741                |
| <i>Commitments to sell - foreign exchange swap contracts</i>     |       | 177,608,438                | 137,619,273                |
| Letters of credit (L/C)  |       | 64,666,942                 | 47,054,297                 |
| Other guarantees   |       | 44,870,251                 | 30,068,017                 |
| Other commitments  |       | 449,697,675                | 358,478,746                |
| <i>Commitments for cross-currency swap in foreign currencies</i> |       | 42,535,867                 | 43,139,850                 |
| <i>Commitments for cross-currency swap in VND</i>                |       | 42,343,196                 | 43,642,094                 |
| <i>Commitments for interest rate swap in foreign currencies</i>  |       | 25,100,370                 | 12,424,688                 |
| <i>Commitments for interest rate swap in VND</i>                 |       | 15,173                     | 781,540                    |
| <i>Valuable paper forward commitments</i>                        |       | 13,357,717                 | 13,359,572                 |
| <i>Unused credit limit</i>                                       |       | 326,345,352                | 244,944,122                |
| <i>Other commitments</i>   |       | -                          | 186,880                    |
| Interest and receivable fees not collected yet                   | 39    | 1,858,878                  | 1,634,636                  |
| Written-off debts  | 40    | 46,946,553                 | 44,636,762                 |
| Assets and other documents                                       | 41    | 172,003,576                | 165,905,108                |
|  |       | <b>1,153,418,075</b>       | <b>927,176,692</b>         |

Prepared by:

Approved by:

Approved by:

Ms. Nguyen Thi Thao  
Accountant

Hanoi, Vietnam  
20 March 2023

Ms. Nguyen Thi Tra My  
Chief Accountant

Mr. Jens Lottner  
Chief Executive Officer



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2022

B03/TCTD-HN

|  | Notes     | 2022<br>VND million | 2021<br>VND million |
|--|-----------|---------------------|---------------------|
| Interest and similar income                              | 25        | 44,752,636          | 35,503,251          |
| Interest and similar expenses                            | 26        | (14,462,861)        | (8,804,638)         |
| <b>Net interest and similar income</b>                   |           | <b>30,289,775</b>   | <b>26,698,613</b>   |
| Fees and commission income                               |           | 10,840,337          | 8,239,494           |
| Fees and commission expenses                             |           | (2,312,843)         | (1,857,254)         |
| <b>Net fees and commission income</b>                    | <b>27</b> | <b>8,527,494</b>    | <b>6,382,240</b>    |
| <b>Net (loss)/gain from trading foreign currencies</b>   | <b>28</b> | <b>(275,063)</b>    | <b>231,416</b>      |
| <b>Net (loss)/gain from held-for-trading securities</b>  | <b>29</b> | <b>(241,845)</b>    | <b>152,305</b>      |
| <b>Net gain from investment securities</b>               | <b>30</b> | <b>425,553</b>      | <b>1,804,408</b>    |
| Other operating income                                   |           | 4,499,949           | 4,343,731           |
| Other operating expenses                                 |           | (2,332,574)         | (2,540,485)         |
| <b>Net gain from other operating activities</b>          | <b>31</b> | <b>2,167,375</b>    | <b>1,803,246</b>    |
| <b>Income from investments in other entities</b>         | <b>32</b> | <b>8,791</b>        | <b>4,063</b>        |
| <b>Total operating income</b>                            |           | <b>40,902,080</b>   | <b>37,076,291</b>   |
| <b>Operating expenses</b>                                | <b>33</b> | <b>(13,398,018)</b> | <b>(11,173,395)</b> |
| <b>Profit before provision for credit losses</b>         |           | <b>27,504,062</b>   | <b>25,902,896</b>   |
| <b>Provision expenses for credit losses</b>              | <b>34</b> | <b>(1,936,294)</b>  | <b>(2,664,603)</b>  |
| <b>Profit before tax</b>                                 |           | <b>25,567,768</b>   | <b>23,238,293</b>   |
| Current corporate income tax expense                     | 23.1      | (5,174,932)         | (4,840,371)         |
| Deferred income tax income                               | 23.3      | 43,590              | 17,460              |
| <b>Corporate income tax expense</b>                      |           | <b>(5,131,342)</b>  | <b>(4,822,911)</b>  |
| <b>Profit after tax</b>                                  |           | <b>20,436,426</b>   | <b>18,415,382</b>   |
| <b>Non-controlling interests</b>                         |           | <b>(286,049)</b>    | <b>(363,132)</b>    |
| <b>Net profit contributed to the Bank's shareholders</b> |           | <b>20,150,377</b>   | <b>18,052,250</b>   |
| <b>Basic earnings per share (VND/share)</b>              | <b>35</b> | <b>5,725</b>        | <b>5,137</b>        |
| <b>Diluted earnings per share (VND/share)</b>            | <b>35</b> | <b>(*)</b>          | <b>(*)</b>          |

(\*) As at 31 December 2022 and 31 December 2021, earnings per share of the Bank are not affected by dilutive factors.

Prepared by:

Approved by:

Approved by:

Ms. Nguyen Thi Thao  
Accountant

Ms. Nguyen Thi Tra My  
Chief Accountant

Mr. Jens Lottner  
Chief Executive Officer

Hanoi, Vietnam  
20 March 2023

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2022

B04/TCTD-HN

|   | Notes | 2022<br>VND million | 2021<br>VND million |
|---|-------|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |       |                     |                     |
| Interest and similar income receipts  |       | 43,558,389          | 35,224,259          |
| Interest and similar expenses payments  |       | (12,185,090)        | (9,042,851)         |
| Net fees and commission receipts  |       | 8,451,733           | 5,958,416           |
| Net receipts from trading activities<br>(foreign currencies and securities)                                   |       | (420,995)           | 2,502,188           |
| Other income receipts   |       | 605,946             | 816,228             |
| Recovery of loans previously written-off  | 31    | 1,311,053           | 1,121,235           |
| Payments for employees and other operating expenses   |       | (10,006,073)        | (8,687,948)         |
| Current income taxation paid for the year   | 23.1  | (2,301,394)         | (4,829,911)         |
| <b>Net cash flows from operating activities before changes in<br/>operating assets and liabilities</b>        |       | <b>29,013,569</b>   | <b>23,061,616</b>   |
| <b>Changes in operating assets</b>  |       |                     |                     |
| Decrease/(increase) in balances with and<br>credit granting to other credit institutions                      |       | 18,490,986          | (23,454,273)        |
| Decrease/(increase) in trading securities   |       | 13,920,515          | (10,804,075)        |
| Decrease/(increase) in derivatives and<br>other financial assets  |       | 293,768             | (293,768)           |
| Increase in loans to customers  |       | (73,182,461)        | (69,816,629)        |
| Utilization of provision  | 10    | (683,006)           | (626,647)           |
| Increase in other operating assets  |       | (36,029,613)        | (15,607,626)        |
| <b>Changes in operating liabilities</b>   |       |                     |                     |
| Increase in deposits and borrowings from<br>other financial institutions and credit institutions              |       | 55,104,278          | 64,973,879          |
| Increase in deposits from customers   |       | 43,658,244          | 37,294,716          |
| Increase in valuable papers issued<br>(excluding valuable papers issued classified into financing activities) |       | 1,026,795           | 5,780,184           |
| Increase/(decrease) in derivatives and<br>other financial liabilities   |       | 1,851,213           | (266,926)           |
| Increase in other liabilities   |       | 2,009,069           | 2,598,519           |
| Use of reserves   | 24.1  | (4,856)             | (10,749)            |
| <b>Net cash flows from operating activities</b>   |       | <b>55,468,501</b>   | <b>12,828,221</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |       |                     |                     |
| Payments for purchases of fixed assets  |       | (1,110,111)         | (939,995)           |
| Proceeds from disposals of fixed assets   |       | 44,111              | 57,506              |
| Payments for disposals of fixed assets  |       | (51)                | -                   |
| Payments for investments in other entities  |       | -                   | (1,497)             |
| Dividends received and profit shared from<br>long-term investments  |       | 8,776               | 4,043               |
| <b>Net cash flows used in investing activities</b>  |       | <b>(1,057,275)</b>  | <b>(879,943)</b>    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2022 and for the year then ended

|   | Notes     | 2022<br>VND million | 2021<br>VND million |
|---|-----------|---------------------|---------------------|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |           |                     |                     |
| Proceeds from issuance of shares  |           | 63,178              | 60,053              |
| Payments for settlement of long-term valuable papers eligible for recognition as owners' equity and other long-term loans |           | (700,000)           | -                   |
| Proceeds from capital contribution of non-controlling shareholders  |           | 1,894               | -                   |
| Dividends payment for Non-controlling interests   |           | (74,648)            | -                   |
| <b>Net cash flows (used in)/from financing activities</b>   |           | <b>(709,576)</b>    | <b>60,053</b>       |
| <b>Net cash flows for the year</b>  |           |                     |                     |
| <b>Cash and cash equivalents at the beginning of the year</b>   | <b>36</b> | <b>47,604,230</b>   | <b>35,595,899</b>   |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>36</b> | <b>101,305,880</b>  | <b>47,604,230</b>   |

Prepared by:

Approved by:

Approved by:

**Ms. Nguyen Thi Thao**  
Accountant

Hanoi, Vietnam  
20 March 2023

**Ms. Nguyen Thi Tra My**  
Chief Accountant

**Mr. Jens Lottner**  
Chief Executive Officer

## 1. General Information

Vietnam Technological and Commercial Joint Stock Bank ("the Bank") is a commercial joint stock bank registered and incorporated in the Socialist Republic of Vietnam.

### Establishment and operations

The Bank was incorporated pursuant to Business License No. 0038/GP-NHNN issued by the Governor of the State Bank of Vietnam ("the SBV") on 6 March 2018 to replace Business License No. 0040/NH-GP on 6 August 1993 and Business Registration Certificate No. 0100230800 issued by the Hanoi Department of Planning and Investment on 21 October 2022. The operating duration is 99 years since 6 August 1993.

On 30 January 2023, Business Registration Certificate No. 0100230800 of the Bank was amended for the 56th time.

The principal activities of the Bank are mobilizing and receiving short, medium and long-term deposit funds from organizations and individuals; lending on short, medium and long-term basis up to the nature and ability of the Bank's capital resources; conducting settlement and cash services and other banking services as approved by the SBV; conducting investments in subsidiaries, associates, joint-ventures and other companies; conducting investments in bonds and dealing in foreign exchange in accordance with applicable regulations.

### Charter capital

As at 31 December 2022, the charter capital of the Bank is VND 35,172,385,140,000 (31 December 2021: VND 35,109,147,980,000).

### Network

As at 31 December 2022, the Bank has one (1) Head Office, two (2) representative offices, three hundred (300) transaction offices nationwide and three (3) subsidiaries.

As at 31 December 2022, the Bank's Head Office was at 191 Ba Trieu, Hai Ba Trung District, Hanoi. From 4 January 2023, the Bank's Head Office is at 6 Quang Trung, Hoan Kiem District, Hanoi.

## Subsidiaries

As at 31 December 2022, the Bank has three (3) subsidiaries as follows:

| No. | Name  | Business License No.   | Industry   | % owned by the Bank |
|-----|---|--|--|---------------------|
| 1   | <b>Techcom Securities Joint Stock Company</b>   | 125/GP-UBCK dated 30 May 2018 and amended by License No. 60/GPDC-UBCK dated 13 July 2022 granted by the State Securities Commission (*)                        | Securities activities  | 88.79884%           |
| 2   | <b>Vietnam Technological and Commercial Joint Stock Bank - Asset Management Company Limited</b> | 0104003519 dated 18 June 2008 granted by Hanoi Department of Planning and Investment which was amended for the 23rd time by 0102786255 on 19 October 2021 (**) | Debt and asset management  | 100%                |
| 3   | <b>Techcom Capital Management Joint Stock Company</b>   | 57/GP-UBCK dated 30 January 2019 and amended by License No. 114/GPDC-UBCK dated 18 November 2022 granted by the State Securities Commission                    | Fund management; Investment portfolio management; Securities investment consulting | 88.99956%           |

(\*) As at 21 February 2023, the total charter capital of Techcom Securities Joint Stock Company is 1,126,994,200,000 VND according to the License amending the License for establishment and operation of securities companies No. 18/GPDC-UBCK granted by the Chairman of the State Securities Commission on 21 February 2023.

(\*\*) At 18 January 2023, Vietnam Technological and Commercial Joint Stock Bank – Asset Management Company Limited amended the Business Registration Certificate No. 0102786255 for the 25th time.

## Employees

As at 31 December 2022, the Bank and its subsidiaries have 12,339 employees (31 December 2021: 12,506 employees).

## 2. Accounting period and currency

### 2.1. Accounting period

The annual accounting period of the Bank starts on 1 January and ends on 31 December.

### 2.2. Accounting currency

Currency used in accounting of the Bank is Vietnam dong (“VND”) and is rounded to the nearest VND million for presentation of consolidated financial statements.

## 3. Applied accounting standards and system

### 3.1. Statement of compliance

The Executive Team of the Bank confirmed that it has complied with Vietnamese Accounting Standards, Financial Reporting Regime for Credit Institutions, regulations of the State Bank of Vietnam and statutory requirements relevant to the preparation and presentation of consolidated financial statements.

Accordingly, the accompanying consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated cash flow statement and notes to the consolidated financial statements, including their utilization are not designed for those who are not informed about Vietnamese accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position of the Bank and its subsidiaries, the consolidated results of their operations and their consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 3.2. Basis of preparation

The consolidated financial statements of the Bank are prepared in accordance with Financial Reporting Regime applicable to Credit Institutions required under Decision No. 479/2004/QD-NHNN issued on 29 April 2004, Circular No. 10/2014/TT-NHNN dated 20 March 2014 and Circular No. 22/2017/TT-NHNN dated 29 December 2017 amending and supplementing Decision No. 479/2004/QD-NHNN, the financial reporting regime applicable to credit institutions required under Decision No. 16/2007/QD-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of Decision No. 16/2007/QD-NHNN and the chart of accounts for credit institutions issued in connection with Decision No. 479/2004/QD-NHNN by the State Bank of Vietnam and Vietnamese Accounting Standards issued by the Ministry of Finance and Circular No. 27/2021/TT-NHNN dated 31 December 2021 amending and supplementing a number of articles of Accounting System for Credit Institutions issued in connection with Decision No. 479/2004/QD-NHNN dated

29 April 2004 and Financial Reporting Regime applicable to Credit Institution issued in connection with Decision No. 16/2007/QD-NHNN dated 18 April 2007 by Governor of the State Bank of Vietnam as per:

- ◆ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (series 1);
- ◆ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (series 2);
- ◆ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (series 3);
- ◆ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (series 4); and
- ◆ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (series 5).

### 3.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the year ended 31 December 2022. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continue to be consolidated until the date that such control ceases. In case the Bank divests its equity interest in a subsidiary resulting in loss of control over the subsidiary, the Bank only consolidates the financial result of the subsidiary from the beginning of the year up to the date of the divestment without consolidating the net assets of the subsidiary. Furthermore, the Bank makes adjustments of indirect impact of the divestment transactions on the consolidated cash flow statement.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealized gains or losses result from intra-company transactions are eliminated in full.

### 3.4. Basis of assumptions and uses of estimates

The preparation of the consolidated financial statements requires the Executive Team to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income, expenses and the resultant provisions. Therefore, such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty and actual results may differ resulting in future changes in such relating items.



## 4. Summary of significant accounting policies

### 4.1. Changes in accounting policies and disclosures

The accounting policies adopted by the Bank in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Bank's consolidated financial statements for the year ended 31 December 2021, excepted for:

*Circular No. 27/2021/TT-NHNN amending and supplementing a number of articles of Accounting System applicable to credit institutions issued in connection with Decision No. 479/2004/QĐ-NHNN dated 29 April 2004 and Financial Statement Regime applicable to credit institution issued in connection with Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 by Governor of the SBV ("Circular 27")*

On 31 December 2021, the SBV issued Circular 27 amending and supplementing a number of articles of the Accounting System of credit institutions issued together with Decision No. 479/2004/QĐ-NHNN dated 29 April 2004 and the Financial Reporting Regime for credit institutions issued together with Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 of the Governor of the SBV.

The main changes to Circular 27 include:

- ◆ Amending and supplementing some accounts of the chart of accounts of credit institution
- ◆ Amending and supplementing the accounting guidelines for some accounts of chart of accounts of credit institutions; and
- ◆ Amending and supplementing a number of regulations on financial reporting regimes for credit institutions.

Circular 27 takes effect from 1 April 2022.

*Circular No. 24/2022/TT-BTC amending and supplementing a number of articles of Circular No. 48/2019/TT-BTC dated 8 August 2019 of the Minister of Finance guiding the establishment and handling of provisions for devaluation inventory, loss of investments, bad debts and product warranties, goods, services and construction works at enterprises ("Circular 24")*

On 7 April 2022, the Ministry of Finance issued Circular 24 amending and supplementing a number of articles of Circular No. 48/2019/TT-BTC dated 8 August 2019 of the Minister of Finance ("Circular 48") guiding the establishment and handling of provisions for devaluation inventory, loss of investments, bad debts and warranty products, goods, services and construction works at the enterprise.

Circular 24 amends and supplements to Point (a), Clause 1, Article 5 on provision for losses of financial investments, of which, it is not required to make provision

for Government bonds, Government guaranteed bonds and municipal bonds.

Circular 24 takes effect from 25 May 2022.

### 4.2. Cash and cash equivalents

Cash and cash equivalents comprise cash, gold, balances with the SBV, treasury bills and other short-term valuable papers eligible for rediscount with the SBV, balances with other financial institutions and credit institutions that are without a term and mature not exceeding three months from the transaction date and securities with recovery or maturity of three months or less from date of purchase.

### 4.3. Balances with and credit granting to other financial institutions and credit institutions

Balances with and credit granting to other financial institutions and credit institutions are presented at the principal amounts outstanding at the end of the reporting period.

The credit risk classification of balances with and credit granting to other financial institutions and credit institutions and provision for credit risks thereof are provided in accordance with Circular No. 11/2021/TT-NHNN dated 30 July 2021 issued by the SBV ("Circular 11"). Accordingly, the Bank makes a provision for credit losses on balances (except for current accounts) with credit institutions, foreign bank branches and credit granting to other financial institutions and credit institutions according to the method as described in Note 4.6.

### 4.4. Held-for-trading securities

#### 4.4.1. Classification and recognition

Held-for-trading securities include debt securities acquired and held for resale. Held-for-trading securities are initially recognized at cost.

Trading securities shall be recorded when the investors acquire ownership, in particular:

- ◆ Listed securities are recorded at the time of order matching (T+0);
- ◆ Unlisted securities are recorded at the time in which the ownership is acquired as prescribed in regulations of law.

#### 4.4.2. Measurement

Listed debt held-for-trading securities are recognized at cost less risk provision and provision for diminution in value of securities.

Provision for diminution in value of securities is made in accordance with Circular 48 and Circular 24 as described in Note 4.7.3.

Provision for credit losses on corporate bonds (including bonds issued by other credit institutions) which have not been listed on the stock market or have not yet been registered for trading on the Upcom trading system is made in accordance with Circular 11 as described in Note 4.6.

Provision for held-for-trading securities which is mentioned above is reversed when the recoverable amount of held-for-trading securities increases after making provision as a result of an objective event. Provision is reversed up to the gross value of these securities before provision.

Gains or losses from the sales of held-for-trading securities are recognized in the consolidated statement of profit or loss.

#### 4.4.3. De-recognition

Held-for-trading securities are derecognized when the rights to receive cash flows from these securities are terminated or the Bank transfers substantially all the risks and rewards of ownership of these securities.

### 4.5. Loans to customers

Loans to customers are presented at the principal amounts outstanding as at the end of the reporting period less any provision made for loans to customers.

Short-term loans have maturity of less than or equal to one year from disbursement date. Medium-term loans have maturity from over one year to five years from disbursement date. Long-term loans have maturity of more than five years from disbursement date.

The classification of credit risk for loans to customers and corresponding provision are made under Circular 11 as described in Note 4.6.

**4.6. Debt classification and provisioning rate, risk provisioning for balances with and credit granting to other credit institutions; investments and trusted investments in unlisted corporate bonds (including unlisted bonds issued by other credit institutions); loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches**

The Bank applied quantitative method as regulated under Article 10 of Circular 11 on classification the following assets: balances with and credit granting to other credit institutions, other foreign bank branches; purchase and trusted purchase of corporate bonds (including bonds issued by other credit institutions) which have not yet been listed on stock exchanges or have not yet been registered for trading on the Upcom trading system; loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying,

selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches (here refer as "debts").

In accordance with the requirements of Circular 11, general provision as at 31 December is made at 0.75% of total outstanding debt balances as at 31 December excluding loans classified into loss group debts, balances with credit institutions, foreign bank branches and balances with overseas credit institutions; loans; buying forwards valuable papers among other credit institutions, foreign bank branches in Vietnam; balances of buying promissory notes, bills, certificates of deposit, bonds issued by other credit institutions and foreign bank branches; balances of buying, selling Government bonds.

Specific provision as at 31 December is made based on the outstanding principal balance less discounted value of collaterals multiplied by provision rates which are determined based on the debt classification as at 31 December. The basis to determine the value and discounted value for each type of collaterals is specified in Circular 11.

The debt classification and specific provision rates for each group are presented as follows:

| No. | Group                  | Description  | Provision rate |
|-----|------------------------|--|----------------|
| 1   | <b>Current</b>         | (a) Current debts that are assessed as fully and timely recoverable for both principals and interests; or<br>(b) Debts which are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.  | 0%             |
| 2   | <b>Special mention</b> | (a) Debts which are overdue for a period of between 10 days and 90 days; or<br>(b) Debts which the repayment terms are restructured for the first time.  | 5%             |
| 3   | <b>Sub-standard</b>    | (a) Debts which are overdue for a period of between 91 days and 180 days; or<br>(b) Debts which the repayment terms are extended for the first time; or<br>(c) Debts which interests are exempted or reduced because customers do not have sufficient capability to repay all interests under agreements; or<br>(d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: <ul style="list-style-type: none"> <li>◆ Debts violating Clauses 1, 3, 4, 5, 6 under Article 126 of Law on Credit Institutions; or</li> <li>◆ Debts violating Clauses 1, 2, 3, 4 under Article 127 of Law on Credit Institutions; or</li> <li>◆ Debts violating Clauses 1, 2, 5 under Article 128 of Law on Credit Institutions.</li> </ul> (e) (Debts required to be recovered under inspection conclusions; or<br>(f) Debts that need to be recovered under premature debt recovery decisions of the Bank due to borrowers' breach of agreements with the Bank but are not yet recovered in less than 30 days since the effective dates of recovery decisions; or<br>(g) When the SBV requires under regulatory inspection conclusions and related credit information. | 20%            |
| 4   | <b>Doubtful</b>        | (a) Debts which are overdue for a period of between 181 days and 360 days; or<br>(b) Debts which the repayment terms are restructured for the first time but still overdue for a period of up to 90 days under that restructured repayment term; or<br>(c) Debts which the repayment terms are restructured for the second time; or<br>(d) Debts which are specified in point (d) of Group 3 overdue for a period of from 30 days to 60 days since the effective dates of recovery decisions; or<br>(e) Debts required to be recovered under inspection conclusions but still outstanding with an overdue period up to 60 days from the recovery date as required by regulatory inspection conclusions; or<br>(f) Debts that need to be recovered under premature debt recovery decisions of the Bank due to borrowers' breach of agreements with the Bank, but are not yet recovered from 30 days to 60 days since the effective dates of recovery decisions; or<br>(g) When the SBV requires under regulatory inspection conclusions and related credit information.   | 50%            |

| No. | Group       | Description   | Provision rate |
|-----|-------------|---|----------------|
| 5   | <b>Loss</b> | (a) Debts which are overdue for a period of more than 360 days; or<br>(b) Debts which the repayment terms are restructured for the first time but still overdue from 91 days or more under that first restructured repayment term; or<br>(c) Debts which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or<br>(d) Debts which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or<br>(e) Debts which are specified in point (d) of Loan group 3 and overdue for a period of more than 60 days since the effective dates of recovery decisions; or<br>(f) Debts required to be recovered under regulatory inspection conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or<br>(g) Debts that need to be recovered under premature debt recovery decisions of the Bank due to borrowers' breach of agreements with the Bank, but are not yet recovered in more than 60 days since the effective dates of recovery decisions; or<br>(h) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches of which capital and assets are blocked; or<br>(i) When the SBV requires under regulatory inspection conclusions and related credit information. | 100%           |

Debts/loans may be classified into groups with lower level of risk in the following cases:

- ◆ For overdue debts, the Bank shall reclassify them into groups with lower level of risk (including group 1) when they fully meet the following conditions:
  - Borrowers have fully paid the overdue principal and interest (including interest on overdue principal), and those in the next repayment terms within at least 3 (three) months with respect to medium-term and long-term debts; one (1) month with respect to short-term debts, from the date of full payment of overdue principal and interest;
  - Proof of the borrower's debt repayment is available;
  - The Bank possess sufficient information and documents to evaluate borrowers' ability to fully pay the remaining principal and interest by the predetermined due dates.
- ◆ For debts with rescheduled repayment terms, the Bank shall reclassify them into groups with lower level of risk (including group 1) when they fully meet the following conditions:
  - Borrowers have fully paid the principal and interest varying according to the rescheduled repayment term in at least three (3) months with respect to

*medium-term and long-term debts; one (1) month with respect to short-term debts, from the start date of full repayment of such principal and interest;*

- Proof of the borrower's debt repayment is available;
- The Bank possess sufficient information and documents to evaluate borrowers' ability to fully pay the remaining principal and interest by the rescheduled due dates.

Debts/loans may be classified into groups with higher level of risk in the following cases:

- ◆ The indicators such as profitability, solvency, debt-to-capital ratio, cash flow, debt repayment ability of borrowers decrease progressively after three (3) continual debt assessment and classification sessions;
- ◆ Borrowers fail to provide sufficient, timely and truthful information at the request of the Bank to assess borrowers' debt repayment ability;
- ◆ Debts/loans are classified into group 2, group 3, group 4 for one (1) year or more, but are not eligible for being reclassified into groups with lower level of risk;
- ◆ Loans are granted by the act of credit extension subject to administrative penalties prescribed by law.



If a customer has more than one debt with the Bank and one of the outstanding debts is classified into a higher risk group, the Bank is required to classify the entire remaining debts of such customer into the higher risk group.

When participating in a syndicated loan as a participant, the Bank classifies loans (including syndicated loans) of the customer into the higher risk group between the assessment of the leading bank and its own assessment.

If a customer is classified by the Bank into the risk group which is lower than the risk group provided by the National Credit Information Center of Vietnam (“CIC”), the Bank is required to adjust the risk group of such customer following the risk group provided by CIC.

Since 13 March 2020, the Bank has applied Circular No. 01/2020/TT-NHNN (“Circular 01”) issued by the SBV providing regulations on restructuring of loan repayment periods, exemption/reduction of interest/fees and keeping loan groups unchanged to assist customers affected by the COVID-19 pandemic. Accordingly, for customers incurring obligations of loan principal repayments and/or interest payments during the period from 23 January 2020 to the succeeding day of the date after three months from the Government’s announcement of the termination of COVID-19 pandemic and these customers

are unable to repay loan principals and/or to pay interest upon maturity of the signed loan contracts or agreements due to decreases in revenue and income caused by effect of the COVID-19 pandemic, the Bank is allowed to reschedule loan repayment periods and keep loan groups unchanged from those classified at the most recent date prior to 23 January 2020.

Since 17 May 2021, the Bank applied Circular No. 03/2021/TT-NHNN (“Circular 03”) that amended some articles of Circular 01 for customers having loans disbursed before 10 June 2020 and incurring obligations of loan principal and/or interest repayment from 23 January 2020 to 31 December 2021 and these customers are assessed by the Bank that they are unable to repay loan principal and/or interest upon maturity of the signed loan contracts, agreements due to decreases in revenue and income caused by effect of the COVID-19 pandemic.

From 7 September 2021, the Bank applied Circular No. 14/2021/TT-NHNN (“Circular 14”) issued by the SBV amending to the Circular 01 in providing regulations on restructuring of loan repayment periods, exemption/reduction of interest/fees and keeping loan groups unchanged to assist customers affected by the COVID-19 pandemic as follows:

| Disbursement date                            | Repayment schedule                   | Overdue status                 | Overdue incurring period   | Principle for debt retention   |
|--|--------------------------------------|--------------------------------|--|--|
| Before 23 January 2020                       | From 23 January 2020 to 30 June 2022 | Undue or overdue up to 10 days | From 30 March 2020 to before 30 June 2022  | Retain the debt groups that have been classified at the most recent date before 23 January 2020.   |
| From 23 January 2020 to before 1 August 2021 |                                      | Undue or overdue up to 10 days | From 17 May 2021 to before 17 July 2021 or from 7 September 2021 to 30 June 2022 | Retain the debt groups that have been classified at the most recent date before the date of first rescheduling.                                  |
| Before 23 January 2020                       |                                      | Overdue                        | From 23 January 2020 to 29 March 2020  | Retain the debt groups that have been classified at the most recent date before 23 January 2020.   |
| From 23 January 2020 to before 10 June 2020  |                                      | Overdue                        | From 23 January 2020 to before 17 May 2021                                       | Retain the debt groups that have been classified at the most recent date before the date the outstanding debts are categorized as overdue debts. |
| From 10 June 2020 to before 1 August 2021    |                                      | Overdue                        | From 17 July 2021 to before 7 September 2021                                     |  |

If the outstanding debts after rescheduling and retaining debt categories are overdue and not granted another debt rescheduling, the Bank shall classify the debt groups and make provision for credit risk under Circular 11.

Circular 03 requires the Bank to make the specific provision for borrowers whose debts are rescheduled or granted interest exemption or reduction based on 2 scenarios of debt classification: (1) loan groups are retained as the same as before being restructured, given interest exemption/reduction; (2) loan groups are classified in accordance with prevailing regulations of the SBV on debt classification. In case the difference in specific provision between scenario (2) and (1) is positive, the Bank shall make additional provision as follows:

| Additional provisions                             | Period ended     |
|---|------------------|
| At least 30% of the additional specific provision | 31 December 2021 |
| At least 60% of the additional specific provision | 31 December 2022 |
| 100% of the additional specific provision         | 31 December 2023 |

From 1 January 2024, pursuant to prevailing the SBV’s regulations on debt classification and provision making, the Bank shall make provision for all the outstanding debts and off-balance sheet commitments including the outstanding debts that are rescheduled, granted interest exemption/reduction and kept debt groups unchanged under the scope of Circular 03.

*Debt classification and provisioning policies for receivables from margin activities and advances to investors of Techcom Securities Joint Stock Company (“TCBS”) – a subsidiary of the Bank*

Provisions for receivables from margin activities and advances to investors of Techcom Securities Joint Stock Company are presented in Note 4.14 in accordance with Circular 48, in order to take into account the specific nature of these receivables and to ensure alignment with reports of TCBS. Increase or decrease in balances of provision is recognized in the “Provision expenses for credit losses” item in the consolidated statement of profit or loss.

#### 4.7. Investment securities

##### 4.7.1. Classification

Investment securities include available-for-sale investment securities and held-to-maturity investment securities. The Bank initially recognizes investment securities at cost and classifies investment securities into proper categories at purchase date. According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, for investment securities, the Bank is allowed to reclassify maximum of one time after initial recognition.

##### *Held-to-maturity investment securities*

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

##### *Available-for-sale investment securities*

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

##### 4.7.2. Recognition

The Bank recognizes investment securities on the date that it acquires substantially all the risks and rewards of ownership of these securities.

##### 4.7.3. Measurement

##### *Equity securities*

Listed available-for-sale equity securities are recorded at cost less provision for diminution in value of securities determined.

As for listed securities, the actual market price of securities is the price on a nearest closing day having transactions to the end of the reporting period. If the listed securities are not traded in 30 days before making provisions, provisions are made for each securities investment in accordance with regulations prescribed in Note 4.9.

As for listed securities of unregistered public companies and state-owned enterprises equitized through public offering (Upcom), the actual market price is the average price within the last 30 transaction days before the end of the reporting period announced by the Stock exchange. If the listed securities of a joint-stock company in Upcom are not traded in 30 days before the end of the reporting period, provisions are made for each securities investment in accordance with regulations prescribed in Note 4.9.

For other equity securities, provision for diminution is determined as prescribed in Note 4.9.

### Debt securities

Debt securities are initially stated at cost, including transaction costs and other directly attributable costs. They are subsequently recognized at amortized cost (affected by premium/discount amortization) less provision for credit risk and diminution. Premium and discounts arising from purchases of debt securities are amortized to the consolidated statement of profit or loss on a straight-line basis from the acquisition date to the maturity date.

Post-acquisition interest income of available-for-sale debt securities and held-to-maturity debt securities is recognized in the consolidated statement of profit or loss on the accrual basis. The accrued interest before the Bank purchases debt securities will be deducted from the value of the accrued interest account when received.

Provision for diminution in value of securities is made when the carrying value is higher than the market value in compliance with Circular 48 and Circular 24. Provision for diminution is recognized in the “*Net gain/(loss) from investment securities*” item of the consolidated statement of profit or loss.

For Government bonds, Government-guaranteed bonds and municipal bonds, the Bank does not make provisions for these investments. The provision balance of investments in Government bonds, Government-guaranteed bonds and municipal bonds that the Bank has set up until the effective time of Circular 24 shall be reversed in 2022.

For corporate bonds that are listed, registered for transactions, the market price of bonds is the latest transaction price at the Stock Exchange within 10 days to the end of the reporting period. If there is no transaction within 10 days to the end of the reporting period, no provision is calculated for these investments.

The Bank is required to make provision for credit risk for corporate bonds (including bonds issued by credit institutions) which have not yet been listed on stock exchanges or have not yet been registered for trading on the Upcom trading system under Circular 11 as described in Note 4.6.

Other unlisted debt securities (excluding unlisted corporate bonds mentioned above) are stated at cost less provision for diminution in value determined by market value of securities. If there is no market value or market value cannot be determined reliably, these securities will be recognized at their carrying amount.

Provision for investment securities will be reversed when a subsequent increase in the recoverable amount of the investment securities is due to an objective event occurring after the provision is recognized. Provision is reversed only up to the carrying amount of these securities before provision has been made.

### 4.7.4. De-recognition

Investment securities are derecognized when the contractual rights to the cash flows from these securities expired or when the substantial risks and rewards of ownership of these securities have been transferred.

### 4.8. Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specific date in the future are not derecognized from the consolidated financial statements. The corresponding cash received is recognized as a borrowing in the consolidated statement of financial position. The difference between the sale price and repurchase price is recognized in the consolidated statement of profit or loss based on the interest rate stipulated in the contract.

Conversely, securities purchased under agreements to resell at a specific date in the future are not recognized in the consolidated financial statements. The corresponding cash payment is recognized as an investment in the consolidated statement of financial position and the difference between the purchase price and resale price is recognized in the consolidated statement of profit or loss based on the interest rate stipulated in the contract.

### 4.9. Long-term investments

#### 4.9.1. Other long-term investments

Other long-term investments represent investments in other entities in which the Bank holds less than or equal to 11% of voting rights. These investments are initially recorded at cost at the investment date and recognized subsequently at cost less provision for diminution in the value of other long-term investments (if any).

#### 4.9.2. Provision for impairment of other long-term investments

For listed securities or unlisted but registered for trading securities on unlisted public company market (Upcom), provision for diminution in value is made when the actual market price is the average price within the last 30 transaction days before the end of the reporting period announced by the Stock Exchange is lower than the carrying value of the securities at the end of the reporting period as regulated in Circular 48.

In other cases, provision for diminution in the value of other long-term investment is made when the investee suffers loss, except that such loss had been forecasted in the investee’s business plan before the investment. Provision for impairment is determined as the total actual contributed capital of parties to the investee company less (-) the actual owner’s equity multiplied (x) by the Bank’s ownership percentage in the investee company as regulated in Circular 48. Provision is reversed when the recoverable amount of the investments increases after the provision is made. A provision is reversed only

to the extent that the investment’s carrying amount does not exceed the carrying amount that would have been determined if no provision had been recognized.

### 4.10. Tangible fixed assets

#### 4.10.1. 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 the consolidated statement of profit or loss for the year in which the costs are incurred. 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 capitalized as an additional cost of tangible fixed assets.

#### 4.10.2. Depreciation

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

| Tangible fixed assets    | Period       |
|--------------------------|--------------|
| Buildings and structures | 8 - 50 years |
| Machines and equipment   | 3 - 10 years |
| Vehicles                 | 6 - 10 years |
| Other fixed assets       | 4 - 10 years |

### 4.11. Intangible fixed assets

#### 4.11.1. Computer software

The cost of acquiring new software, which is not an integral part of the related hardware, is capitalized and treated as an intangible asset. Software costs are amortized on a straight-line basis for the period from 4 to 8 years.

#### 4.11.2. Land use rights

##### Definite land use rights

Definite land use rights are stated at cost less accumulated amortization. The initial cost of a land use right comprises its purchase price in conjunction with securing the land use right and expenses for compensation for site clearance, ground leveling and registration fees. Amortization is computed on a straight-line basis over the time using land.

### Indefinite land use rights

Indefinite land use rights are stated at cost and are not amortized. The initial cost of land use rights comprises its purchase price in conjunction with securing the land right and expenses for compensation for site clearance, ground leveling and registration fees.

#### 4.11.3. Other intangible fixed assets

Other intangible fixed assets are stated at cost less accumulated amortization. Amortization is computed on a straight-line basis for the period from 4 to 8 years.

### 4.12. Investment property

#### 4.12.1. Cost

Investment property is stated at cost less accumulated depreciation. The initial cost of an investment property comprises its purchase price, cost of land use rights and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating. Expenditure incurred after investment property has been put into operation, such as repairs and maintenance, is charged to the consolidated statement of profit or loss for the year in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property, the expenditure is capitalized as an additional cost of investment property.

#### 4.12.2. Depreciation

Depreciation of investment property is computed on a straight-line basis over the estimated useful life of investment property which is as follows:

| Investment property | Period        |
|---------------------|---------------|
| Building            | 10 - 40 years |

### 4.13. Operating lease payments

Payments made under operating leases are recognized in the consolidated statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized in the consolidated statement of profit or loss as an integral part of the total lease expense.



#### 4.14. Other receivables

Accounts receivable other than receivables from credit activities of the Bank are initially recognized at cost and subsequently presented at cost less provision.

Receivables are subject to review for impairment based on the number of overdue months from the original maturity date of receivables or expected loss of current debts in case the debts are not due for payment yet but

the corporate debtors have fallen into bankruptcy or are in the process of dissolution, or of individual debtors who are missing, escaped, prosecuted, on trial or deceased. Provision expense incurred is recorded in “Other operating expenses” item of the consolidated statement of profit or loss in the year.

For overdue receivables, the Bank uses provision rates based on the overdue months in accordance with Circular 48 as below:

| Status of aging                                | Provision rate |
|--|----------------|
| From six (6) months up to under one (1) year   | 30%            |
| From one (1) year up to under two (2) years    | 50%            |
| From two (2) years up to under three (3) years | 70%            |
| From three (3) years and above                 | 100%           |

#### 4.15. Business combination and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group’s interest in the net fair value of the acquirer’s identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the net fair value of the assets and liabilities of the subsidiary acquired, the difference is recognized directly in the consolidated statement of profit or loss. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over five-year period on a straight-line basis.

#### 4.16. Other provisions

A provision other than provisions described in Notes 4.3, 4.4, 4.5, 4.7, 4.9 and 4.14 is recognized 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 specific risk exposure to the liability.

#### 4.17. Other payables

Other payables are stated at cost.

#### 4.18. Share capital

##### 4.18.1. Charter capital

Charter capital of the Bank is recorded when the rights and obligations of the shareholders and the Bank relating to charter capital are established. Charter capital is recognized at par value. Incremental costs directly attributable to the issuance of ordinary shares are recognized as a deduction from share premium.

##### 4.18.2. Share premium

Share premium records the difference (increase or decrease) between the issue price and the par value of the shares (including reissued treasury shares), as well as costs directly attributable to issuance of ordinary shares or sale of treasury shares.

##### 4.18.3. Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss upon purchase, sale, issue or cancellation of the Bank’s own equity instruments.

#### 4.18.4. Reserves and funds

##### Reserves and funds of the Bank

The Bank is required to make the following reserves before distribution of profits in accordance with Law on Credit Institutions No. 47/2010/QH12 and Decree No. 93/2017/ND-CP and Charter of the Bank:

|                                       | Percentage of profit after tax | Maximum balance      |
|---------------------------------------|--------------------------------|----------------------|
| Charter capital supplementary reserve | 5% of profit after tax         | 100% charter capital |
| Financial reserve                     | 10% of profit after tax        | Not regulated        |

Financial reserve is used to cover financial losses incurred during the normal course of business. Financial reserve and charter capital supplementary reserve are non-distributable and classified as equity.

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

##### Reserves and funds of subsidiaries

###### Vietnam Technological and Commercial Joint Stock Bank - Asset Management Company Limited:

According to Circular No. 27/2002/TT-BTC dated 22 March 2002 issued by the Ministry of Finance, the appropriation to reserves is made in a similar way to the Bank.

###### Techcom Securities Joint Stock Company and Techcom Capital Management Joint Stock Company:

According to Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014 guiding the financial regime for securities and fund management companies after compensating the prior year’s loss in accordance with Corporate income tax law and corporate income tax payments, realized profit of the Company shall be distributed as follows:

|                                       | Percentage of profit after tax | Maximum balance     |
|---------------------------------------|--------------------------------|---------------------|
| Charter capital supplementary reserve | 5% of profit after tax         | 10% charter capital |
| Financial reserve                     | 5% of profit after tax         | 10% charter capital |

Financial reserve is used to compensate the damages incurred in business activities. These statutory reserves are made at year-end, non-distributable and considered as equity of the Bank.

On 17 December 2021, the Ministry of Finance issued Circular No. 114/2021/TT-BTC (“Circular 114”) taken effect from 1 February 2022 to abolish Circular No. 146/2014/TT-BTC of the Minister of Finance guiding the financial regime for securities companies which stated:

- ◆ For the balance of charter capital supplementary reserve are made as prescribed by Circular No. 146/2014/TT-BTC: using to supplement charter capital in accordance with current regulations;
- ◆ For the balance of financial and professional risks reserve are made as prescribed by Circular No. 146/2014/TT-BTC: using to supplement charter capital or following to the decision of the General Meeting of Shareholders, the Board of Members or the Chairman of the company in accordance with current regulations.

In 2022, Techcom Securities Joint Stock Company and Techcom Capital Management Joint Stock Company transferred charter capital supplementary reserve and financial reserve in accordance with Circular 114.

Other funds are made according to the Resolution of the General Meeting of Shareholders at the annual meeting of the General Meeting of Shareholders.

#### 4.19. Revenue and expenses recognition

##### 4.19.1. Interest income

Interest income is recognized in the consolidated statement of profit or loss on the accrual basis with the debts classified in current loan group which is not required to make specific provision. Interest income of remaining debts (including restructured debts retained in current group under Circular 01, Circular 03 and Circular 14) is recognized in the consolidated statement of profit or loss upon receipt.

#### 4.19.2. Fees and commission income

Fees and commission income are recognized in the consolidated statement of profit or loss on the accrual basis.

#### 4.19.3. Dividend income

Dividend receivables in cash are recognized in the consolidated statement of profit or loss when the Bank's right to receive dividends is established.

In accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance, dividends received in the form of shares, bonus shares and rights to purchase shares of the existing shareholders, shares distributed from retained earnings are not recognized as an increase in the value of the investment and income is not recognized in the consolidated statement of profit or loss. Instead, only changes in number of shares held by the Bank are updated and monitored.

#### 4.19.4. Income and expenses from the sale and purchase of debts

Income and expenses from the sale and purchase of debts are recognized in accordance with Circular No. 09/2015/TT-NHNN ("Circular 09") providing guidance on the sale and purchase of debts of credit institutions and foreign bank branches.

According to Circular 09, the difference between the prices of debts purchased or sold and their book value is recorded as follows:

- ◆ For debts recorded in the consolidated statement of financial position:
  - *If the sale price is higher than the book value of the debt, the difference shall be recorded as income of the Bank in the year.*
  - *If the sale price is lower than the book value of the debt, the difference shall be used to offset against the indemnity paid by an individual or guarantor (in case such individual or guarantor is determined to be responsible for the damage and obliged to make indemnity under prevailing regulations), or the compensation paid by the insurer, or use of outstanding provision recognized as expense previously. The remaining balance (if any) shall be recognized as other expense of the Bank in the year.*
- ◆ For debts written-off and monitored off-balance sheet, the proceeds from sale of debts shall be recognized as other income of the Bank.

Book value of debts purchased or sold is the book value of the principal, interest and related financial obligations (if any) of debts recorded in on-balance sheet or off-balance sheet at the date of debts purchased or sold; or

the book value at the date of writing-off of debts; or the book value of debts written-off previously at the date of debts purchased or sold.

The purchasing or selling price is the sum of consideration to be paid by a debt buyer to a debt seller under a debt purchase or sale contract.

Debts purchased are initially classified in the risk group which is not lower than the risk group of the debts before the purchase. Subsequently, debts purchased are monitored, classified and provided for credit losses similar to loans to customers in accordance with Circular 11.

If the proceeds from selling a loan (except for written off debts) have not yet been fully collected, the Bank classifies that amount as an unsold loan in accordance with Circular 11.

#### 4.19.5. Interest expenses

Interest expenses are recognized in the consolidated statement of profit or loss on the accrual basis.

#### 4.20. Foreign currency transactions

The Bank maintains its accounting system and records all transactions in original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using exchange rates ruling at the consolidated statement of financial position date. Non-monetary items arising in foreign currencies during the year are converted into VND at rates ruling on the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities into VND in the year are recognized and followed in the "Exchange rate revaluation" item under "Shareholders' equity" in the consolidated statement of financial position and will be transferred to the consolidated statement of profit or loss at year-end.

#### 4.21. Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the consolidated statement of profit or loss.

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

Deferred income 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 income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred income tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Bank's tax returns are subject to be examined by the tax authorities. Because the application of laws and regulations on taxation for different types of transactions can be interpreted in many different ways, the amounts presented on the consolidated financial statements may be subject to be changed according to final decision of the tax authorities.

#### 4.22. Fiduciary assets

Assets held in a fiduciary capacity are not reported in the consolidated financial statements as they are not assets of the Bank.

#### 4.23. Commitments and contingent liabilities

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

Off-balance sheet commitments include guarantees, payment acceptances and other commitments with specific implementing time.

The classification of off-balance sheet commitments is made only for the purpose of managing and monitoring the credit quality under the policy applied to debt classification as described in Note 4.6.

In accordance with Circular 11, no provision is required for off-balance sheet commitments.

#### 4.24. Derivative financial instruments

##### 4.24.1. Foreign exchange contracts

The Bank involves in currency forward contracts and currency swap contracts to facilitate customers to transfer, modify or minimize foreign exchange risk or other market risks, and also for the business purpose of the Bank.

The currency forward contracts are commitments to buy, sell an amount of a currency for another currency at the exchange rate at the transaction time where the payment is made within three (3) working days after the transaction date. The currency forward contracts are recognized at nominal value at the transaction date and are revalued for the reporting purpose at the exchange rate at the end of the reporting period. Gains or losses

realized or unrealized are amortized on a straight-line basis to the consolidated statement of profit or loss over the term of the contract.

The currency swap contracts are commitments, which include one commitment to buy and one commitment to sell an amount of a currency for another currency at the exchange rate at the transaction time and the payments of two commitments on different days. The discount or premium arising from difference between spot exchange rate at the effective date of the contract and the forward rate is recognized at the effective date of the contract as an asset if positive or a liability if negative in the consolidated statement of financial position. This difference will be amortized on a straight-line basis to the consolidated statement of profit or loss over the term of the contract.

##### 4.24.2. Interest rate swap contracts

Commitment value in interest rate swap contracts is not recognized in the consolidated statement of financial position. Differences in interest rate swaps are recognized in the consolidated statement of profit or loss on the accrual basis.

##### 4.24.3. Commodity futures contracts

The Bank provides brokerage services for clients enter into the commodity future contracts, and accordingly the value of those contracts is not recognized in the consolidated statement of financial position. Income arising from the brokerage transactions is recognized in the consolidated statement of profit or loss.

#### 4.25. Valuable papers issued

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

#### 4.26. Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset financial assets against financial liabilities or vice-versa, and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### 4.27. Employee benefits

##### 4.27.1. Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank by the Social Insurance Agency which belongs to the Ministry of Labor, Invalids and Social Affairs. The Bank is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of



employees' basic salary plus other allowances. The Bank has no further obligation.

#### 4.27.2. Voluntary resignation

The Bank has the obligation, under Article 46 of the Vietnam Labor Code No. 45/2019/QH14 effective from 1 January 2021, to pay allowance arising from voluntary resignation of employees, equal to a half of monthly salary for each year of employment up to 31 December 2008 plus salary allowances (if any). The average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date. Accordingly, the working time at the Bank to calculate the severance payment is the total actual working time at the Bank minus the time employees participating in the unemployment insurance in accordance with the law on unemployment insurance and the working time for which severance allowances have been paid by the employer.

#### 4.27.3. Unemployment allowance

According to Article 57 of Law of Employment No. 38/2013/QH13 effective from 1 January 2015 and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government on guidelines for the Law on Employment in term of unemployment insurance, the Bank is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance. Under Decision No. 28/2021/QD-TTg of Prime Minister, from 1 October 2021, the Bank is entitled to reduce the unemployment allowance contribution rate from 1% to 0% within 12 months.

#### 4.28. Financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the consolidated financial position, consolidated results of operations and the nature and extent of risk arising from financial instruments in compliance with Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance, the Bank classifies its financial instruments as follows:

##### 4.28.1. Financial assets

###### *Financial assets recognized at fair value through statement of profit or loss*

A financial asset at fair value through statement of 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; or*
- *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 statement of 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:

- ◆ Financial assets that, upon initial recognition, were categorized as such recognized at fair value through statement of profit or loss; or
- ◆ Financial assets already categorized as available-for-sale; or
- ◆ Financial assets that meet the definitions 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 entity on initial recognition designates as at fair value through profit or loss; or
- ◆ 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 investments*

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

- ◆ Financial assets at fair value through profit or loss; or
- ◆ Held-to-maturity investments; or
- ◆ Loans and receivables.

#### 4.28.2. 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; or*
  - *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 amortized cost*

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

#### 5. Cash and gold

|                                    | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|------------------------------------|----------------------------|----------------------------|
| Cash on hand in VND                | 3,705,655                  | 3,220,911                  |
| Cash on hand in foreign currencies | 510,066                    | 352,297                    |
| Gold on hand                       | -                          | 5,435                      |
|                                    | <b>4,215,721</b>           | <b>3,578,643</b>           |

#### 6. Balances with the state bank of Vietnam

|                       | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|-----------------------|----------------------------|----------------------------|
| Balances with the SBV |                            |                            |
| In VND                | 11,349,296                 | 4,551,663                  |
| In foreign currencies | 126,294                    | 356,866                    |
|                       | <b>11,475,590</b>          | <b>4,908,529</b>           |

Balances with the SBV include current accounts and compulsory deposits.

#### 4.29. Items which have no balance

Items or balances required by Decision No. 16/2007/QD-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV stipulating the financial reporting regime for credit institutions, and documents amending, supplementing, are not shown in these consolidated financial statements indicate nil balance.

#### 4.30. Segment reports

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

According to Circular No. 49/2014/TT-NHNN, any credit institutions having public securities and currently outstanding securities in the securities market are required to prepare and present segment reports in the consolidated financial statements. The primary segment reports of the Bank are prepared based on the business segments.

Under the SBV's regulations on 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 the preceding month's average balances of deposits in scope multiplied by the CRR rates as follows:

|   | CRR rates   |             |
|---|-------------|-------------|
|   | 31 Dec 2022 | 31 Dec 2021 |
| Deposits in foreign currencies with term of less than 12 months | 8.00%       | 8.00%       |
| Deposits in foreign currencies with term of 12 months and above | 6.00%       | 6.00%       |
| Deposits in VND with term of less than 12 months                | 3.00%       | 3.00%       |
| Deposits in VND with term of 12 months and above                | 1.00%       | 1.00%       |

Interest rates per annum at the end of the reporting period are as follows:

|                                       | 31 Dec 2022 | 31 Dec 2021 |
|---------------------------------------|-------------|-------------|
| <b>Deposits in VND</b>                |             |             |
| Compulsory deposits                   | 0.50%       | 0.50%       |
| Amount over compulsory deposits       | 0.00%       | 0.00%       |
| <b>Deposits in foreign currencies</b> |             |             |
| Compulsory deposits                   | 0.00%       | 0.00%       |
| Amount over compulsory deposits       | 0.00%       | 0.00%       |

## 7. Balances with and credit granting to other credit institutions

### 7.1. Balances with other credit institutions

|                              | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|------------------------------|----------------------------|----------------------------|
| Current accounts             | 11,770,473                 | 8,127,786                  |
| <i>In VND</i>                | 486,136                    | 224,066                    |
| <i>In foreign currencies</i> | 11,284,337                 | 7,903,720                  |
| Term deposits                | 58,154,670                 | 31,322,941                 |
| <i>In VND</i>                | 42,981,000                 | 23,748,166                 |
| <i>In foreign currencies</i> | 15,173,670                 | 7,574,775                  |
|                              | <b>69,925,143</b>          | <b>39,450,727</b>          |

Interest rates per annum of balances with other credit institutions at the end of the reporting period are as follows:

|                              | 31 Dec 2022   | 31 Dec 2021   |
|------------------------------|---------------|---------------|
| Current accounts             |               |               |
| <i>In VND</i>                | 0.00%         | 0.00%         |
| <i>In foreign currencies</i> | 0.00%         | 0.00%         |
| Term deposits                |               |               |
| <i>In VND</i>                | 3.50% - 9.50% | 0.00% - 5.25% |
| <i>In foreign currencies</i> | 4.20% - 4.30% | 0.01% - 0.20% |

### 7.2. Credit granting to other credit institutions

|  | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|----------------------------|----------------------------|
| Credit granting to other credit institutions               | 13,049,711                 | 31,064,531                 |
| <i>In VND</i>  | 13,036,790                 | 30,604,703                 |
| <i>In foreign currencies</i>                               | 12,921                     | 459,828                    |
| Provision for credit granting to other credit institutions | (101,100)                  | -                          |
|  | <b>12,948,611</b>          | <b>31,064,531</b>          |

Interest rates per annum of credit granting to other credit institutions at the end of the reporting period are as follows:

|                              | 31 Dec 2022    | 31 Dec 2021   |
|------------------------------|----------------|---------------|
| <i>In VND</i>                | 0.00% - 12.00% | 0.80% - 3.45% |
| <i>In foreign currencies</i> | 4.64%          | 1.15% - 1.46% |

### 7.3. Credit quality for balances with and credit granting to other credit institutions

Analysis of credit quality for balances (excluding current accounts) with and credit granting to other credit institutions at the end of the reporting period is as follows:

|         | 31 Dec 2022       |               | 31 Dec 2021       |               |
|---------|-------------------|---------------|-------------------|---------------|
|         | VND million       | %             | VND million       | %             |
| Current | 71,103,281        | 99.86         | 62,387,472        | 100.00        |
| Loss    | 101,100           | 0.14          | -                 | -             |
|         | <b>71,204,381</b> | <b>100.00</b> | <b>62,387,472</b> | <b>100.00</b> |

### 7.4. Provision for credit granting to other credit institutions

|                    | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--------------------|----------------------------|----------------------------|
| Specific provision | 101,100                    | -                          |
|                    | <b>101,100</b>             | <b>-</b>                   |

Movements in provision for credit granting to other credit institutions for the year ended 31 December 2022 are as follows:

|                                       | General provision<br>VND million | Specific provision<br>VND million | Total<br>VND million |
|---------------------------------------|----------------------------------|-----------------------------------|----------------------|
| As at 1 January 2022                  | -                                | -                                 | -                    |
| Provision made for the year (Note 34) | -                                | 101,100                           | 101,100              |
| <b>As at 31 December 2022</b>         | <b>-</b>                         | <b>101,100</b>                    | <b>101,100</b>       |



**8. Held-for-trading securities**

|  | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|----------------------------|----------------------------|
| <b>Debt securities</b>   | <b>961,034</b>             | <b>5,074,479</b>           |
| Government bonds   | 961,034                    | 2,841,047                  |
| Bonds issued by local credit institutions                        | -                          | 2,233,432                  |
| <b>Provision for held-for-trading securities</b>                 | <b>-</b>                   | <b>(3,667)</b>             |
| Provision for diminution in value of held-for-trading securities | -                          | (3,667)                    |
|  | <b>961,034</b>             | <b>5,070,812</b>           |

Analysis of credit quality for held-for-trading securities classified as credit risk bearing assets at the end of the reporting period is as follows:

|         | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|---------|----------------------------|----------------------------|
| Current | -                          | 2,233,432                  |

Movements in provision for held-for-trading securities for the year ended 31 December 2022 are as follows:

|   | General provision<br>VND million | Provision for diminution<br>VND million | Total<br>VND million |
|---|----------------------------------|---|----------------------|
| As at 1 January 2022                      | -                                | 3,667                                   | 3,667                |
| Provision reversed for the year (Note 29) | -                                | (3,667)                                 | (3,667)              |
| <b>As at 31 December 2022</b>             | <b>-</b>                         | <b>-</b>                                | <b>-</b>             |

Movements in provision for held-for-trading securities for the year ended 31 December 2021 are as follows:

|                                       | General provision<br>VND million | Provision for diminution<br>VND million | Total<br>VND million |
|---------------------------------------|----------------------------------|---|----------------------|
| As at 1 January 2021                  | -                                | 9,871                                   | 9,871                |
| Provision made for the year (Note 29) | -                                | 1,896                                   | 1,896                |
| Use of provision in the year          | -                                | (8,100)                                 | (8,100)              |
| <b>As at 31 December 2021</b>         | <b>-</b>                         | <b>3,667</b>                            | <b>3,667</b>         |

The listing status of held-for-trading securities is as follows:

|                        | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|------------------------|----------------------------|----------------------------|
| <b>Debt securities</b> |                            |                            |
| Listed                 | 961,034                    | 2,841,047                  |
| Unlisted               | -                          | 2,233,432                  |
|                        | <b>961,034</b>             | <b>5,074,479</b>           |

**9. Loans to customers**

|  | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|----------------------------|----------------------------|
| Loans to local economic entities and individuals             | 403,202,460                | 324,750,868                |
| Discounted bills and valuable papers                         | 7,930,134                  | 6,696,171                  |
| Loans financed by entrusted funds                            | 8,042                      | 41,257                     |
| Payments on behalf of customers                              | 19,625                     | 1,416                      |
| Loans to foreign economic entities and individuals           | 8,840                      | -                          |
| Receivables from margin activities and advances to investors | 9,354,604                  | 15,851,532                 |
|  | <b>420,523,705</b>         | <b>347,341,244</b>         |

Interest rates per annum of loans to customers at the end of the reporting period are as follows:

|                       | 31 Dec 2022    | 31 Dec 2021    |
|-----------------------|----------------|----------------|
| In VND                | 0.00% - 15.70% | 0.00% - 12.00% |
| In foreign currencies | 1.50% - 8.61%  | 1.50% - 5.92%  |

**9.1. Loan portfolio by quality**

|  | 31 Dec 2022        |               | 31 Dec 2021        |               |
|--|--------------------|---------------|--------------------|---------------|
|  | VND million        | %             | VND million        | %             |
| Current  | 399,403,381        | 94.98         | 327,051,002        | 94.16         |
| Special mention  | 8,733,115          | 2.08          | 2,144,836          | 0.62          |
| Substandard  | 901,592            | 0.21          | 678,516            | 0.19          |
| Doubtful   | 1,131,087          | 0.27          | 860,243            | 0.25          |
| Loss   | 999,926            | 0.24          | 755,115            | 0.22          |
| Receivables from margin activities and advances to investors | 9,354,604          | 2.22          | 15,851,532         | 4.56          |
|  | <b>420,523,705</b> | <b>100.00</b> | <b>347,341,244</b> | <b>100.00</b> |

**9.2. Loan portfolio by term**

|  | 31 Dec 2022        |               | 31 Dec 2021        |               |
|--|--------------------|---------------|--------------------|---------------|
|  | VND million        | %             | VND million        | %             |
| Short term   | 132,857,217        | 31.59         | 98,786,451         | 28.44         |
| Medium term  | 79,300,508         | 18.86         | 93,573,522         | 26.94         |
| Long term  | 199,011,376        | 47.33         | 139,129,739        | 40.06         |
| Receivables from margin activities and advances to investors | 9,354,604          | 2.22          | 15,851,532         | 4.56          |
|  | <b>420,523,705</b> | <b>100.00</b> | <b>347,341,244</b> | <b>100.00</b> |

## 9.3. Phân tích dư nợ theo ngành nghề kinh doanh

|  | 31 Dec 2022        |               | 31 Dec 2021        |               |
|--|--------------------|---------------|--------------------|---------------|
|  | VND million        | %             | VND million        | %             |
| <b>Loans to economic entities</b>  | <b>193,716,757</b> | <b>46.07</b>  | <b>184,907,782</b> | <b>53.24</b>  |
| Agriculture, forestry and aquaculture  | 2,095,342          | 0.50          | 911,643            | 0.26          |
| Mining   | 1,451,843          | 0.34          | 1,719,047          | 0.50          |
| Manufacturing and processing   | 28,006,736         | 6.66          | 28,699,541         | 8.26          |
| Production and distribution of electricity, gas, hot water, steam and air-conditioning | 3,951,228          | 0.94          | 4,489,294          | 1.29          |
| Water supply; waste and wastewater management and processing                           | 28,872             | 0.01          | 69,892             | 0.02          |
| Construction   | 12,093,130         | 2.88          | 12,949,773         | 3.73          |
| Wholesale and retail trade; repair of motor vehicles, motorcycles                      | 34,129,848         | 8.12          | 34,708,861         | 9.99          |
| Transportation and warehousing   | 1,516,639          | 0.36          | 2,369,405          | 0.68          |
| Hospitality services   | 245,674            | 0.06          | 180,356            | 0.05          |
| Information and communications   | 362,959            | 0.09          | 680,877            | 0.20          |
| Banking, finance and insurance   | 45,852             | 0.01          | 1,241,371          | 0.36          |
| Real estates   | 108,805,146        | 25.87         | 95,612,780         | 27.53         |
| Science and technology   | 259,405            | 0.06          | 350,679            | 0.10          |
| Administrative activities and supporting services                                      | 448,661            | 0.11          | 293,411            | 0.09          |
| Education and training   | 104,111            | 0.02          | 181,274            | 0.05          |
| Health care and social work  | 48,332             | 0.01          | 250,411            | 0.07          |
| Art and entertainment  | 8,984              | 0.00          | 21,075             | 0.01          |
| Other services   | 113,995            | 0.03          | 178,092            | 0.05          |
| <b>Loans to individuals</b>  | <b>217,452,344</b> | <b>51.71</b>  | <b>146,581,930</b> | <b>42.20</b>  |
| <b>Receivables from margin activities and advances to investors</b>                    | <b>9,354,604</b>   | <b>2.22</b>   | <b>15,851,532</b>  | <b>4.56</b>   |
|  | <b>420,523,705</b> | <b>100.00</b> | <b>347,341,244</b> | <b>100.00</b> |

## 9.4. Loan portfolio by ownership

|   | 31 Dec 2022        |               | 31 Dec 2021        |               |
|---|--------------------|---------------|--------------------|---------------|
|   | VND million        | %             | VND million        | %             |
| <b>Loans to economic entities</b>                                   | <b>193,716,757</b> | <b>46.07</b>  | <b>184,907,782</b> | <b>53.24</b>  |
| State-owned limited liability companies                             | 4,522,732          | 1.08          | 4,464,934          | 1.29          |
| Other limited liability companies                                   | 102,451,642        | 24.36         | 73,427,678         | 21.14         |
| Joint-stock state-owned companies                                   | 44,232             | 0.01          | 403,611            | 0.12          |
| Other joint-stock companies   | 85,272,750         | 20.28         | 104,296,153        | 30.03         |
| Private companies and partnership companies                         | 158,070            | 0.04          | 347,689            | 0.10          |
| Foreign-invested companies  | 1,208,940          | 0.29          | 1,949,719          | 0.56          |
| Cooperatives and cooperative unions                                 | 13,423             | 0.00          | 14,475             | 0.00          |
| Administration units, Party, unions and associations                | 44,968             | 0.01          | 3,523              | 0.00          |
| <b>Loans to individuals</b>   | <b>217,452,344</b> | <b>51.71</b>  | <b>146,581,930</b> | <b>42.20</b>  |
| <b>Receivables from margin activities and advances to investors</b> | <b>9,354,604</b>   | <b>2.22</b>   | <b>15,851,532</b>  | <b>4.56</b>   |
|   | <b>420,523,705</b> | <b>100.00</b> | <b>347,341,244</b> | <b>100.00</b> |

## 10. Provision for loans to customers

Provision for loans to customers is as follows:

|                    | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--------------------|----------------------------|----------------------------|
| General provision  | 3,146,428                  | 2,599,397                  |
| Specific provision | 1,625,021                  | 1,136,266                  |
|                    | <b>4,771,449</b>           | <b>3,735,663</b>           |

Movements in provision for loans to customers for the year ended 31 December 2022 are as follows:

|  | General provision<br>VND million | Specific provision<br>VND million | Total<br>VND million |
|--|----------------------------------|-----------------------------------|----------------------|
| As at 1 January 2022                         | 2,599,397                        | 1,136,266                         | 3,735,663            |
| Provision made for the year (*)<br>(Note 34) | 547,031                          | 1,171,761                         | 1,718,792            |
| Use of provision in the year                 | -                                | (683,006)                         | (683,006)            |
| <b>As at 31 December 2022</b>                | <b>3,146,428</b>                 | <b>1,625,021</b>                  | <b>4,771,449</b>     |

(\*) For the year ended 31 December 2022, the Bank made 100% required specific provision for customers whose debts are rescheduled or granted interest exemption or reduction in accordance with Circular 03 as described in Note 4.6.

Movements in provision for loans to customers for the year ended 31 December 2021 are as follows:

|  | General provision<br>VND million | Specific provision<br>VND million | Total<br>VND million |
|--|----------------------------------|-----------------------------------|----------------------|
| As at 1 January 2021                     | 1,879,473                        | 334,775                           | 2,214,248            |
| Provision made for the year<br>(Note 34) | 719,924                          | 1,428,138                         | 2,148,062            |
| Use of provision in the year             | -                                | (626,647)                         | (626,647)            |
| <b>As at 31 December 2021</b>            | <b>2,599,397</b>                 | <b>1,136,266</b>                  | <b>3,735,663</b>     |

**11. Debts purchased**

|                               | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|-------------------------------|----------------------------|----------------------------|
| Debts purchased in VND        | 110,221                    | 136,108                    |
| Provision for debts purchased | (2,496)                    | (2,690)                    |
|                               | <b>107,725</b>             | <b>133,418</b>             |

Breakdown of debts purchased is as follows:

|                               | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|-------------------------------|----------------------------|----------------------------|
| Principals of debts purchased | 108,539                    | 134,426                    |
| Interest of debts purchased   | 1,682                      | 1,682                      |
|                               | <b>110,221</b>             | <b>136,108</b>             |

Analysis of credit quality for debts purchased as at the end of the reporting period is as follows:

|         | 31 Dec 2022    |               | 31 Dec 2021    |               |
|---------|----------------|---------------|----------------|---------------|
|         | VND million    | %             | VND million    | %             |
| Current | 108,539        | 98.47         | 134,426        | 98.76         |
| Loss    | 1,682          | 1.53          | 1,682          | 1.24          |
|         | <b>110,221</b> | <b>100.00</b> | <b>136,108</b> | <b>100.00</b> |

Movements in provision for debts purchased are as follows:

|  | 2022<br>VND million | 2021<br>VND million |
|--|---------------------|---------------------|
| Opening balance                                  | 2,690               | 1,682               |
| Provision (reversed)/made for the year (Note 34) | (194)               | 1,008               |
| <b>Closing balance</b>                           | <b>2,496</b>        | <b>2,690</b>        |

**12. Investment securities**

Investment securities at the end of the reporting period include:

|  | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|----------------------------|----------------------------|
| <b>Available-for-sale securities</b>         | <b>104,031,921</b>         | <b>98,092,062</b>          |
| Debt securities                              | 102,946,394                | 97,435,523                 |
| Equity securities                            | 1,085,527                  | 656,539                    |
| <b>Held-to-maturity securities</b>           | <b>-</b>                   | <b>200,000</b>             |
| Debt securities                              | -                          | 200,000                    |
| <b>Provision for investment securities</b>   | <b>(380,001)</b>           | <b>(705,974)</b>           |
| -Provision for available-for-sale securities | (380,001)                  | (514,601)                  |
| -Provision for held-to-maturity securities   | -                          | (191,373)                  |
|  | <b>103,651,920</b>         | <b>97,586,088</b>          |

**12.1. Available-for-sale securities**

|  | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|----------------------------|----------------------------|
| <b>Debt securities</b>   | <b>102,946,394</b>         | <b>97,435,523</b>          |
| Government bonds, municipal bonds                                  | 37,868,964                 | 14,437,924                 |
| Bonds issued by other local credit institutions                    | 24,062,608                 | 20,388,806                 |
| <i>In which:</i>   |                            |                            |
| <i>Bonds guaranteed by the Government for settlement</i>           | 3,881,081                  | 4,583,639                  |
| Bonds issued by local economic entities                            | 41,014,822                 | 62,608,793                 |
| <b>Equity securities</b>   | <b>1,085,527</b>           | <b>656,539</b>             |
| Equity security issued by local economic entities                  | 1,080,016                  | 651,028                    |
| Fund certificates  | 5,511                      | 5,511                      |
|  | <b>104,031,921</b>         | <b>98,092,062</b>          |
| <b>Provision for available-for-sale securities</b>                 | <b>(380,001)</b>           | <b>(514,601)</b>           |
| General provision for unlisted corporate bonds                     | (291,944)                  | (456,507)                  |
| Specific provision for unlisted corporate bonds                    | (44,344)                   | (36,519)                   |
| Provision for diminution in value of available-for-sale securities | (43,713)                   | (21,575)                   |
|  | <b>103,651,920</b>         | <b>97,577,461</b>          |

**12.2. Held-to-maturity securities**

|  | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|----------------------------|----------------------------|
| <b>Debt securities</b>                           | <b>-</b>                   | <b>200,000</b>             |
| Bonds issued by local economic entities          | -                          | 200,000                    |
| <b>Provision for held-to-maturity securities</b> | <b>-</b>                   | <b>(191,373)</b>           |
| Specific provision for unlisted corporate bonds  | -                          | (191,373)                  |
|  | <b>-</b>                   | <b>8,627</b>               |

**12.3. Analysis of quality of investment securities which are classified as credit risk bearing assets**

Analysis of credit quality for investment securities which are classified as credit risk bearing assets is as follows:

|                 | 31 Dec 2022       |               | 31 Dec 2021       |               |
|-----------------|-------------------|---------------|-------------------|---------------|
|                 | VND million       | %             | VND million       | %             |
| Current         | 56,772,648        | 97.18         | 76,749,546        | 99.74         |
| Special mention | 1,650,000         | 2.82          | -                 | 0.00          |
| Loss            | -                 | 0.00          | 200,000           | 0.26          |
|                 | <b>58,422,648</b> | <b>100.00</b> | <b>76,949,546</b> | <b>100.00</b> |

**12.4. Provision for investment securities**

|  | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|----------------------------|----------------------------|
| Provision for credit risk of unlisted corporate bonds      | 336,288                    | 684,399                    |
| Provision for diminution in value of investment securities | 43,713                     | 21,575                     |
|  | <b>380,001</b>             | <b>705,974</b>             |

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

|   | General provision<br>VND million | Specific provision<br>VND million | Provision for diminution<br>VND million | Total<br>VND million |
|---|----------------------------------|-----------------------------------|---|----------------------|
| As at 1 January 2022                                | 456,507                          | 227,892                           | 21,575                                  | 705,974              |
| Provision (reversed)/made for the year<br>(Note 30) | (164,563)                        | (183,548)                         | 22,138                                  | (325,973)            |
| <b>As at 31 December 2022</b>                       | <b>291,944</b>                   | <b>44,344</b>                     | <b>43,713</b>                           | <b>380,001</b>       |

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

|  | General provision<br>VND million | Specific provision<br>VND million | Provision for diminution<br>VND million | Total<br>VND million |
|--|----------------------------------|-----------------------------------|---|----------------------|
| As at 1 January 2021                     | 373,566                          | -                                 | 12,145                                  | 385,711              |
| Provision made for the year<br>(Note 30) | 82,941                           | 227,892                           | 11,730                                  | 322,563              |
| Use of provision in the year             | -                                | -                                 | (2,300)                                 | (2,300)              |
| <b>As at 31 December 2021</b>            | <b>456,507</b>                   | <b>227,892</b>                    | <b>21,575</b>                           | <b>705,974</b>       |

**13. Long-term investments**

|                                     | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|-------------------------------------|----------------------------|----------------------------|
| Other long-term investments – cost  | 13,962                     | 13,962                     |
| Provision for long-term investments | (1,149)                    | (1,149)                    |
|                                     | <b>12,813</b>              | <b>12,813</b>              |

**13.1. Other long-term investments**

|  | 31 Dec 2022    |                        | 31 Dec 2021    |                        |
|--|----------------|------------------------|----------------|------------------------|
|  | Ownership<br>% | At cost<br>VND million | Ownership<br>% | At cost<br>VND million |
| Banking Skills Training and Consultancy JSC                    | 10.93          | 1,040                  | 10.93          | 1,040                  |
| National Payment Corporation of Vietnam                        | 0.42           | 1,000                  | 0.42           | 1,000                  |
| Vietnam Credit Information JSC                                 | 6.64           | 7,962                  | 6.64           | 7,962                  |
| Society for Worldwide Interbank Financial<br>Telecommunication | 0.00           | 3,300                  | 0.00           | 3,300                  |
| Vietnam Real Estate Exchange JSC                               | 11.00          | 660                    | 11.00          | 660                    |
|  |                | <b>13,962</b>          |                | <b>13,962</b>          |

**13.2. Provision for long-term investments**

|                                       | 2022<br>VND million | 2021<br>VND million |
|---------------------------------------|---------------------|---------------------|
| Opening balance                       | 1,149               | 660                 |
| Provision made for the year (Note 33) | -                   | 489                 |
| <b>Closing balance</b>                | <b>1,149</b>        | <b>1,149</b>        |



**14. Fixed assets****14.1. Tangible fixed assets**

Movements in tangible fixed assets for the year ended 31 December 2022 are as follows:

|   |                          |                        |          |        | VND million |
|---|--------------------------|------------------------|----------|--------|-------------|
|   | Buildings and structures | Machines and equipment | Vehicles | Others | Total       |
| <b>Cost</b>   |                          |                        |          |        |             |
| As at 1 January 2022  | 1,915,434                | 2,597,138              | 310,089  | 1,431  | 4,824,092   |
| Additions   | 13                       | 475,992                | 18,198   | 4,118  | 498,321     |
| Transfers from advances for fixed assets purchases and construction in progress | 32,880                   | 86,776                 | -        | 9,058  | 128,714     |
| Disposals   | -                        | (240,818)              | (50,156) | (728)  | (291,702)   |
| Other movements   | -                        | (3,079)                | -        | -      | (3,079)     |
| As at 31 December 2022  | 1,948,327                | 2,916,009              | 278,131  | 13,879 | 5,156,346   |
| <b>Accumulated amortization</b>   |                          |                        |          |        |             |
| As at 1 January 2022  | 113,148                  | 958,560                | 122,657  | 995    | 1,195,360   |
| Charges for the year  | 42,004                   | 383,721                | 27,932   | 1,478  | 455,135     |
| Disposals   | -                        | (140,205)              | (50,028) | (728)  | (190,961)   |
| As at 31 December 2022  | 155,152                  | 1,202,076              | 100,561  | 1,745  | 1,459,534   |
| <b>Net book value</b>   |                          |                        |          |        |             |
| As at 1 January 2022  | 1,802,286                | 1,638,578              | 187,432  | 436    | 3,628,732   |
| As at 31 December 2022  | 1,793,175                | 1,713,933              | 177,570  | 12,134 | 3,696,812   |

Movements in intangible fixed assets for the year ended 31 December 2021 are as follows:

|   |                          |                        |          |        | VND million |
|---|--------------------------|------------------------|----------|--------|-------------|
|   | Buildings and structures | Machines and equipment | Vehicles | Others | Total       |
| <b>Cost</b>   |                          |                        |          |        |             |
| As at 1 January 2021  | 261,028                  | 1,886,204              | 267,759  | 1,358  | 2,416,349   |
| Additions   | 221,394                  | 441,594                | 34,558   | 184    | 697,730     |
| Transfers from advances for fixed assets purchases and construction in progress | 1,438,664                | 411,378                | 18,667   | -      | 1,868,709   |
| Disposals   | (5,652)                  | (143,800)              | (10,895) | (111)  | (160,458)   |
| Other movements   | -                        | 1,762                  | -        | -      | 1,762       |
| As at 31 December 2021  | 1,915,434                | 2,597,138              | 310,089  | 1,431  | 4,824,092   |
| <b>Accumulated depreciation</b>   |                          |                        |          |        |             |
| As at 1 January 2021  | 36,436                   | 803,902                | 104,078  | 991    | 945,407     |
| Charges for the year  | 79,510                   | 298,431                | 29,283   | 37     | 407,261     |
| Disposals   | (2,798)                  | (143,773)              | (10,704) | (33)   | (157,308)   |
| As at 31 December 2021  | 113,148                  | 958,560                | 122,657  | 995    | 1,195,360   |
| <b>Net book value</b>   |                          |                        |          |        |             |
| As at 1 January 2021  | 224,592                  | 1,082,302              | 163,681  | 367    | 1,470,942   |
| As at 31 December 2021  | 1,802,286                | 1,638,578              | 187,432  | 436    | 3,628,732   |

Additional information on tangible fixed assets:

|   | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|---|----------------------------|----------------------------|
| Cost of tangible fixed assets which have been fully depreciated but still in active use | 306,246                    | 382,466                    |

**14.2. Intangible fixed assets**

Movements in intangible fixed assets for the year ended 31 December 2022 are as follows:

|   |                 |                   |        | VND million |
|---|-----------------|-------------------|--------|-------------|
|   | Land use rights | Computer software | Others | Total       |
| <b>Cost</b>   |                 |                   |        |             |
| As at 1 January 2022  | 2,622,527       | 1,906,692         | 11,922 | 4,541,141   |
| Additions   | 1,626           | 610,164           | -      | 611,790     |
| Transfers from advances for fixed assets purchases and construction in progress | 11,545          | 764,278           | -      | 775,823     |
| Disposals   | -               | (12,529)          | -      | (12,529)    |
| Other movements   | -               | (2,687)           | -      | (2,687)     |
| As at 31 December 2022  | 2,635,698       | 3,265,918         | 11,922 | 5,913,538   |
| <b>Accumulated amortization</b>   |                 |                   |        |             |
| As at 1 January 2022  | 232             | 942,856           | 2,304  | 945,392     |
| Charges for the year  | 8               | 265,169           | 1,055  | 266,232     |
| Disposals   | -               | (12,245)          | -      | (12,245)    |
| Other movements   | -               | (411)             | -      | (411)       |
| As at 31 December 2022  | 240             | 1,195,369         | 3,359  | 1,198,968   |
| <b>Net book value</b>   |                 |                   |        |             |
| As at 1 January 2022  | 2,622,295       | 963,836           | 9,618  | 3,595,749   |
| As at 31 December 2022  | 2,635,458       | 2,070,549         | 8,563  | 4,714,570   |

Movements in intangible fixed assets for the year ended 31 December 2021 are as follows:

|   |                 |                   |        | VND million |
|---|-----------------|-------------------|--------|-------------|
|   | Land use rights | Computer software | Others | Total       |
| <b>Cost</b>   |                 |                   |        |             |
| As at 1 January 2021  | 2,622,454       | 1,296,198         | 4,551  | 3,923,203   |
| Additions   | 958             | 241,042           | 265    | 242,265     |
| Transfers from advances for fixed assets purchases and construction in progress | -               | 372,409           | 7,106  | 379,515     |
| Disposals   | (885)           | (160)             | -      | (1,045)     |
| Other movements   | -               | (2,797)           | -      | (2,797)     |
| As at 31 December 2021  | 2,622,527       | 1,906,692         | 11,922 | 4,541,141   |
| <b>Accumulated amortization</b>   |                 |                   |        |             |
| As at 1 January 2021  | 476             | 778,003           | 2,243  | 780,722     |
| Charges for the year  | 14              | 165,013           | 61     | 165,088     |
| Disposals   | (258)           | (160)             | -      | (418)       |
| As at 31 December 2021  | 232             | 942,856           | 2,304  | 945,392     |
| <b>Net book value</b>   |                 |                   |        |             |
| As at 1 January 2021  | 2,621,978       | 518,195           | 2,308  | 3,142,481   |
| As at 31 December 2021  | 2,622,295       | 963,836           | 9,618  | 3,595,749   |

Additional information on intangible fixed assets:

|   | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|---|----------------------------|----------------------------|
| Cost of intangible fixed assets which have been fully amortized but still in active use | 346,759                    | 492,485                    |

**15. Investment property**

Movements in investment properties for the year ended 31 December 2022 are as follows:

|                                 | Building<br>VND million |
|---------------------------------|-------------------------|
| <b>Cost</b>                     |                         |
| As at 1 January 2022            | 1,435,699               |
| As at 31 December 2022          | 1,435,699               |
| <b>Accumulated depreciation</b> |                         |
| As at 1 January 2022            | 346,775                 |
| Charges for the year            | 35,800                  |
| As at 31 December 2022          | 382,575                 |
| <b>Net book value</b>           |                         |
| As at 1 January 2022            | 1,088,924               |
| As at 31 December 2022          | 1,053,124               |

Movements in investment properties for the year ended 31 December 2021 are as follows:

|                                 | Building<br>VND million |
|---------------------------------|-------------------------|
| <b>Cost</b>                     |                         |
| As at 1 January 2021            | 1,435,699               |
| As at 31 December 2021          | 1,435,699               |
| <b>Accumulated depreciation</b> |                         |
| As at 1 January 2021            | 310,975                 |
| Charges for the year            | 35,800                  |
| As at 31 December 2021          | 346,775                 |
| <b>Net book value</b>           |                         |
| As at 1 January 2021            | 1,124,724               |
| As at 31 December 2021          | 1,088,924               |

Investment property mainly includes Techcombank Building with cost and accumulated depreciation amounting to VND 1,435,699 million and VND 382,575 million respectively, as at 31 December 2022.

**16. Other assets**

|  | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|----------------------------|----------------------------|
| <b>Other receivables</b>   | <b>61,609,133</b>          | <b>28,117,180</b>          |
| Internal receivables   | 115,626                    | 79,016                     |
| External receivables   | 61,493,507                 | 28,038,164                 |
| <i>Deposits for office rental (i)</i>  | 1,396,662                  | 898,432                    |
| <i>Deposits for purchase of office (i)</i>   | 9,703,207                  | -                          |
| <i>Receivables related to Interest Subsidy Program</i>                               | 29,366                     | 20,006                     |
| <i>Advances for contracts</i>  | 921,272                    | 428,541                    |
| <i>Deposits for gold, commodity and foreign currencies trading in future markets</i> | 52,251                     | 50,747                     |
| <i>Advances for fixed assets purchase (ii)</i>                                       | 520,020                    | 814,603                    |
| <i>Construction in progress (ii)</i>   | 2,449,111                  | 1,247,158                  |
| <i>Receivables from UPAS L/C (Usance Payable At Sight Letter of Credit) (iii)</i>    | 42,342,081                 | 23,915,577                 |
| <i>Receivables from loans sold contract (iv)</i>                                     | 330,311                    | 449,939                    |
| <i>Receivables from securities activities</i>  | 3,449,677                  | -                          |
| <i>Taxes receivable (Note 23)</i>  | 3,612                      | -                          |
| <i>Other external receivables</i>  | 295,937                    | 213,161                    |
| <b>Accrued interest and fee receivables</b>  | <b>8,028,730</b>           | <b>5,807,801</b>           |
| <b>Deferred income tax assets (Note 23.3)</b>  | <b>61,050</b>              | <b>17,460</b>              |
| <b>Other assets</b>  | <b>1,616,735</b>           | <b>1,448,617</b>           |
| Materials  | 17,489                     | 22,107                     |
| Prepaid expenses   | 1,598,624                  | 1,424,814                  |
| Other assets   | 622                        | 1,696                      |
| <b>Provision for other on-balance sheet assets (v)</b>                               | <b>(798,423)</b>           | <b>(680,423)</b>           |
|  | <b>70,517,225</b>          | <b>34,710,635</b>          |

- (i) These are deposits for office rental and purchase of office of the Bank's headquarter and branches.
- (ii) These are payments to purchase fixed assets and construct the Bank's offices.
- (iii) Receivables from UPAS L/C (Usance Payable At Sight Letter Of Credit) comprise of imported payable at sight letter of credit and domestic payable at sight letter of credit. These are receivables from the Bank's customers from advances for goods or services under payment terms of letters of credit issued by the Bank. Accordingly, the Bank made payment to the beneficiaries of these letters of credit prior to their matured dates and charged fees for advanced settlement services.
- (iv) Analysis of credit quality for balance of receivable from loans sold contract as at the end of the reporting period is as follows:

|      | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|------|----------------------------|----------------------------|
| Loss | 330,311                    | 449,939                    |

- v. Provision for other on-balance sheet assets, comprising of provision for overdue receivables, receivables from UPAS L/C (Usance Payable At Sight Letter of Credit) and receivable from loans sold contract is as follows:

|   | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|---|----------------------------|----------------------------|
| Provision for receivable from loans sold contract                                     | 330,311                    | 449,939                    |
| <i>Specific provision</i>   | 330,311                    | 449,939                    |
| Provision for receivables from UPAS L/C<br>(Usance Payable At Sight Letter of Credit) | 415,591                    | 179,367                    |
| <i>General provision</i>  | 316,231                    | 179,367                    |
| <i>Specific provision</i>   | 99,360                     | -                          |
| Provision for other assets  | 52,521                     | 51,117                     |
|   | <b>798,423</b>             | <b>680,423</b>             |

Movements in provision for other on-balance sheet assets during the year are as follows:

|  | 2022<br>VND million | 2021<br>VND million |
|--|---------------------|---------------------|
| Opening balance  | 680,423             | 189,892             |
| Provision (reversed)/made for receivable from loans sold contract for the year<br>( <i>Note 34</i> )                       | (119,628)           | 425,500             |
| <i>Specific provision</i>  | (119,628)           | 425,500             |
| Provision made for receivables from UPAS L/C (Usance Payable At Sight<br>Letter of Credit) for the year ( <i>Note 34</i> ) | 236,224             | 90,033              |
| <i>General provision</i>   | 136,864             | 90,033              |
| <i>Specific provision</i>  | 99,360              | -                   |
| Provision made/(reversed) for other on-balance sheet assets for the year<br>( <i>Note 33</i> )                             | 1,404               | (25,002)            |
| <b>Closing balance</b>   | <b>798,423</b>      | <b>680,423</b>      |

## 17. Due to the Government and the SBV

|   | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|---|----------------------------|----------------------------|
| <b>Deposits from the Vietnam State Treasury</b> |                            |                            |
| In VND  | 7,826                      | 842                        |
|   | <b>7,826</b>               | <b>842</b>                 |

## 18. Deposits and borrowings from other financial institutions and credit institutions

### 18.1. Deposits from other financial institutions and credit institutions

|                              | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|------------------------------|----------------------------|----------------------------|
| Demand deposits              | 776,778                    | 518,192                    |
| <i>In VND</i>                | 771,246                    | 375,303                    |
| <i>In foreign currencies</i> | 5,532                      | 142,889                    |
| Term deposits                | 60,516,960                 | 45,087,950                 |
| <i>In VND</i>                | 39,340,000                 | 35,788,000                 |
| <i>In foreign currencies</i> | 21,176,960                 | 9,299,950                  |
|                              | <b>61,293,738</b>          | <b>45,606,142</b>          |

Interest rates per annum of deposits from other financial institutions and credit institutions at the end of the reporting period are as follows:

|                                     | 31 Dec 2022    | 31 Dec 2021   |
|-------------------------------------|----------------|---------------|
| Term deposits in VND                | 3.50% - 10.50% | 0.80% - 3.00% |
| Term deposits in foreign currencies | 4.15% - 4.50%  | 0.19% - 0.40% |

### 18.2. Borrowings from other financial institutions and credit institutions

|                       | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|-----------------------|----------------------------|----------------------------|
| In VND                | 21,603,024                 | 12,004,051                 |
| In foreign currencies | 84,666,207                 | 54,848,498                 |
|                       | <b>106,269,231</b>         | <b>66,852,549</b>          |

Interest rates per annum of borrowings from other financial institutions and credit institutions at the end of the reporting period are as follows:

|                       | 31 Dec 2022    | 31 Dec 2021   |
|-----------------------|----------------|---------------|
| In VND                | 3.57% - 12.90% | 1.50% - 8.00% |
| In foreign currencies | 0.75% - 12.25% | 0.70% - 4.38% |



**19. Deposits from customers****19.1. Analysis by category of deposits**

|  | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|----------------------------|----------------------------|
| <b>Current accounts</b>                | <b>123,079,324</b>         | <b>147,861,145</b>         |
| Current accounts in VND                | 113,445,822                | 140,018,181                |
| Current accounts in foreign currencies | 9,633,502                  | 7,842,964                  |
| <b>Term deposits</b>                   | <b>225,941,947</b>         | <b>155,894,254</b>         |
| Term deposits in VND                   | 222,345,948                | 151,837,741                |
| Term deposits in foreign currencies    | 3,595,999                  | 4,056,513                  |
| <b>Margin deposits</b>                 | <b>9,382,514</b>           | <b>10,997,126</b>          |
| Margin deposits in VND                 | 9,308,312                  | 10,940,538                 |
| Margin deposits in foreign currencies  | 74,202                     | 56,588                     |
|  | <b>358,403,785</b>         | <b>314,752,525</b>         |

Interest rates per annum of deposits from customers at the end of the reporting period are as follows:

|                                       | 31 Dec 2022   | 31 Dec 2021   |
|---------------------------------------|---------------|---------------|
| Demand deposits in VND                | 0.00% - 1.20% | 0.00% - 0.20% |
| Demand deposits in foreign currencies | 0.00% - 0.10% | 0.00% - 0.10% |
| Term deposits in VND                  | 1.00% - 9.60% | 0.20% - 7.10% |
| Term deposits in foreign currencies   | 0.00% - 0.60% | 0.00% - 0.60% |

**19.2. Analysis of deposits portfolio by ownership**

|  | 31 Dec 2022        |               | 31 Dec 2021        |               |
|--|--------------------|---------------|--------------------|---------------|
|  | VND million        | %             | VND million        | %             |
| <b>Deposits from organizations</b>                   | <b>114,409,809</b> | <b>31.92</b>  | <b>94,673,691</b>  | <b>30.08</b>  |
| State-owned limited liability companies              | 15,402,482         | 4.30          | 3,986,470          | 1.27          |
| Other limited liability companies                    | 44,480,777         | 12.42         | 36,478,425         | 11.59         |
| Joint-stock state-owned companies                    | 84,681             | 0.02          | 92,415             | 0.03          |
| Other joint-stock companies                          | 47,740,094         | 13.32         | 46,191,977         | 14.68         |
| Private enterprises and partnership companies        | 144,372            | 0.04          | 147,299            | 0.05          |
| Foreign-invested enterprises                         | 4,414,566          | 1.23          | 4,779,856          | 1.52          |
| Cooperatives and cooperative unions                  | 14,906             | 0.00          | 11,933             | 0.00          |
| Administration units, Party, unions and associations | 1,984,725          | 0.55          | 1,937,124          | 0.61          |
| Others   | 143,206            | 0.04          | 1,048,192          | 0.33          |
| <b>Deposits from individuals</b>                     | <b>243,993,976</b> | <b>68.08</b>  | <b>220,078,834</b> | <b>69.92</b>  |
|  | <b>358,403,785</b> | <b>100.00</b> | <b>314,752,525</b> | <b>100.00</b> |

**20. Derivatives and other financial assets/(liabilities)**

VND million

|                                    | 31 Dec 2022                  |  | 31 Dec 2021                  |  |
|------------------------------------|------------------------------|--|------------------------------|--|
|                                    | Total contract nominal value | Total net carrying value of assets/(liabilities) | Total contract nominal value | Total net carrying value of assets/(liabilities) |
| Foreign exchange forward contracts | 104,596,820                  | (485,237)  | 117,920,007                  | (28,828)   |
| Foreign exchange swap contracts    | 179,859,303                  | (1,169,554)                                      | 138,102,399                  | 197,924  |
| Cross-currency swap contracts      | 41,164,196                   | (196,422)  | 43,642,094                   | 124,672  |
|                                    | <b>325,620,319</b>           | <b>(1,851,213)</b>                               | <b>299,664,500</b>           | <b>293,768</b>                                   |

Total contract nominal value is translated at the contractual exchange rates.

Total net carrying value is translated at the foreign exchange rates as at the end of the reporting period.

**21. Valuable papers issued**

Valuable papers issued categorized by terms are as follows:

|                               | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|-------------------------------|----------------------------|----------------------------|
| From 12 months to 5 years (i) | 34,006,619                 | 32,979,824                 |
| Over 5 years                  | -                          | 700,000                    |
|                               | <b>34,006,619</b>          | <b>33,679,824</b>          |

(i) These bonds and certificates of deposits bear interest rates ranging from 3.50% to 14.51% per annum (2021: 3.50% to 8.40%).

**22. Other liabilities**

|  | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|----------------------------|----------------------------|
| <b>Accrued interest and fee payables</b>                                     | <b>6,144,022</b>           | <b>3,121,881</b>           |
| <b>Other liabilities</b>   | <b>17,631,144</b>          | <b>11,673,715</b>          |
| Internal payables  | 8,335                      | 12,937                     |
| External payables  | 17,622,809                 | 11,660,778                 |
| <i>Remittance payables</i>   | 1,272,730                  | 1,911,365                  |
| <i>Payables to employees</i>   | 2,366,253                  | 2,263,619                  |
| <i>Taxes payable (Note 23)</i>   | 4,255,802                  | 1,373,333                  |
| <i>Deferred income</i>   | 544,330                    | 633,051                    |
| <i>Bonus and welfare funds</i>   | 24,529                     | 21,481                     |
| <i>Deferred proceeds from sale of collaterals</i>                            | 11,380                     | 44,386                     |
| <i>Accrued operating expenses</i>  | 1,352,075                  | 873,783                    |
| <i>Deposit certificates and funds kept for customers awaiting settlement</i> | 44,707                     | 32,370                     |
| <i>Settlement on behalf of other credit institutions</i>                     | 1,703,887                  | 1,538,616                  |
| <i>Other awaiting settlement</i>   | 52,737                     | 79,323                     |
| <i>Payables for securities trading activities</i>                            | 5,272,870                  | 2,361,816                  |
| <i>Other payables</i>  | 721,509                    | 527,635                    |
|  | <b>23,775,166</b>          | <b>14,795,596</b>          |

**23. Obligations to the state budget**

VND million

|                      | Opening balance  |                  | Incurred during the year |                | Closing balance  |  |
|----------------------|------------------|------------------|--------------------------|----------------|------------------|--|
|                      | Payables         | Payables         | Paid                     | Receivable     | Payables         |  |
| Value added tax      | 42,436           | 446,036          | (452,032)                | -              | 36,440           |  |
| Corporate income tax | 1,190,015        | 5,174,951        | (2,301,394)              | (3,612)        | 4,067,184        |  |
| Other taxes          | 140,882          | 2,103,878        | (2,092,582)              | -              | 152,178          |  |
| <b>Taxes payable</b> | <b>1,373,333</b> | <b>7,724,865</b> | <b>(4,846,008)</b>       | <b>(3,612)</b> | <b>4,255,802</b> |  |

**23.1. Current corporate income tax**

Current corporate income tax payables are determined based on taxable income of the current year. Taxable income may be different from the amount reported in the consolidated statement of profit or loss since taxable income excludes income which is eligible for tax or expenses which are subtracted in prior years due to the differences between the Bank's accounting policies and the current tax policies, and also excludes tax-exempted income and non-deductible expenses. The current corporate income tax payable of the Bank is calculated based on the statutory tax rates applicable at the end of the reporting period.

The tax returns filed by the Bank are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change upon final determination by the tax authorities.

Current corporate income tax for the year ended 31 December 2022 and 31 December 2021 is computed as follows:

|   | 2022<br>VND million | 2021<br>VND million |
|---|---------------------|---------------------|
| <b>Profit before tax</b>  | <b>25,567,768</b>   | <b>23,238,293</b>   |
| <i>Adjustments:</i>   |                     |                     |
| Non-taxable dividend income   | (8,776)             | (4,063)             |
| Decrease taxable income   | (1,379,228)         | (730,790)           |
| Adjustment to profit for consolidation purpose                                      | 69,810              | 117,305             |
| Increase non-deductible expenses  | 1,684,498           | 1,207,065           |
| <b>Taxable corporate income</b>   | <b>25,934,072</b>   | <b>23,827,810</b>   |
| Corporate income tax expense calculated on taxable income of current year           | 5,186,814           | 4,765,562           |
| Adjustment for (under)/over provision of corporate income tax expense in prior year | (11,882)            | 74,809              |
| <b>Current corporate income tax expense for the year</b>                            | <b>5,174,932</b>    | <b>4,840,371</b>    |
| <b>Opening corporate income tax payable</b>   | <b>1,190,015</b>    | <b>1,179,555</b>    |
| Corporate income tax paid for the year  | (2,301,394)         | (4,829,911)         |
| Adjustment for corporate income tax payables in prior year                          | 19                  | -                   |
| <b>Closing corporate income tax payable</b>   | <b>4,063,572</b>    | <b>1,190,015</b>    |

**23.2. Applicable tax rate**

The Bank's income tax rate for this year is 20% (2021: 20%).

**23.3. Deferred income tax**

Movements in deferred income tax during the year are as follow:

|  | 2022<br>VND million | 2021<br>VND million |
|--|---------------------|---------------------|
| <b>Deferred income tax assets</b>  |                     |                     |
| Opening balance  | 17,460              | -                   |
| Deferred income tax income arising from deductible temporary tax differences | 43,590              | 17,460              |
| <b>Closing balance</b>   | <b>61,050</b>       | <b>17,460</b>       |

**24. Capital and reserves****24.1. Statement of changes in equity**

For the year ended 31 December 2022:

|   | VND million       |                |                                       |                   |                |                   |                   |                           |                |                    |
|---|-------------------|----------------|---------------------------------------|-------------------|----------------|-------------------|-------------------|---------------------------|----------------|--------------------|
|   | Charter capital   | Share premium  | Charter capital supplementary reserve | Financial reserve | Other reserves | Total reserves    | Retained earnings | Non-controlling interests | Other capital  | Total              |
| <b>As at 1 January 2022</b>                             | <b>35,109,148</b> | <b>476,474</b> | <b>2,664,436</b>                      | <b>6,490,986</b>  | <b>474</b>     | <b>9,155,896</b>  | <b>47,453,056</b> | <b>846,898</b>            | -              | <b>93,041,472</b>  |
| Capital increase for the year                           | 63,237            | (59)           | -                                     | -                 | -              | -                 | -                 | 1,894                     | -              | 65,072             |
| Net profit for the year                                 | -                 | -              | -                                     | -                 | -              | -                 | 20,150,377        | 286,049                   | -              | 20,436,426         |
| Appropriation to reserves for the year                  | -                 | -              | 897,122                               | 1,794,245         | -              | 2,691,367         | (2,691,367)       | -                         | -              | -                  |
| Appropriation to welfare fund for the year              | -                 | -              | -                                     | -                 | -              | -                 | (38,500)          | -                         | -              | (38,500)           |
| Use of reserves for the year                            | -                 | -              | -                                     | (4,856)           | -              | (4,856)           | -                 | -                         | -              | (4,856)            |
| Dividends paid for the period                           | -                 | -              | -                                     | -                 | -              | -                 | -                 | (74,648)                  | -              | (74,648)           |
| Subsidiaries transferred reserves and retained earnings | -                 | -              | (116,919)                             | (116,919)         | -              | (233,838)         | (390,881)         | 68,722                    | 555,997        | -                  |
| <b>As at 31 December 2022</b>                           | <b>35,172,385</b> | <b>476,415</b> | <b>3,444,639</b>                      | <b>8,163,456</b>  | <b>474</b>     | <b>11,608,569</b> | <b>64,482,685</b> | <b>1,128,915</b>          | <b>555,997</b> | <b>113,424,966</b> |

For the year ended 31 December 2021:

|  | Đơn vị: triệu đồng |                |                                       |                   |                |                  |                   |                           |                   |            |
|--|--------------------|----------------|---------------------------------------|-------------------|----------------|------------------|-------------------|---------------------------|-------------------|------------|
|  | Charter capital    | Share premium  | Charter capital supplementary reserve | Financial reserve | Other reserves | Total reserves   | Retained earnings | Non-controlling interests | Total             |            |
| <b>As at 1 January 2021</b>                | <b>35,049,062</b>  | <b>476,507</b> | <b>1,872,102</b>                      | <b>4,917,067</b>  | <b>474</b>     | <b>6,789,643</b> | <b>31,815,808</b> | <b>483,766</b>            | <b>74,614,786</b> |            |
| Capital increase for the year              | 60,086             | (33)           | -                                     | -                 | -              | -                | -                 | -                         | 60,053            |            |
| Net profit for the year                    | -                  | -              | -                                     | -                 | -              | -                | 18,052,250        | 363,132                   | -                 | 18,415,382 |
| Appropriation to reserves for the year     | -                  | -              | 792,334                               | 1,584,668         | -              | 2,377,002        | (2,377,002)       | -                         | -                 | -          |
| Appropriation to welfare fund for the year | -                  | -              | -                                     | -                 | -              | -                | (38,000)          | -                         | -                 | (38,000)   |
| Use of reserves for the year               | -                  | -              | -                                     | (10,749)          | -              | (10,749)         | -                 | -                         | -                 | (10,749)   |
| <b>As at 31 December 2021</b>              | <b>35,109,148</b>  | <b>476,474</b> | <b>2,664,436</b>                      | <b>6,490,986</b>  | <b>474</b>     | <b>9,155,896</b> | <b>47,453,056</b> | <b>846,898</b>            | <b>93,041,472</b> |            |

**24.2. Share capital**

Breakdown of share capital at the end of the reporting period:

|                 | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|-----------------|----------------------------|----------------------------|
| Charter capital | 35,172,385                 | 35,109,148                 |
| Share premium   | 476,415                    | 476,474                    |
|                 | <b>35,648,800</b>          | <b>35,585,622</b>          |

Number of shares at the end of the reporting period:

|                          | 31 Dec 2022          | 31 Dec 2021          |
|--------------------------|----------------------|----------------------|
| Registered share capital | <b>3,517,238,514</b> | <b>3,510,914,798</b> |
| Issued share capital     | <b>3,517,238,514</b> | <b>3,510,914,798</b> |
| Ordinary shares          | 3,517,238,514        | 3,510,914,798        |

Movement of number of shares in circulation in the year:

|  | 2022                 | 2021                 |
|--|----------------------|----------------------|
| Number of shares in circulation        |                      |                      |
| Ordinary shares at 1 January           | 3,510,914,798        | 3,504,906,230        |
| Ordinary shares issued during the year | 6,323,716            | 6,008,568            |
| Ordinary shares at 31 December         | <b>3,517,238,514</b> | <b>3,510,914,798</b> |

Nominal value of the Bank's ordinary share is VND 10,000. Each share is entitled to one vote at General Shareholders Meetings of the Bank. All shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Bank's residual assets.

**24.3. Dividends**

Dividends payout shall be decided at Annual General Meeting of Shareholders.

**25. Interest and similar income**

|  | 2022<br>VND million | 2021<br>VND million |
|--|---------------------|---------------------|
| Interest income from deposits          | 1,409,942           | 266,751             |
| Interest income from loans             | 34,247,955          | 27,259,759          |
| Income from debt investment securities | 7,885,156           | 7,068,841           |
| Income from guarantee services         | 577,420             | 360,644             |
| Income from debt factoring services    | 10,176              | 7,400               |
| Other income from credit activities    | 621,987             | 539,856             |
|  | <b>44,752,636</b>   | <b>35,503,251</b>   |



**26. Interest and similar expenses**

|  | 2022<br>VND million | 2021<br>VND million |
|--|---------------------|---------------------|
| Interest expenses for deposits               | 9,212,164           | 6,256,038           |
| Interest expenses for borrowings             | 3,156,518           | 829,396             |
| Interest expenses for valuable papers issued | 1,897,675           | 1,635,280           |
| Other expenses for credit activities         | 196,504             | 83,924              |
|  | <b>14,462,861</b>   | <b>8,804,638</b>    |

**27. Net fees and commission income**

|   | 2022<br>VND million | 2021<br>VND million |
|---|---------------------|---------------------|
| <b>Fees and commission income from</b>  | <b>10,840,337</b>   | <b>8,239,494</b>    |
| Settlement and cash services            | 6,566,746           | 3,739,055           |
| Cashier services                        | 287                 | 3,055               |
| Trustee and agency services             | 710,835             | 662,083             |
| Consulting services                     | 141,699             | 221,285             |
| Bancassurance services                  | 1,750,638           | 1,558,318           |
| Securities issuance guarantee services  | 598,252             | 860,488             |
| Brokerage services                      | 753,760             | 746,828             |
| Fund management services                | 307,706             | 428,685             |
| Other services                          | 10,414              | 19,697              |
| <b>Fees and commission expenses for</b> | <b>(2,312,843)</b>  | <b>(1,857,254)</b>  |
| Settlement and cash services            | (2,028,053)         | (1,532,395)         |
| Cashier services                        | (74,639)            | (71,398)            |
| Brokerage services                      | (154,916)           | (166,005)           |
| Consulting services                     | (274)               | (136)               |
| Other services                          | (54,961)            | (87,320)            |
|   | <b>8,527,494</b>    | <b>6,382,240</b>    |

**28. Net (loss)/gain from trading foreign currencies**

|  | 2022<br>VND million | 2021<br>VND million |
|--|---------------------|---------------------|
| <b>Gain from trading of foreign currencies</b> | <b>3,819,491</b>    | <b>1,543,299</b>    |
| Gain from spot foreign exchange trading        | 1,329,040           | 339,506             |
| Gain from currency derivatives                 | 2,490,451           | 1,203,793           |
| <b>Loss for trading of foreign currencies</b>  | <b>(4,094,554)</b>  | <b>(1,311,883)</b>  |
| Loss for spot foreign exchange trading         | (477,916)           | (209,406)           |
| Loss for currency derivatives                  | (3,616,638)         | (1,102,477)         |
|  | <b>(275,063)</b>    | <b>231,416</b>      |

**29. Net (loss)/gain from held-for-trading securities**

|   | 2022<br>VND million | 2021<br>triệu đồng |
|---|---------------------|--------------------|
| Gain from trading of held-for-trading securities  | 108,741             | 567,239            |
| Loss for trading of held-for-trading securities   | (354,253)           | (413,038)          |
| Provision reversed/(made) for diminution in value of held-for-trading securities (Note 8) | 3,667               | (1,896)            |
|   | <b>(241,845)</b>    | <b>152,305</b>     |

**30. Net gain from investment securities**

|   | 2022<br>VND million | 2021<br>VND million |
|---|---------------------|---------------------|
| Gain from trading of investment securities  | 927,729             | 2,639,664           |
| Loss for trading of investment securities   | (828,149)           | (512,693)           |
| Provision reversed/(made) for credit risk of unlisted corporate bonds (Note 12.4) | 348,111             | (310,833)           |
| Provision made for diminution in value of investment securities (Note 12.4)       | (22,138)            | (11,730)            |
|   | <b>425,553</b>      | <b>1,804,408</b>    |

**31. Net gain from other operating activities**

|  | 2022<br>VND million | 2021<br>VND million |
|--|---------------------|---------------------|
| <b>Other operating income</b>            | <b>4,499,949</b>    | <b>4,343,731</b>    |
| Income from other derivatives            | 2,550,299           | 2,814,928           |
| Recovery of loans previously written-off | 1,311,053           | 1,121,235           |
| Other income                             | 638,597             | 407,568             |
| <b>Other operating expenses</b>          | <b>(2,332,574)</b>  | <b>(2,540,485)</b>  |
| Expenses for other derivatives           | (2,087,707)         | (2,081,690)         |
| Expenses for social activities           | (57,156)            | (316,337)           |
| Other expenses                           | (187,711)           | (142,458)           |
|  | <b>2,167,375</b>    | <b>1,803,246</b>    |

**32. Income from investments in other entities**

|  | 2022<br>VND million | 2021<br>VND million |
|--|---------------------|---------------------|
| Dividends from other long-term investments | 8,791               | 4,063               |

**33. Operating expenses**

|   | Note | 2022<br>VND million | 2021<br>VND million |
|---|------|---------------------|---------------------|
| Salaries and related expenses                               | 37   | 6,515,485           | 6,356,228           |
| Publication, marketing and promotion                        |      | 2,013,312           | 1,234,037           |
| Office and asset rental                                     |      | 554,689             | 533,743             |
| Depreciation and amortization of fixed assets               |      | 757,167             | 608,149             |
| Maintenance and repair of assets expenses                   |      | 331,183             | 331,295             |
| Information technology expenses (*)                         |      | 635,927             | 264,951             |
| Tax, duties and fees  |      | 187,371             | 146,640             |
| Tools and equipment expenses                                |      | 136,933             | 141,227             |
| Telecommunication expenses                                  |      | 63,899              | 90,494              |
| Utilities expenses  |      | 91,961              | 87,629              |
| Customers' deposits insurance expenses                      |      | 347,127             | 313,727             |
| Per diem expenses   |      | 56,869              | 45,542              |
| Provision made for long-term investments                    | 13.2 | -                   | 489                 |
| Provision made/(reversed) for other on-balance sheet assets | 16   | 1,404               | (25,002)            |
| Consultancy expenses  |      | 407,121             | 370,963             |
| Training and education expenses                             |      | 105,329             | 47,545              |
| Other operating expenses                                    |      | 1,192,241           | 625,738             |
|   |      | <b>13,398,018</b>   | <b>11,173,395</b>   |

(\*) Information technology expenses exclude IT maintenance expenses and IT depreciation and amortization expenses.

**34. Provision expenses for credit losses**

|   | Note | 2022<br>VND million | 2021<br>VND million |
|---|------|---------------------|---------------------|
| Specific provision made for credit granting to other credit institutions                | 7.4  | 101,100             | -                   |
| General provision made for loans to customers   | 10   | 547,031             | 719,924             |
| Specific provision made for loans to customers  | 10   | 1,171,761           | 1,428,138           |
| General provision (reversed)/made for debts purchased                                   | 11   | (194)               | 1,008               |
| Specific provision (reversed)/made for receivable from loans sold contract              | 16   | (119,628)           | 425,500             |
| Provision made for receivables from UPAS L/C (Usance Payable At Sight Letter of Credit) | 16   | 236,224             | 90,033              |
|   |      | <b>1,936,294</b>    | <b>2,664,603</b>    |

**35. Earnings per share**

Basic earnings per share are calculated by dividing the profit or loss after tax which is attributable to shareholders holding ordinary shares of the Bank (after adjusting for appropriation to bonus and welfare fund) by the weighted average of the number of common shares outstanding for the year.

Diluted earnings per share are calculated by dividing the profit or loss after tax which is attributable to shareholders

holding ordinary shares of the Bank (after adjusting for the dividends of convertible preferred shares) by the total of weighted average number of ordinary shares outstanding for the year and the weighted average number of ordinary shares which are issued in case all potential ordinary shares which have a diluting impact are converted into ordinary shares.

The Bank uses the following information to calculate earnings per share:

|   | 2022<br>VND million  | 2021<br>VND million  |
|---|----------------------|----------------------|
| Profit after tax attributable to ordinary shareholders (VND million)  | 20,150,377           | 18,052,250           |
| Adjust for appropriation to bonus and welfare funds   | (38,500)             | (38,000)             |
| Profit after tax attributable to ordinary shares shareholders for calculating basic earnings per share (VND million)        | 20,111,877           | 18,014,250           |
| Adjusted profit after tax attributable to ordinary shareholders for calculation of diluted earnings per share (VND million) | 20,111,877           | 18,014,250           |
| Weighted average number of ordinary shares used for calculation of basic earnings per share                                 | 3,513,028,478        | 3,506,552,413        |
| Effect of upcoming shares issuance (*)  | -                    | -                    |
| <b>Weighted average number of ordinary shares used for calculation of diluted earnings per share</b>                        | <b>3,513,028,478</b> | <b>3,506,552,413</b> |
| <b>Earnings per share (VND)</b>   |                      |                      |
| Basic earnings per share  | 5,725                | 5,137                |
| Diluted earnings per share  | (*)                  | (*)                  |

(\*) As at 31 December 2022 and 31 December 2021, earnings per share of the Bank are not affected by dilutive factors.

**36. Cash and cash equivalents**

|  | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|----------------------------|----------------------------|
| Cash and gold  | 4,215,721                  | 3,578,643                  |
| Balances with the SBV  | 11,475,590                 | 4,908,529                  |
| Securities with maturity period not exceeding 3 months from the acquisition date | 15,690,426                 | 143,497                    |
| Balances with other credit institutions with original terms of 3 months or less  | 69,924,143                 | 38,973,561                 |
|  | <b>101,305,880</b>         | <b>47,604,230</b>          |

**37. Employee benefits**

|  | 2022<br>VND million | 2021<br>VND million |
|--|---------------------|---------------------|
| Total employees as at 31 December (person)           | 12,339              | 12,506              |
| I. Average number of employees for the year (person) | 12,423              | 12,154              |
| II. Employees' remuneration                          |                     |                     |
| 1. Basic salaries                                    | 5,554,552           | 5,300,287           |
| 2. Allowances and other income                       | 960,933             | 1,055,941           |
| <b>3. Total (1+2)</b>                                | <b>6,515,485</b>    | <b>6,356,228</b>    |
| 4. Average salary/month                              | 37                  | 36                  |
| 5. Average remuneration/month                        | 44                  | 44                  |

**38. Assets, valuable papers, mortgaged, pledged, discounted and rediscounted****38.1. Assets, valuable papers, mortgaged, pledged, discounted and rediscounted to the Bank**

|                                       | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|---------------------------------------|----------------------------|----------------------------|
| <b>From customers</b>                 | <b>901,336,716</b>         | <b>814,694,006</b>         |
| Real estates                          | 577,190,951                | 522,747,005                |
| Movable assets                        | 19,939,896                 | 20,954,840                 |
| Valuable papers                       | 80,226,207                 | 123,966,832                |
| Other collaterals                     | 223,979,662                | 147,025,329                |
| <b>From other credit institutions</b> | <b>24,128,504</b>          | <b>25,544,268</b>          |
| Valuable papers                       | 24,119,900                 | 25,535,950                 |
| Other collaterals                     | 8,604                      | 8,318                      |
|                                       | <b>925,465,220</b>         | <b>840,238,274</b>         |

**38.2. Assets, valuable papers, mortgaged, pledged, discounted and rediscounted by the Bank**

|                       | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|-----------------------|----------------------------|----------------------------|
| Deposits              | 2,000,000                  | 1,828,000                  |
| Investment securities | 1,593,200                  | -                          |
|                       | <b>3,593,200</b>           | <b>1,828,000</b>           |

**39. Interest and receivable fees not collected yet**

|  | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|--|----------------------------|----------------------------|
| Interest from loans to customers not collected yet | 1,505,147                  | 1,358,573                  |
| Interest from securities not collected yet         | 235,789                    | 272,266                    |
| Receivable fees not collected yet                  | 117,942                    | 3,797                      |
|  | <b>1,858,878</b>           | <b>1,634,636</b>           |

**40. Written-off debts**

|   | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|---|----------------------------|----------------------------|
| Principal of written-off debts under monitoring | 12,528,024                 | 12,862,931                 |
| Interest of written-off debts under monitoring  | 34,417,396                 | 31,772,698                 |
| Other written-off debts                         | 1,133                      | 1,133                      |
|   | <b>46,946,553</b>          | <b>44,636,762</b>          |

**41. Assets and other documents**

|   | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|---|----------------------------|----------------------------|
| Precious metals, gemstones under custody services | 33                         | 31                         |
| Other assets kept under custody services          | 161,378,019                | 86,600,095                 |
| Operating lease assets (*)                        | -                          | -                          |
| Foreclosed assets pending settlement              | 623                        | 5,244                      |
| Other valuable documents under safekeeping        | 10,624,901                 | 79,299,738                 |
|   | <b>172,003,576</b>         | <b>165,905,108</b>         |

(\*) The Bank has not determined the value of this item due to insufficient information and lack of detailed guidance on value under Vietnamese Accounting Standards and Financial Reporting Regime for Credit Institutions.

**42. Significant transactions with related parties**

Related party transactions are transactions undertaken with other entities to which the Bank is related. A party is considered to be related to the Bank if:

- (a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Bank (including holding companies, subsidiaries and fellow subsidiaries);
- (b) Associates (see Vietnamese Accounting Standards No. 07 "Accounting for Investments in Associates");
- (c) Individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the Bank, and close members of the family of any such individual. Close members of the family of an individual are those that may be expected to influence, or be influenced by, that person in their dealings with the Bank, for example: parent, spouse, progeny, siblings;

(d) Key management personnel having authority and responsibility for planning, directing and controlling the activities of the Bank, including directors and officers of the Bank and close members of the families of such individuals;

(e) Enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such person is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the Bank and enterprises that have a member of key management in common with the Bank.



Significant transactions and balances with related parties of the Bank for the year ended 31 December 2022 are as follows:

### Bond transactions

| Related party  | Relationship | 2022            |           |             | Closing balance |
|--|--------------|-----------------|-----------|-------------|-----------------|
|  |              | Opening balance | Increase  | Decrease    |                 |
| <b>Masan Group Corporation Joint Stock Company</b>   | (i)          |                 |           |             |                 |
| Face value   |              | 384,997         | 5,999,879 | (5,862,996) | 521,880         |
| Interest receivables                                 |              | 2,626           | 55,366    | (44,836)    | 13,156          |
| <b>Nui Phao Mining Company Limited</b>               | (iii)        |                 |           |             |                 |
| Face value   |              | 269,578         | 6,126,574 | (6,380,802) | 15,350          |
| Interest receivables                                 |              | 3,033           | 9,544     | (12,497)    | 80              |
| <b>Masan High-Tech Materials Joint Stock Company</b> | (iii)        |                 |           |             |                 |
| Face value   |              | 281,498         | 1,176,505 | (1,302,529) | 155,474         |
| Interest receivables                                 |              | 2,315           | 11,558    | (12,302)    | 1,571           |

VND million

### Loans to customers

| Related party  | Relationship | 2022            |           |             | Closing balance |
|--|--------------|-----------------|-----------|-------------|-----------------|
|  |              | Opening balance | Increase  | Decrease    |                 |
| <b>European Plastic Window Joint Stock Company</b>   | (ii), (iii)  |                 |           |             |                 |
| Loans to customers   |              | 483,891         | 443,295   | (555,054)   | 372,132         |
| Interest receivables   |              | 1,835           | 36,433    | (37,278)    | 990             |
| <b>Nui Phao Mining Company Limited</b>   | (iii)        |                 |           |             |                 |
| Loans to customers   |              | 1,257,375       | 1,388,390 | (1,751,265) | 894,500         |
| Interest receivables   |              | 701             | 91,848    | (91,336)    | 1,213           |
| <b>Masan Tungsten Limited Liability Company</b>  | (iii)        |                 |           |             |                 |
| Loans to customers   |              | 98,858          | 282,302   | (196,731)   | 184,429         |
| Interest receivables   |              | 53              | 5,376     | (5,154)     | 275             |
| <b>WinEco Agricultural Investment Development and Production Limited Liability Company</b> | (iii)        |                 |           |             |                 |
| Loans to customers   |              | 127,097         | 257,673   | (279,308)   | 105,462         |
| Interest receivables   |              | 86              | 7,613     | (7,699)     | -               |
| <b>One Mount Distribution Joint Stock Company</b>  | (ii)         |                 |           |             |                 |
| Loans to customers   |              | -               | 1,011,485 | (349,010)   | 662,475         |
| Interest receivables   |              | -               | 14,326    | (13,264)    | 1,062           |

VND million

2022

| Related party   | Relationship | Opening balance     | Increase             | Decrease                 | Closing balance    |
|---|--------------|---------------------|----------------------|--------------------------|--------------------|
| <b>One Mount Group Joint Stock Company</b><br>Term deposits from customers<br>Interest payables   | (ii)         | 40,000<br>78        | -<br>31              | (40,000)<br>(109)        | -<br>-             |
| <b>One Mount Distribution Joint Stock Company</b><br>Term deposits from customers<br>Interest payables  | (ii)         | 100,000<br>195      | 395,000<br>734       | (495,000)<br>(929)       | -<br>-             |
| <b>Mobicast Joint Stock Company</b><br>Term deposits from customers<br>Interest payables  | (ii)         | 10,000<br>60        | -<br>-               | (10,000)<br>(60)         | -<br>-             |
| <b>Online Mobile Services Joint Stock Company</b><br>Term deposits from customers<br>Interest payables  | (ii)         | 950,000<br>758      | 320,000<br>4,180     | (1,220,000)<br>(2,796)   | 50,000<br>2,142    |
| <b>TC Advisors Corporation</b><br>Term deposits from customers<br>Interest payables   | (iii)        | 31,208<br>823       | 17,056<br>1,181      | (27,000)<br>(1,415)      | 21,264<br>589      |
| <b>ISADO Business Cooperation and Development Company Limited</b><br>Term deposits from customers<br>Interest payables  | (iii)        | 2,000<br>3          | 1,500<br>102         | (1,000)<br>(101)         | 2,500<br>4         |
| <b>NET Detergent Joint Stock Company</b><br>Term deposits from customers<br>Interest payables   | (iii)        | -<br>-              | 158,500<br>862       | (114,000)<br>(708)       | 44,500<br>154      |
| <b>Masan Group Corporation Joint Stock Company</b><br>Term deposits from customers<br>Interest payables   | (i)          | -<br>-              | 5,395,029<br>352     | (5,155,029)<br>(340)     | 240,000<br>12      |
| <b>A group of companies related to Masan Group Corporation Joint Stock Company</b><br>Term deposits from customers<br>Interest payables                               | (iv)         | 4,209,700<br>2,235  | 19,901,773<br>33,808 | (22,195,338)<br>(29,691) | 1,916,135<br>6,352 |
| <b>Members of the Board of Directors, Board of Supervision, the Executive Team and other related individuals</b><br>Term deposits from customers<br>Interest payables |              | 1,033,486<br>13,614 | 505,554<br>31,431    | (689,105)<br>(33,045)    | 849,935<br>12,000  |

## Guarantee, Letter of credit contracts

| Related party                               | Relationship | 31 Dec 2022 | 31 Dec 2021 |
|---|--------------|-------------|-------------|
| European Plastic Window Joint Stock Company | (ii), (iii)  | 263,864     | 96,959      |
| Mobicast Joint Stock Company                | (ii)         | 230,175     | 450,175     |
| Nui Phao Mining Company Limited             | (iii)        | 221,844     | 50,929      |
| Masan Tungsten Limited Liability Company    | (iii)        | 23,168      | -           |
| One Mount Distribution Joint Stock Company  | (ii)         | 228,390     | -           |

## Demand deposits from customers

| Related party  | Relationship | 31 Dec 2022 | 31 Dec 2021 |
|--|--------------|-------------|-------------|
| European Plastic Window Joint Stock Company  | (ii), (iii)  | 3,815       | 10,688      |
| One Mount Group Joint Stock Company  | (ii)         | 546         | 26,841      |
| One Mount Distribution Joint Stock Company   | (ii)         | 104,341     | 13,479      |
| One Mount Consumer Joint Stock Company   | (ii)         | 41,353      | 17,013      |
| Online Mobile Services Joint Stock Company   | (ii)         | 42,477      | 78,142      |
| Viet Thanh - Sai Dong Company Limited  | (iii)        | 575         | 457         |
| TC Advisors Corporation  | (iii)        | 3,982       | 8,487       |
| ISADO Business Cooperation and Development Company Limited                                       | (iii)        | 995         | 2,832       |
| Mobicast Joint Stock Company   | (ii)         | 3,783       | 133,032     |
| Masan Group Corporation Joint Stock Company  | (i)          | 9,925       | 1,233,572   |
| Masan Tungsten Limited Liability Company   | (iii)        | 2,052       | 1,804       |
| WinEco Agricultural Investment Development and Production Limited Liability Company              | (iii)        | 553         | 3,737       |
| A group of companies related to Masan Group Corporation Joint Stock Company                      | (iv)         | 330,535     | 68,993      |
| Members of the Board of Directors, Supervision, the Executive Team and other related individuals |              | 264,914     | 194,580     |

## Fee and commission income

| Related party                                 | Relationship | 2022   | 2021    |
|---|--------------|--------|---------|
| Masan Group Corporation Joint Stock Company   | (i)          | 47,477 | 188,478 |
| Nui Phao Mining Company Limited               | (iii)        | 30,815 | 22,963  |
| Masan High-Tech Materials Joint Stock Company | (iii)        | 1,550  | 19,011  |

**Remuneration of Board of Directors, Supervision and Executive Team**

VND million

|   | 2022           | 2021           |
|---|----------------|----------------|
| <b>Remuneration of the Board of Directors, Supervision and the Executive Team</b> | <b>378,710</b> | <b>318,386</b> |
| Remuneration of the Board of Directors and Supervision                            | 36,903         | 36,435         |
| Remuneration of the Executive Team  | 341,807        | 281,951        |

- (i) Shareholder has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision being the representative in the Board of Directors, or the Executive Team or Board of Supervision of the Bank.
- (ii) Related party has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision being the representative in the Board of Directors, or the Executive Team or Board of Supervision of the Bank.
- (iii) Related party has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision or significant shareholders being related to members of the Board of Directors, or the Executive Team or Board of Supervision of the Bank.
- (iv) Group of related companies of Masan Group Corporation Joint Stock Company which has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision being the representative in the Board of Directors, or Board of Members, or Management or Board of Supervision of the Bank; or members of the Board of Directors, or Management or Board of Supervision of these companies are related to members of the Board of Directors, or the Executive Team or Board of Supervision of the Bank.

**43. Geographical dispersion of assets, liabilities and off-balance sheet items**

Concentration of assets, liabilities and off-balance sheet items by geographical region of the Bank's partners as at 31 December 2022 are as follows:

|          | Total loans<br>VND million | Total deposits<br>VND million | Other credit commitments<br>VND million | Derivatives (*)<br>VND million | Trading and investment securities<br>VND million |
|----------|----------------------------|-------------------------------|---|--------------------------------|--|
| Domestic | 433,564,576                | 417,563,624                   | 440,303,894                             | 321,301,821                    | 104,992,955                                      |
| Overseas | 8,840                      | 2,141,725                     | 8,832,108                               | 4,318,498                      | -  |
|          | <b>433,573,416</b>         | <b>419,705,349</b>            | <b>449,136,002</b>                      | <b>325,620,319</b>             | <b>104,992,955</b>                               |

(\*) Nominal contract value

**44. Risk management disclosure**

This section provides details of the Bank's exposure to risks and describes the policies, the methods used by management to control risks. The most important types of financial risks to which the Bank is exposed are credit risk, liquidity risk and market risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's financial risk management framework to facilitate its business activities to thrive safely and sustainably.

Having taken that responsibility, the Board of Directors appropriately promulgates risk management policies and strategies, establishes business limit, directly approves high-value business transactions in accordance with both legal and internal requirement, and determine organizational structure and key managing directors.

Risk management strategies and policies are adhered to the Bank's Charter and Annual General Meeting of Shareholders resolution.

The Board Risk Committee ("BRC") is a committee established by the Board of Directors to perform a number of specialized functions and tasks assigned by the Board of Directors related to the supervision and risk management of banking activities.

BRC is responsible for proposing and advising the Board of Directors in preparing and organizing the implementation of risk management policies; supervising the risk management of the whole system; analyzing and giving warnings about the Bank's safety against potential risks that may affect and take preventive measures; advising the Board of Directors in approving decisions on investments, related transactions, governance policies and risk treatment plans within the scope of their functions.

**45. Credit risk**

The Bank is subject to credit risk through its lending, investing activities and in cases where it acts as an intermediary on behalf of customers or other third parties or issues guarantees. Credit risk is the risk that may arise due to a customer's or a business partner's failure or incapability to pay debt or make payment obligations in part or in full under a contract or arrangement with the Bank. To manage the level of credit risk, the Bank attempts to deal with counterparties with good credit standing, and, when appropriate, obtains collaterals. The Bank's primary exposure to credit risk arises through its loans. The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the consolidated statement of financial position. In addition, the Bank is exposed to off-balance sheet credit risk through commitments to extend credit and guarantees issued.

The Bank manages credit risk by using various tools: development and issuance of internal policies and regulations on credit risk management; development of credit procedures and manuals; regular review of credit risk; development of a credit rating system and loan classification; setting up authorization levels within the credit approval process.

The Bank has maintained a policy of credit risk management to ensure the following basic principles: set up an appropriate credit risk management environment; operate in a healthy process for granting credit facilities; maintain an appropriate management, measurement and credit monitoring process; and ensure adequate controls for credit risk.

The following table presents the maximum exposure to credit risk from on-balance sheet, before taking into account of any collaterals held or other credit risk enhancements:

|  | Neither past due nor impaired<br>VND million | Not past due but impaired<br>VND million | Past due but not impaired<br>VND million | Past due and impaired<br>VND million | Total<br>VND million |
|--|--|--|--|--------------------------------------|----------------------|
| Balances with and credit granting to other credit institutions – gross | 82,873,754                                   | 93,367                                   | -  | 7,733                                | 82,974,854           |
| Held-for-trading securities – gross                                    | 961,034                                      | -  | -  | -                                    | 961,034              |
| Loans to customers – gross   | 407,779,647                                  | 11,990,784                               | 89,114                                   | 664,160                              | 420,523,705          |
| Debts purchased – gross  | 108,539                                      | -  | -  | 1,682                                | 110,221              |
| Investment securities – gross (*)                                      | 101,296,394                                  | -  | -  | 1,650,000                            | 102,946,394          |
| Other financial assets – gross   | 54,109,885                                   | -  | 4,028                                    | 385,074                              | 54,498,987           |
|  | <b>647,129,253</b>                           | <b>12,084,151</b>                        | <b>93,142</b>                            | <b>2,708,649</b>                     | <b>662,015,195</b>   |

(\*) Excluding equity securities

The Bank classifies assets as not past due or past due based on the maturity date in the repayment period of the assets.

The assets that are not impaired of the Bank include debts secured adequately by collaterals of the borrowers in accordance with the debt classification policies and provisioning as prescribed in Note 4.6; other receivables and other financial assets whose provision does not have to be made in accordance with Circular 48 and Circular 24. The assets that are impaired include debts not secured adequately by collaterals of the borrowers in accordance with the debt classification policies and provisioning as prescribed in Note 4.6; other receivables and other financial assets whose provision has to be made in accordance with Circular 48 and Circular 24.



## 46. Market risk

### 46.1. Interest rate risk

Interest rate risk arises when there is a difference of term in repricing of interest rate between assets and liabilities. All credit activities, mobilization activities, investment activities of the Bank create interest rate risk.

On the basis of the state of “interest rate sensitivity” according to periodic changes in interest rates, the items which are assets, equity and off-balance sheet assets are classified by terms into the table “interest gap” of the Bank.

Interest rate repricing terms for items with fixed interest rates are the remaining period until maturity date of assets, as for floating interest rates are the remaining period until the nearest repricing date.

The followings assumptions and conditions are applied when constructing “interest gap” table:

- ◆ Cash and gold, capital contribution, long-term investments, fixed assets, other assets and other liabilities are classified as “Non-sensitive to interest rate” items;
- ◆ Balances with the SBV, demand balances with other financial institutions and credit institutions are classified as “Non-sensitive to interest rate” items;
- ◆ Interest rate repricing terms of held-for-trading securities and investment securities are based on the actual maturity date at the end of the reporting period if such securities have a fixed interest rate or based on the nearest repricing date if such securities have a floating interest rate;
- ◆ Interest rate repricing of balances with and credit granting to other financial institutions and credit institutions; derivatives and other financial assets/(liabilities); loans to customers; debts purchased; due to the Government and the SBV; deposits and borrowings from other financial institutions and credit institutions, deposits from customers are identified as follows:
  - *Items with fixed interest rates for the duration of contract: interest rate repricing terms based on actual maturity date since the end of the reporting period of the consolidated financial statements;*
  - *Items with floating interest rates: interest rate repricing terms based on the nearest repricing date since the end of the reporting period of the consolidated financial statements.*
- ◆ Interest rate repricing terms of valuable papers issued based on the actual maturity date of each type of valuable papers if there is a fixed interest rate or the nearest repricing date if there is a floating interest rate.

#### Interest rate sensitivity

Assuming that all other variables remain constant, the effects of fluctuation in interest rates of the items with floating interest rates on profit before tax and shareholders’ equity of the Bank and its subsidiaries is as follows:

|                               | Increase in interest rate | Effects on                    |                    |
|-------------------------------|---------------------------|-------------------------------|--------------------|
|                               |                           | Profit before tax VND million | Equity VND million |
| <b>As at 31 December 2022</b> |                           |                               |                    |
| USD                           | 1.50%                     | (354,188)                     | (283,350)          |
| VND                           | 3.00%                     | 5,856,021                     | 4,684,817          |

The following table presents the assets and liabilities of the Bank based on “interest gap” as at the end of the reporting period:

|   | Overdue          | Non-sensitive to interest rate | Interest re-pricing during the year |                    |                     |                     |                   |                   | Total              |
|---|------------------|--------------------------------|-------------------------------------|--------------------|---------------------|---------------------|-------------------|-------------------|--------------------|
|   |                  |                                | Up to 1 month                       | From 1 to 3 months | From 3 to 6 months  | From 6 to 12 months | Over 1 to 5 years | Over 5 years      |                    |
| <b>Assets</b>   |                  |                                |                                     |                    |                     |                     |                   |                   |                    |
| Cash and gold   | -                | 4,215,721                      | -                                   | -                  | -                   | -                   | -                 | -                 | 4,215,721          |
| Balances with the SBV   | -                | 11,475,590                     | -                                   | -                  | -                   | -                   | -                 | -                 | 11,475,590         |
| Balances with and credit granting to other credit institutions (*)                | 7,733            | 14,107,038                     | 53,324,215                          | 9,855,171          | 5,587,330           | -                   | 93,367            | -                 | 82,974,854         |
| Held-for-trading securities (*)   | -                | -                              | -                                   | -                  | -                   | -                   | -                 | 961,034           | 961,034            |
| <i>In which:</i>  |                  |                                |                                     |                    |                     |                     |                   |                   |                    |
| Government bonds  | -                | -                              | -                                   | -                  | -                   | -                   | -                 | 961,034           | 961,034            |
| Loans to customers (*)  | 753,781          | -                              | 149,615,679                         | 86,331,302         | 46,287,996          | 58,561,766          | 78,210,131        | 763,050           | 420,523,705        |
| Debts purchased (*)   | 1,682            | -                              | 24,960                              | 83,579             | -                   | -                   | -                 | -                 | 110,221            |
| Investment securities (*)   | -                | 2,401,057                      | 23,422,522                          | 24,515,000         | 4,972,504           | 11,326,587          | 18,050,461        | 19,343,790        | 104,031,921        |
| <i>In which:</i>  |                  |                                |                                     |                    |                     |                     |                   |                   |                    |
| Government bonds and bonds guaranteed   | -                | 1,400,948                      | 14,000,000                          | 100,000            | 330,199             | 6,555,307           | 19,343,790        | -                 | 41,830,244         |
| Long-term investments (*)   | -                | 13,962                         | -                                   | -                  | -                   | -                   | -                 | -                 | 13,962             |
| Fixed assets and investment property  | -                | 9,464,506                      | -                                   | -                  | -                   | -                   | -                 | -                 | 9,464,506          |
| Other assets (*)  | 386,316          | 70,929,332                     | -                                   | -                  | -                   | -                   | -                 | -                 | 71,315,648         |
| <b>Total assets</b>   | <b>1,149,512</b> | <b>112,607,206</b>             | <b>226,387,376</b>                  | <b>120,785,052</b> | <b>56,847,830</b>   | <b>69,888,353</b>   | <b>96,353,959</b> | <b>21,067,874</b> | <b>705,087,162</b> |
| <b>Liabilities</b>  |                  |                                |                                     |                    |                     |                     |                   |                   |                    |
| Due to the Government and the SBV   | -                | 7,826                          | -                                   | -                  | -                   | -                   | -                 | -                 | 7,826              |
| Deposits and borrowings from other financial institutions and credit institutions | -                | 776,778                        | 98,683,163                          | 31,978,191         | 23,612,065          | 12,498,355          | 14,417            | -                 | 167,562,969        |
| Deposits from customers   | -                | 8,682,567                      | 107,753,378                         | 37,739,154         | 95,746,479          | 36,380,398          | 72,049,194        | 52,615            | 358,403,785        |
| Derivatives and other financial liabilities                                       | -                | (1,759)                        | 12,677,336                          | 9,778,538          | (8,574,033)         | (5,680,637)         | (6,348,232)       | -                 | 1,851,213          |
| Valuable papers issued  | -                | 4,173                          | 3,859,507                           | 12,550,800         | 3,139,500           | 20,002              | 14,432,637        | -                 | 34,006,619         |
| Other liabilities   | -                | 23,775,166                     | -                                   | -                  | -                   | -                   | -                 | -                 | 23,775,166         |
| <b>Total liabilities</b>  | <b>-</b>         | <b>33,244,751</b>              | <b>222,973,384</b>                  | <b>92,046,683</b>  | <b>113,924,011</b>  | <b>43,218,118</b>   | <b>80,148,016</b> | <b>52,615</b>     | <b>585,607,578</b> |
| <b>Interest sensitivity gap</b>   | <b>1,149,512</b> | <b>79,362,455</b>              | <b>3,413,992</b>                    | <b>28,738,369</b>  | <b>(57,076,181)</b> | <b>26,670,235</b>   | <b>16,205,943</b> | <b>21,015,259</b> | <b>119,479,584</b> |

(\*) These amounts exclude provision

## 46.2. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank was incorporated and operates in Vietnam with VND as its reporting currency. The major currency in which the Bank transacts is VND. The Bank's asset - liabilities structure included different types of currencies (such as USD, EUR, AUD, etc.), which is the main cause of currency risk. The Bank has set limits on positions by currency based on internal risk assessment process and regulations of the SBV. Currency positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

### Exchange rate sensitivity

Assuming that all variables remain constant, the following table shows the effects on profit before tax and equity of the Bank due to possible changes in exchange rates. Risk due to changes of exchange rates to other currencies of the Bank is not significant.

|                               | Increase in exchange rate | Effects on                    |                    |
|-------------------------------|---------------------------|-------------------------------|--------------------|
|                               |                           | Profit before tax VND million | Equity VND million |
| <b>As at 31 December 2022</b> |                           |                               |                    |
| USD                           | 1.00%                     | (15,600)                      | (12,480)           |
| EUR                           | 1.00%                     | 82                            | 66                 |
| Gold                          | 3.00%                     | -                             | -                  |

The table in the next page shows the analysis of assets and liabilities in foreign currencies translated into VND as at 31 December 2022.

|   | VND million        |                    |                     |                                 | Total              |
|---|--------------------|--------------------|---------------------|---------------------------------|--------------------|
|   | USD VND equivalent | EUR VND equivalent | Gold VND equivalent | Other currencies VND equivalent |                    |
| <b>Assets</b>   |                    |                    |                     |                                 |                    |
| Cash and gold   | 397,702            | 59,726             | -                   | 52,638                          | 510,066            |
| Balances with the SBV   | 126,294            | -                  | -                   | -                               | 126,294            |
| Balances with and credit granting to other credit institutions (*)                | 25,089,234         | 740,643            | -                   | 641,051                         | 26,470,928         |
| Loans to customers (*)  | 15,196,078         | -                  | -                   | -                               | 15,196,078         |
| Other assets (*)  | 20,725,406         | 1,644,900          | -                   | 965,711                         | 23,336,017         |
| <b>Total assets</b>   | <b>61,534,714</b>  | <b>2,445,269</b>   | <b>-</b>            | <b>1,659,400</b>                | <b>65,639,383</b>  |
| <b>Liabilities</b>  |                    |                    |                     |                                 |                    |
| Deposits and borrowings from other financial institutions and credit institutions | 103,261,094        | 1,644,905          | -                   | 942,700                         | 105,848,699        |
| Deposits from customers   | 11,906,168         | 727,546            | -                   | 669,989                         | 13,303,703         |
| Derivatives and other financial liabilities                                       | (52,210,482)       | 46,224             | -                   | (29,820)                        | (52,194,078)       |
| Other liabilities   | 1,249,575          | 13,443             | -                   | 42,939                          | 1,305,957          |
| <b>Total liabilities</b>  | <b>64,206,355</b>  | <b>2,432,118</b>   | <b>-</b>            | <b>1,625,808</b>                | <b>68,264,281</b>  |
| FX position on-balance sheet  | (2,671,641)        | 13,151             | -                   | 33,592                          | (2,624,898)        |
| FX position off-balance sheet   | 1,111,596          | (4,968)            | -                   | (17,852)                        | 1,088,776          |
| <b>Total FX position on and off-balance sheet</b>                                 | <b>(1,560,045)</b> | <b>8,183</b>       | <b>-</b>            | <b>15,740</b>                   | <b>(1,536,122)</b> |

(\*) These amounts exclude provision

## 46.3. Liquidity risk

Liquidity risk arises in the general funding of the Bank's activities and in the management of positions. Liquidity risk is caused by the Bank inability to fulfill debt obligations at maturity; or the Bank being able to fulfill debt obligations at maturity, but at higher costs than the average market costs, as specified in the Bank's internal regulations.

The maturity term of assets and liabilities represents the remaining period from the date of the consolidated financial statements to the contractual maturity date of assets and liabilities.

The following assumptions and conditions are applied in the analysis of overdue status of the Bank's assets and liabilities:

- ◆ Balances with the SBV are classified as demand deposits which include compulsory deposits. The balance of compulsory deposits depends on the proportion and terms of the Bank's deposits from customers;
- ◆ The maturity term of held-for-trading securities and investment securities is calculated based on the maturity date of each category of securities. In which, securities issued/guaranteed by the Government, despite the classification based on residual maturity, they are considered as liquid assets in the market that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. The maturity term of equity securities – investment securities of subsidiaries is determined based on the business plan;
- ◆ The maturity term of balances with and credit granting to other financial institutions and credit institutions; and loans to customers is determined on the payment date in accordance with the repayment period as stipulated in contracts. The actual maturity term may be altered because loan contracts may be extended/prepaid;
- ◆ The maturity term of equity investments is considered as more than five (5) years because these investments do not have specific maturity date;
- ◆ The maturity term of deposits and borrowings from financial institutions and credit institutions, deposits from customers, due to the Government and the SBV and other assets is determined based on features of these items or the maturity date as stipulated in contracts. Demand deposits are transacted as required by customers and therefore being classified as current accounts, however, a large proportion of these deposit types of customers remain stable at the Bank over one (1) year. The maturity term of borrowings and term deposits is determined based on the maturity date in contracts. In fact, these amounts may be rotated and therefore they last beyond the original maturity date;
- ◆ The maturity term of fixed assets is determined on the remaining useful life of assets;
- ◆ The maturity term of valuable papers issued is calculated based on the maturity date of each category of valuable papers;
- ◆ The maturity term of other liabilities is determined on the actual maturity date of each liability.

The table in the next page shows the analysis of assets and liabilities of the Bank according to their maturities as at 31 December 2022.

VND million

|   | Overdue        |                  |                      | Current            |                     |                    |                    |                    | Total |
|---|----------------|------------------|----------------------|--------------------|---------------------|--------------------|--------------------|--------------------|-------|
|   | Up to 3 months | Over 3 months    | Up to 1 month        | From 1 to 3 months | From 3 to 12 months | From 1 to 5 years  | Over 5 years       |                    |       |
| <b>Assets</b>   |                |                  |                      |                    |                     |                    |                    |                    |       |
| Cash and gold   | -              | -                | 4,215,721            | -                  | -                   | -                  | -                  | 4,215,721          |       |
| Balances with the SBV   | -              | -                | 11,475,590           | -                  | -                   | -                  | -                  | 11,475,590         |       |
| Balances with and credit granting to other credit institutions (*)                | -              | 7,733            | 67,332,869           | 9,953,555          | 5,587,330           | 93,367             | -                  | 82,974,854         |       |
| Held-for-trading securities (*)   | -              | -                | -                    | -                  | -                   | -                  | -                  | -                  |       |
| <i>In which:</i>  |                |                  |                      |                    |                     |                    |                    |                    |       |
| Government bonds  | -              | -                | -                    | -                  | -                   | -                  | 961,034            | 961,034            |       |
| Loans to customers (*)  | 115,343        | 638,438          | 32,122,462           | 34,202,212         | 98,304,353          | 67,759,760         | 187,381,137        | 420,523,705        |       |
| Debts purchased (*)   | -              | 1,682            | -                    | 2,496              | 23,391              | 82,652             | -                  | 110,221            |       |
| Investment securities (*)   | -              | -                | 17,965,044           | 3,069,083          | 29,963,393          | 29,090,359         | 23,944,042         | 104,031,921        |       |
| <i>In which:</i>  |                |                  |                      |                    |                     |                    |                    |                    |       |
| Government bonds and bonds guaranteed by the Government for settlement            | -              | -                | 14,000,000           | 100,400            | 432,075             | 6,770,607          | 20,527,162         | 41,830,244         |       |
| Long-term investments (*)   | -              | -                | -                    | -                  | -                   | -                  | 13,962             | 13,962             |       |
| Fixed assets and investment property  | -              | -                | 274,377              | 532                | 23,579              | 2,449,727          | 6,716,291          | 9,464,506          |       |
| Other assets (*)  | 649            | 385,667          | 25,304,340           | 18,676,579         | 25,883,514          | 577,658            | 487,241            | 71,315,648         |       |
| <b>Total assets</b>   | <b>115,992</b> | <b>1,033,520</b> | <b>158,690,403</b>   | <b>65,904,457</b>  | <b>159,785,560</b>  | <b>100,053,523</b> | <b>219,503,707</b> | <b>705,087,162</b> |       |
| <b>Liabilities</b>  |                |                  |                      |                    |                     |                    |                    |                    |       |
| Due to the Government and the SBV   | -              | -                | 7,826                | -                  | -                   | -                  | -                  | 7,826              |       |
| Deposits and borrowings from other financial institutions and credit institutions | -              | -                | 61,277,982           | 27,262,625         | 36,464,945          | 42,557,417         | -                  | 167,562,969        |       |
| Deposits from customers   | -              | -                | 198,352,781          | 36,588,224         | 117,695,611         | 5,711,072          | 56,097             | 358,403,785        |       |
| Derivatives and other financial liabilities                                       | -              | -                | 321,311              | 939,596            | 564,312             | 25,994             | -                  | 1,851,213          |       |
| Valuable papers issued  | -              | -                | -                    | -                  | 6,033,184           | 27,973,435         | -                  | 34,006,619         |       |
| Other liabilities   | -              | -                | 18,227,580           | 1,284,455          | 3,655,713           | 602,933            | 4,485              | 23,775,166         |       |
| <b>Total liabilities</b>  | <b>-</b>       | <b>-</b>         | <b>278,187,480</b>   | <b>66,074,900</b>  | <b>164,413,765</b>  | <b>76,870,851</b>  | <b>60,582</b>      | <b>585,607,578</b> |       |
| <b>Net liquidity gap</b>  | <b>115,992</b> | <b>1,033,520</b> | <b>(119,497,077)</b> | <b>(170,443)</b>   | <b>(4,628,205)</b>  | <b>23,182,672</b>  | <b>219,443,125</b> | <b>119,479,584</b> |       |

(\*) These amounts exclude provision

## 46.4. Other market price risk

Securities held by the Bank are affected by market price risk arising from the uncertainty of future value of investment in securities.

Information about securities diminution in value at the end of the reporting period as follows

|                                     | 31 Dec 2022<br>VND million | 31 Dec 2021<br>VND million |
|-------------------------------------|----------------------------|----------------------------|
| Held-for-trading securities – gross | -                          | 725,351                    |
| Investment securities – gross       | 1,910,511                  | 1,588,608                  |
|                                     | <b>1,910,511</b>           | <b>2,313,959</b>           |



**47. Financial assets and financial liabilities**

Book value and fair value of financial assets and financial liabilities of the Bank and its subsidiaries as at 31 December 2022 are as follows:

VND million

|   | Book value                                 |                  |                       |                    |  | Fair value         |
|---|--|------------------|-----------------------|--------------------|--|--------------------|
|   | Fair value through Profit & Loss statement | Held-to-maturity | Loans and receivables | Available-for-sale | Other financial assets/(liabilities) at amortized cost |                    |
| <b>Financial assets</b>   |  |                  |                       |                    |  |                    |
| Cash and gold   | -  | -                | 4,215,721             | -                  | -  | 4,215,721          |
| Balances with the SBV   | -  | -                | 11,475,590            | -                  | -  | 11,475,590         |
| Balances with and credit granting to other credit institutions                    | -  | -                | 82,974,854            | -                  | -  | 82,974,854         |
| Held-for-trading securities   | 961,034                                    | -                | -                     | -                  | -  | 961,034            |
| Loans to customers  | -  | -                | 420,523,705           | -                  | -  | 420,523,705        |
| Debits purchased  | -  | -                | 110,221               | -                  | -  | 110,221            |
| Available-for-sale securities   | -  | -                | -                     | 104,031,921        | -  | 104,031,921        |
| Other long-term investments   | -  | -                | -                     | 13,962             | -  | 13,962             |
| Other financial assets  | -  | -                | 54,498,987            | -                  | -  | 54,498,987         |
|   | <b>961,034</b>                             | <b>-</b>         | <b>573,799,078</b>    | <b>104,045,883</b> | <b>-</b>   | <b>678,805,995</b> |
| <b>Financial liabilities</b>  |  |                  |                       |                    |  |                    |
| Due to the Government and the SBV   | -  | -                | -                     | -                  | 7,826  | 7,826              |
| Deposits and borrowings from other financial institutions and credit institutions | -  | -                | -                     | -                  | 167,562,969  | 167,562,969        |
| Deposits from customers   | -  | -                | -                     | -                  | 358,403,785  | 358,403,785        |
| Derivatives and other financial liabilities                                       | 1,851,213                                  | -                | -                     | -                  | -  | 1,851,213          |
| Valuable paper issued   | -  | -                | -                     | -                  | 34,006,619   | 34,006,619         |
| Other financial liabilities   | -  | -                | -                     | -                  | 15,212,462   | 15,212,462         |
|   | <b>1,851,213</b>                           | <b>-</b>         | <b>-</b>              | <b>-</b>           | <b>575,193,661</b>                                     | <b>577,044,874</b> |

(\*) The Bank has not determined the fair value of these items due to insufficient information and lack of detailed guidance on fair value under Vietnamese Accounting Standards and Financial Reporting Regime for Credit Institutions.

**48. Segment report**

Segment report by operating activities for the year ended 31 December 2022:

VND million

| Criteria  | Bank                | Trading Securities | Assets Management |                  | Fund Management  | Elimination (*)    | Total               |
|---|---------------------|--------------------|-------------------|------------------|------------------|--------------------|---------------------|
|   |                     |                    | Assets Management | Management       |                  |                    |                     |
| <b>I. Revenue</b>   | <b>59,834,204</b>   | <b>5,213,305</b>   | <b>264,678</b>    | <b>377,462</b>   | <b>377,462</b>   | <b>(731,975)</b>   | <b>64,957,674</b>   |
| 1. Interest revenue                                       | 42,469,917          | 2,249,985          | 4,386             | 69,756           | 69,756           | (41,408)           | 44,752,636          |
| 2. Fee and commission income                              | 8,324,245           | 2,356,895          | -                 | 307,706          | 307,706          | (148,509)          | 10,840,337          |
| 3. Revenue from other business activities                 | 9,040,042           | 606,425            | 260,292           | -                | -                | (542,058)          | 9,364,701           |
| <b>II. Expense</b>  | <b>(35,597,273)</b> | <b>(2,161,484)</b> | <b>(222,536)</b>  | <b>(200,059)</b> | <b>(200,059)</b> | <b>727,740</b>     | <b>(37,453,612)</b> |
| 1. Interest expense                                       | (13,844,923)        | (667,974)          | (23,213)          | -                | -                | 73,249             | (14,462,861)        |
| 2. Depreciation and amortization expenses                 | (697,633)           | (22,803)           | (36,731)          | -                | -                | -                  | (757,167)           |
| 3. Expenses directly related to business activities       | (21,054,717)        | (1,470,707)        | (162,592)         | (200,059)        | (200,059)        | 654,491            | (22,233,584)        |
| <b>Profit before provision expenses for credit losses</b> | <b>24,236,931</b>   | <b>3,051,821</b>   | <b>42,142</b>     | <b>177,403</b>   | <b>177,403</b>   | <b>(4,235)</b>     | <b>27,504,062</b>   |
| Provision expenses for credit losses                      | (1,869,118)         | -                  | (1,598)           | -                | -                | (65,578)           | (1,936,294)         |
| <b>Profit before tax</b>                                  | <b>22,367,813</b>   | <b>3,051,821</b>   | <b>40,544</b>     | <b>177,403</b>   | <b>177,403</b>   | <b>(69,813)</b>    | <b>25,567,768</b>   |
| <b>III. Assets</b>  | <b>675,372,111</b>  | <b>26,080,918</b>  | <b>1,264,691</b>  | <b>836,201</b>   | <b>836,201</b>   | <b>(4,521,377)</b> | <b>699,032,544</b>  |
| 1. Cash and gold  | 4,215,721           | -                  | -                 | -                | -                | -                  | 4,215,721           |
| 2. Fixed assets and investment property                   | 8,326,864           | 84,569             | 1,054,934         | -                | -                | (1,861)            | 9,464,506           |
| 3. Other assets   | 662,829,526         | 25,996,349         | 209,757           | 836,201          | 836,201          | (4,519,516)        | 685,352,317         |
| <b>IV. Liabilities</b>                                    | <b>572,910,700</b>  | <b>15,096,329</b>  | <b>425,510</b>    | <b>24,399</b>    | <b>24,399</b>    | <b>(2,849,360)</b> | <b>585,607,578</b>  |
| 1. External liabilities                                   | 572,902,245         | 15,096,329         | 425,510           | 24,399           | 24,399           | (2,849,360)        | 585,599,123         |

(\*) Elimination of internal transactions

**49. Profit movements**

The consolidated profit after tax for the year ended 31 December 2022 of the Bank increased by VND 2,021,044 million, equivalent to an increase of 10.97% compared to the year ended 31 December 2021 due to the following reasons:

|   | <b>Profit after tax<br/>VND million</b> |
|---|---|
| <b>Increase of profit after tax as a result of:</b>     |   |
| Increase in net interest and similar income             | 3,591,162                               |
| Increase in net fee and commission income               | 2,145,254                               |
| (Decrease) in net gain from trading foreign currencies  | (506,479)                               |
| (Decrease) in net gain from held-for-trading securities | (394,150)                               |
| (Decrease) in net gain from investment securities       | (1,378,855)                             |
| Increase in net gain from other operating activities    | 364,129                                 |
| Increase in income from investments in other entities   | 4,728                                   |
| (Increase) in operating expenses                        | (2,224,623)                             |
| Decrease in provision expenses for credit losses        | 728,309                                 |
| (Increase) in current corporate income tax expense      | (334,561)                               |
| Increase in deferred income tax income                  | 26,130                                  |
| <b>Increase in profit after tax</b>                     | <b>2,021,044</b>                        |

**50. Events after the end of the reporting period**

There has not been any matter or circumstance that has arisen since the end of the reporting period that has affected or may significantly affect the operations of the Bank, the results of those operations or the state of affairs of the Bank that requires adjustment of or disclosure in the consolidated financial statements of the Bank.

**51. Exchange rates of applicable foreign currencies against Vietnam Dong**

|     | <b>31 Dec 2022<br/>VND</b> | <b>31 Dec 2021<br/>VND</b> |
|-----|----------------------------|----------------------------|
| AUD | 16,352                     | 16,615                     |
| CAD | 17,442                     | 17,909                     |
| CHF | 25,922                     | 25,052                     |
| CNY | 3,426                      | 3,599                      |
| DKK | 3,402                      | 3,483                      |
| EUR | 25,299                     | 25,901                     |
| GBP | 28,593                     | 30,879                     |
| HKD | 3,027                      | 2,931                      |
| JPY | 180                        | 199                        |
| NOK | 2,412                      | 2,594                      |
| SEK | 2,267                      | 2,526                      |
| SGD | 17,637                     | 16,610                     |
| THB | 683                        | 689                        |
| USD | 23,635                     | 22,850                     |
| XAU | 6,630,000                  | 6,127,500                  |

Prepared by:

Approved by:

Approved by:

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**Ms. Nguyen Thi Thao**  
Accountant

Hanoi, Vietnam  
20 March 2023

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**Ms. Nguyen Thi Tra My**  
Chief Accountant

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**Mr. Jens Lottner**  
Chief Executive Officer

## SEGMENT REPORTING

| VND billion                   | FY21          | FY22          | %YoY         |
|-------------------------------|---------------|---------------|--------------|
| <b>Total Operating Income</b> | <b>37,076</b> | <b>40,902</b> | <b>10.3%</b> |
| Retail                        | 14,422        | 19,160        | 32.9%        |
| SME                           | 3,821         | 5,003         | 31.0%        |
| WB                            | 13,351        | 11,515        | -13.8%       |
| Markets                       | 4,589         | 3,639         | -20.7%       |
| Others                        | (228)         | 273           | -219.9%      |
| Recoveries                    | 1,121         | 1,311         | 16.9%        |
| <b>Net Interest Income</b>    | <b>26,699</b> | <b>30,290</b> | <b>13.5%</b> |
| Retail                        | 11,782        | 14,549        | 23.5%        |
| SME                           | 2,571         | 3,053         | 18.8%        |
| WB                            | 9,137         | 7,684         | -15.9%       |
| Markets                       | 3,169         | 4,477         | 41.3%        |
| Others                        | 40            | 526           | 1214.5%      |
| <b>Net Fee Income</b>         | <b>7,754</b>  | <b>9,674</b>  | <b>24.8%</b> |
| Retail                        | 2,943         | 4,481         | 52.3%        |
| SME                           | 1,236         | 1,897         | 53.5%        |
| WB                            | 3,648         | 3,313         | -9.2%        |
| Markets                       | (0)           | (3)           | n/a          |
| Others                        | (73)          | (14)          | n/a          |
| <b>Recoveries</b>             | <b>1,121</b>  | <b>1,311</b>  | <b>16.9%</b> |


## GLOSSARY


| Term                   | Definition   |
|------------------------|--|
| Affluent customer      | Customers with annual income of over VND 1.3 billion (per household)                                 |
| ALM                    | Asset-liability management   |
| APE                    | Annual premium equivalent  |
| API                    | Application Programming Interface  |
| ATM/CDM                | Automated Teller Machine/ Card Deposit Machine   |
| Banca                  | Bancassurance  |
| BCDE                   | Business Credit Decision Engine  |
| CAR                    | Capital adequacy ratio   |
| CASA                   | Current Account Savings Account  |
| CDE                    | Critical data elements   |
| CIR                    | Cost-to-income ratio   |
| CMS                    | Card Management System   |
| CoF                    | Cost of Funds  |
| CRM                    | Customer relationship management   |
| DDoS                   | Distributed Denial of Service  |
| DevSecOps              | Development - Security - Operations  |
| EBS                    | Enterprise Service Bus   |
| EVE                    | Economic value of equity   |
| FEB                    | F@st EBank Electronic Bank, e-banking service for Techcombank's corporate customers                  |
| FMCG                   | Fast moving consumer goods   |
| FX                     | Foreign exchange   |
| HNX                    | Hanoi Stock Exchange   |
| HOSE                   | Ho Chi Minh Stock Exchange   |
| IB                     | Investment banking   |
| ICAAP                  | Internal Capital Adequacy Assessment Process   |
| ILAAP                  | Internal Liquidity Adequacy Assessment Process   |
| IPS                    | Intrusion prevention system  |
| IRRBB                  | Interest rate risk in the banking book   |
| LC                     | Letter of Credit   |
| LCR                    | Liquidity coverage ratio   |
| LDR                    | Loan-to-deposit ratio  |
| Mass Affluent customer | Customers with annual income from VND 0.3 billion - VND 1.3 billion (per household)                  |
| Mass customer          | Customers with annual income below VND 0.3 billion (per household)                                   |
| Micro SME (MSME)       | Customers with total revenue of the most recent financial year under VND 20 billion                  |
| NII                    | Net interest income  |
| NPS                    | Net Promoter Score   |
| NSFR                   | Net stable funding ratio   |
| PAM                    | Privileged Access Management   |
| PFE                    | Potential Future Exposure  |
| PII                    | Personally identifiable information  |
| ReCoM                  | Real estate, construction and construction materials   |
| RM                     | Relationship manager   |
| SDWAN                  | Software-defined Wide Area Network   |
| SIEM                   | Security Information and Event Management  |
| SME                    | Customers with total revenue of the most recent financial year from VND 20 billion - VND 200 billion |
| TD                     | Term deposit   |
| UPAS LC                | Usance Payable At Sight Letter of Credit   |
| VaR                    | Value at Risk  |
| WAF                    | Web application firewall   |






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