



**ASIA COMMERCIAL JOINT STOCK BANK**

**SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

# **ASIA COMMERCIAL JOINT STOCK BANK**

## **SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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## **ASIA COMMERCIAL JOINT STOCK BANK**

### **BANK INFORMATION**

<b>Operation Licence</b>	No. 91/GP-NHNN dated 19 September 2018	
	The Operation Licence was issued by the State Bank of Vietnam. In accordance with the Operation Licence, the operation period of the Bank is 50 years from 24 April 1993.	
<b>Business Registration Certificate</b>	No. 0301452948 dated 19 May 1993	
	The Business Registration Certificate has been amended several times with the most recent certificate dated 19 October 2020. The initial Business Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.	
<b>Board of Directors</b>	Mr. Tran Hung Huy Mr. Nguyen Thanh Long Mr. Dominic Timothy Charles Scriven Ms. Dinh Thi Hoa Ms. Dang Thu Thuy Mr. Dam Van Tuan Mr. Hiep Van Vo Mr. Huang Yuan Chiang	Chairman Vice Chairman Member Member Member Member Independent Member Independent Member
<b>Board of Management</b>	Mr. Do Minh Toan Mr. Dam Van Tuan Mr. Bui Tan Tai Mr. Nguyen Duc Thai Han Ms. Nguyen Thi Hai Mr. Tu Tien Phat Ms. Nguyen Thi Tuyet Van Mr. Nguyen Van Hoa Ms. Nguyen Ngoc Nhu Uyen	General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director
<b>Supervisory Board</b>	Mr. Huynh Nghia Hiep Ms. Hoang Ngan Ms. Phung Thi Tot Ms. Nguyen Thi Minh Lan	Head of Supervisory Board Specialised Member Member Specialised Member
<b>Legal Representative</b>	Mr. Do Minh Toan	General Director
<b>Registered head office</b>	442 Nguyen Thi Minh Khai Street, Ward 5, District 3, Ho Chi Minh City, Vietnam	
<b>Auditor</b>	PwC (Vietnam) Limited	

## ASIA COMMERCIAL JOINT STOCK BANK

### STATEMENT OF THE BOARD OF MANAGEMENT

#### THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of Management of Asia Commercial Joint Stock Bank ("the Bank") is responsible for preparing the separate financial statements which give a true and fair view of the separate financial position of the Bank as at 31 December 2020 and the separate results of its operations and separate cash flows for the year then ended. In preparing these separate financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Bank will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are maintained which disclose, with reasonable accuracy at any time, the separate financial position of the Bank and which enable separate financial statements to be prepared in compliance with the basis of accounting set out in Note 2 to the separate financial statements. The Board of Management is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

I, Do Minh Toan, on behalf of the Board of Management, hereby approve the accompanying separate financial statements as set out on pages 5 to 83 which give a true and fair view of the separate financial position of the Bank as at 31 December 2020 and of the separate results of its operations and of separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and relevant statutory requirements on preparation and presentation of financial statements applicable to credit institutions operating in Vietnam.

Users of the separate financial statements of the Bank should read them together with the consolidated financial statements of the Bank and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2020 in order to obtain full information of the financial position, results of operations and cash flows of the Group as a whole.

On behalf of the Board of Management



Do Minh Toan  
General Director

Hồ Chí Minh City, Vietnam  
24 February 2021





## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASIA COMMERCIAL JOINT STOCK BANK**

We have audited the accompanying separate financial statements of Asia Commercial Joint Stock Bank ("the Bank") for the year ended 31 December 2020 approved by the Board of Management on 24 February 2021. These separate financial statements comprise the separate balance sheet as at 31 December 2020, the separate income statement, the separate cash flow statement for the year then ended and explanatory notes to these separate financial statements as set out on pages 5 to 83.

### **The Board of Management's Responsibility**

The Board of Management of the Bank is responsible for the preparation and the true and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and relevant statutory requirements on the preparation and presentation of financial statements applicable to credit institutions operating in Vietnam, and for such internal control which the Board of Management determines is necessary to enable the preparation and fair presentation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

### Auditor's Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Bank as at 31 December 2020, its separate financial performance and separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and relevant statutory requirements on the preparation and presentation of financial statements applicable to credit institutions operating in Vietnam.

### Other matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

### For and on behalf of PwC (Vietnam) Limited



Tran Thi Thanh Truc  
Audit Practising Licence No.  
3047-2019-006-1  
Authorised signatory

Report reference number: HCM10030  
Ho Chi Minh City, 24 February 2021



Mai Tran Bao Anh  
Audit Practising Licence No.  
4166-2017-006-1

**ASIA COMMERCIAL JOINT STOCK BANK**
**Form B02/TCTD**
**SEPARATE BALANCE SHEET**

		<b>As at</b>	
	<b>Note</b>	<b>31.12.2020 VND million</b>	<b>31.12.2019 VND million</b>
<b>A ASSETS</b>			
<b>I Cash on hand, gold and gemstones</b>	<b>4</b>	<b>6,967,909</b>	<b>6,437,803</b>
<b>II Balances with the State Bank of Vietnam</b>	<b>5</b>	<b>16,616,798</b>	<b>10,420,306</b>
<b>III Deposits with and loans to other credit institutions</b>	<b>6</b>	<b>31,396,600</b>	<b>30,752,061</b>
1 Deposits with other credit institutions	6.1	22,303,638	19,219,789
2 Loans to other credit institutions	6.1	9,092,962	11,632,786
3 Allowance for losses on deposits with and loans to other credit institutions	6.3	-	(100,514)
<b>IV Held-for-trading securities</b>	<b>7</b>	<b>5,986,742</b>	<b>2,783,756</b>
1 Held-for-trading securities		5,986,742	2,792,425
2 Allowance for losses on held-for-trading securities		-	(8,669)
<b>V Derivatives and other financial assets</b>	<b>8</b>	<b>54,473</b>	<b>87,753</b>
<b>VI Loans to customers</b>	<b>9</b>	<b>304,796,753</b>	<b>263,584,441</b>
1 Loans to customers		307,617,524	265,981,486
2 Allowance for losses on loans to customers	9.7	(2,820,771)	(2,397,045)
<b>VIII Investment securities</b>	<b>10</b>	<b>63,399,011</b>	<b>55,956,160</b>
1 Available-for-sale securities	10.1	10,790,432	10,601,503
2 Held-to-maturity securities	10.1	53,048,264	45,821,522
3 Allowance for losses on investment securities	10.3	(439,685)	(466,865)
<b>IX Long-term investments</b>	<b>11</b>	<b>1,902,722</b>	<b>2,237,643</b>
1 Investments in subsidiaries	11.2	1,805,000	2,140,000
2 Investments in joint-ventures	11.3	1,000	1,000
3 Investments in associates	11.3	200	200
4 Other long-term investments	11.4	101,827	101,827
5 Allowance for diminution in value of long-term investments	11.5	(5,305)	(5,384)
<b>X Fixed assets</b>	<b>12</b>	<b>3,734,392</b>	<b>3,713,599</b>
1 Tangible fixed assets	12.1	2,678,281	2,682,090
a Cost		4,842,425	4,631,301
b Accumulated depreciation		(2,164,144)	(1,949,211)
3 Intangible fixed assets	12.2	1,056,111	1,031,509
a Cost		1,449,969	1,363,057
b Accumulated amortisation		(393,858)	(331,548)
<b>XII Other assets</b>	<b>13</b>	<b>7,138,349</b>	<b>6,912,096</b>
1 Receivables	13.1	3,355,934	3,785,246
2 Accrued interest and fee receivable		3,607,694	3,672,591
3 Deferred tax assets	13.4	50,724	22,962
4 Other assets	13.2	1,077,931	1,033,442
5 Allowance for losses on other assets	13.3	(953,934)	(1,602,145)
<b>TOTAL ASSETS</b>		<b>441,993,749</b>	<b>382,885,618</b>

The notes on pages 11 to 83 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET  
(continued)

		As at		
	Note	31.12.2020 VND million	31.12.2019 VND million	
<b>B</b>	<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>II</b>	<b>Deposits and borrowings from other credit institutions</b>	<b>14</b>	<b>22,530,219</b>	<b>19,200,683</b>
1	Deposits from other credit institutions		15,119,326	16,691,060
2	Borrowings from other credit institutions		7,410,893	2,509,623
<b>III</b>	<b>Deposits from customers</b>	<b>15</b>	<b>353,322,693</b>	<b>308,493,813</b>
<b>V</b>	<b>Funds and entrusted investments received from the Government, international and other credit institutions</b>	<b>16</b>	<b>116,705</b>	<b>156,147</b>
<b>VI</b>	<b>Valuable papers issued</b>	<b>17</b>	<b>21,606,697</b>	<b>20,329,836</b>
<b>VII</b>	<b>Other liabilities</b>		<b>9,594,792</b>	<b>7,375,838</b>
1	Accrued interest and fee payable		5,091,490	4,359,384
3	Other liabilities	18	4,503,302	3,016,454
<b>TOTAL LIABILITIES</b>			<b>407,171,106</b>	<b>355,556,317</b>
<b>VIII</b>	<b>OWNERS' EQUITY</b>	<b>19</b>	<b>34,822,643</b>	<b>27,329,301</b>
1	Capital	19.1	21,887,364	16,799,171
a	Charter capital		21,615,585	16,627,373
c	Share premium		271,779	271,779
d	Treasury shares		-	(99,981)
2	Reserves	19.1	5,381,055	4,257,051
5	Retained profits	19.1	7,554,224	6,273,079
a	Net profits for the year		6,369,357	5,030,063
b	Retained profits of prior years		1,184,867	1,243,016
<b>TOTAL OWNERS' EQUITY</b>			<b>34,822,643</b>	<b>27,329,301</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>			<b>441,993,749</b>	<b>382,885,618</b>

The notes on pages 11 to 83 are an integral part of these separate financial statements.




SEPARATE BALANCE SHEET  
(continued)

## OFF-BALANCE SHEET ITEMS

			As at	
		Note	31.12.2020 VND million	31.12.2019 VND million
1	Borrowing guarantees	36.1	75,723	50,599
2	Commitments on foreign exchange transactions	36.1	59,274,732	44,365,611
	<i>Commitments on purchases of foreign currency</i>		1,206,679	1,711,469
	<i>Commitments on sales of foreign currency</i>		975,731	1,175,882
	<i>Commitments on swap transactions</i>		57,092,322	41,478,260
4	Letters of credit	36.1	4,585,085	4,998,346
5	Other guarantees	36.1	7,726,325	7,218,578
6	Other commitments	36.1	2,841,427	-

  
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Nguyen Van Hoa  
Chief Accountant

  
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Do Minh Toan  
General Director  
Legal Representative




  
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Tran Hung Huy  
Chairman  
24 February 2021

## SEPARATE INCOME STATEMENT

			For the year ended 31 December	
		Note	2020 VND million	2019 VND million
1	Interest and similar income	20	31,576,778	28,068,226
2	Interest and similar expenses	21	(17,228,245)	(16,173,827)
I	Net interest income		14,348,533	11,894,399
3	Fee and commission income	22	2,597,137	2,583,917
4	Fee and commission expenses	23	(1,055,954)	(770,499)
II	Net fee and commission income		1,541,183	1,813,418
III	Net gain from trading of foreign currencies	24	687,297	430,425
IV	Net gain from trading of held-for-trading securities	25	106,469	51,152
V	Net gain from trading of investment securities	26	732,115	54,306
5	Other income		461,714	1,545,288
6	Other expenses		(186,420)	(45,749)
VI	Net other income	27	275,294	1,499,539
VII	Income from investments in other entities	28	39,478	33,726
VIII	Operating expenses	29	(7,423,285)	(8,149,168)
IX	Operating profit before allowance expenses for credit losses		10,307,084	7,627,797
X	Allowance expenses for credit losses	30	(949,770)	(238,096)
XI	Profit before tax		9,357,314	7,389,701
7	Current corporate income tax		(1,891,715)	(1,450,620)
8	Deferred corporate income tax		27,762	(21,361)
XII	Total corporate income tax	31	(1,863,953)	(1,471,981)
XIII	Profit after tax		7,493,361	5,917,720

  
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 Nguyen Van Hoa  
 Chief Accountant

  
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 Do Minh Toan  
 General Director  
 Legal Representative

  
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 Tran Hung Huy  
 Chairman  
 24 February 2021



The notes on pages 11 to 83 are an integral part of these separate financial statements.

**SEPARATE CASH FLOW STATEMENT**  
**(Direct method)**

		<b>For the year ended 31</b>	
		<b>December</b>	
	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>VND million</b>	<b>VND million</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Interest and similar income received	31,641,675	27,848,737
02	Interest and similar expenses paid	(16,476,478)	(15,194,363)
03	Net fee and commission income received	1,541,183	1,813,418
04	Net receipts from trading activities (foreign currencies, gold and securities)	1,490,032	574,150
05	Other income received	64,463	67,029
06	Collection of bad debts previously written off	208,790	1,426,468
07	Salaries and operating expenses paid	(7,363,681)	(7,393,501)
08	Income tax paid during the year	(1,625,993)	(1,556,331)
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		<b>9,479,991</b>	<b>7,585,607</b>
<b>Changes in operating assets</b>			
09	Decrease/(increase) in deposits with and loans to other credit institutions	2,939,824	(5,301,733)
10	Increase in held-for-trading securities and investment securities	(10,609,988)	(4,519,587)
11	Decrease/(increase) in derivatives and other financial assets	33,280	(87,753)
12	Increase in loans to customers	(41,636,038)	(38,222,364)
13	Utilisation of allowance for losses	(626,558)	(301,140)
14	Decrease in other operating assets	702,720	219,062
<b>Changes in operating liabilities</b>			
15	Decrease in borrowings from the Government and the State Bank of Vietnam	-	(3,074,100)
16	Increase/(decrease) in deposits and borrowings from other credit institutions	3,329,536	(1,551,464)
17	Increase in deposits from customers	44,828,880	38,020,830
18	Increase in valuable papers issued	1,397,800	12,707,480
19	Decrease in funds and entrusted investments received from the Government, international and other credit institutions	(39,442)	(3,946)
20	Decrease in derivatives and other financial liabilities	-	(38,198)
21	Increase in other operating liabilities	867,925	292,277
22	Utilisation of reserves	(1,156)	(1,327)
<b>I</b>	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>10,666,774</b>	<b>5,723,644</b>

The notes on pages 11 to 83 are an integral part of these separate financial statements.



**SEPARATE CASH FLOW STATEMENT**  
(Direct method)  
(continued)

		For the year ended 31 December	
		2020	2019
Note		VND million	VND million
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
01	Payment for purchases of fixed assets	(416,699)	(534,219)
02	Proceeds from disposals of fixed assets	3,199	22,133
08	Collection on other long-term investments	-	58,100
09	Receipts of dividends and distributions of profits from long-term investments	97,773	34,030
<b>II</b>	<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(315,727)</b>	<b>(419,956)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
02	Receipts of issuance of long-term valuable papers which are eligible for regulatory capital and other long-term borrowings	29,400	196,000
03	Payment for long-term valuable papers which are eligible for regulatory capital and other long-term borrowings	(170,000)	-
06	Receipts from sales of treasury shares	-	837,523
<b>III</b>	<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(140,600)</b>	<b>1,033,523</b>
<b>IV</b>	<b>NET CASH FLOWS FOR THE YEAR</b>	<b>10,210,447</b>	<b>6,337,211</b>
<b>V</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>35,677,897</b>	<b>29,340,686</b>
<b>VII</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>45,888,344</b>	<b>35,677,897</b>
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Nguyen Van Hoa  
Chief Accountant

  
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Do Minh Toan  
General Director  
Legal Representative

  
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Tran Hung Huy  
Chairman  
24 February 2021



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1 THE REPORTING ENTITY**

**(a) Establishment and operation**

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

The Bank was established under the Operation Licence No. 0032/NH-GP issued by the State Bank of Vietnam ("the SBV") on 24 April 1993 for a period of 50 years from the licence date. On 19 September 2018, the SBV issued the Operation Licence No. 91/GP-NHNN to replace the Operation Licence No. 0032/NH-GP. The operation period of the Bank remains unchanged in the new Operation Licence. The Bank's shares are listed on the Ho Chi Minh Stock Exchange.

The principal activities of the Bank are to mobilise short, medium and long-term funds in the form of term deposits, demand deposits; to receive entrusted investment and development funds from domestic credit institutions; to borrow from other financial institutions; to grant short, medium and long-term loans; to discount commercial papers, bonds and other valuable papers; to contribute capital and to invest in joint-ventures in accordance with laws and regulations; to provide settlement services to customers; to trade foreign currencies, gold; to provide trade finance services; to mobilise overseas funds and to perform other type of services when dealing with overseas counterparties in accordance with the approval of the SBV; to conduct debt factoring activities; to trade bonds; trusted activities and fiduciary activities; insurance agent services; and to provide other banking services.

**(b) Charter capital**

As at 31 December 2020, the Bank's charter capital was VND21,615,584,600,000 (31.12.2019: VND16,627,372,770,000). The Bank has issued 2,161,558,460 ordinary shares with a par value of VND10,000 per share.

**(c) Location and operational network**

The Bank's Head Office is located at 442 Nguyen Thi Minh Khai Street, Ward 5, District 3, Ho Chi Minh City, Vietnam. As at 31 December 2020, the Bank had 1 head office, 371 branches and sub-branches nation-wide (31.12.2019: 1 head office, 369 branches and sub-branches).

**(d) Subsidiaries, associates and joint ventures**

As at 31 December 2020 and 31 December 2019, the Bank had the following subsidiaries:

Subsidiary	Operation Licence	Nature of business	Percentage of equity owned and voting rights	
			31.12.2020	31.12.2019
ACB Securities Company Limited ("ACBS")	06/GPHDKD, 18/GPDC-UBCK	Securities	100%	100%
Asia Commercial Bank Asset Management Company Limited ("ACBA")	0303539425	Asset management	100%	100%
Asia Commercial Bank Leasing Company Limited ("ACBL")	06/GP-NHNN	Finance leasing	100%	100%
ACB Capital Management Company Limited ("ACBC") (*)	41/UBCK-GP, 30/GPDC-UBCK	Fund management	100%	100%

(\*) ACBC is a wholly owned subsidiary of ACBS.

All of the subsidiaries were established in Vietnam.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1 THE REPORTING ENTITY (continued)**

**(d) Subsidiaries, associates and joint ventures (continued)**

As at 31 December 2020 and 31 December 2019, the Bank had the following associate:

Associate	Operation Licence	Nature of business	Percentage of equity owned	
			31.12.2020	31.12.2019
Asia Commercial Bank Security Service Joint Stock Company ("ACBD")	0303832198	Security services	10%	10%

The Bank classified the investment in ACBD as an investment in an associate although the Bank only owns 10% of its charter capital because the Bank:

- has representatives in the Board of Directors or equivalent management level of this company;
- has the right to take part in its policy making process; and
- has significant influence over its financial and operating policies.

As at 31 December 2020 and 31 December 2019, the Bank had the following joint venture:

Joint venture	Operation Licence	Nature of business	Percentage of equity owned	
			31.12.2020	31.12.2019
ACB-SJC Saigon Gold and Silver Joint Stock Company ("ACB-SJC")	0303831067	Jewellery production and trading	10%	10%

The Bank classified the investment in ACB-SJC as an investment in a joint venture company because the Bank signed a joint control contract with the venturer and all strategic decisions about finance and operations must have the consent of the Bank and the venturer.

**(e) Number of employees**

As at 31 December 2020, the Bank had 10,902 employees (31.12.2019: 10,794 employees).

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****2 BASIS OF PREPARATION****(a) Statement of compliance**

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

The Bank has also prepared consolidated financial statements of the Bank and its subsidiaries (collectively referred to as "the Group") in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and relevant statutory requirements on the preparation and presentation of financial statements applicable to credit institutions operating in Vietnam. These separate financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2020 in order to obtain full information on the consolidated financial position, the consolidated financial performance and the consolidated cash flows of the Group as a whole.

The financial statements in Vietnamese are the official statutory financial statements of the Bank. The financial statements in English are translated from the Vietnamese financial statements.

**(b) Basis of measurement**

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

**(c) Annual accounting period**

The annual accounting period of the Bank is from 1 January to 31 December.

**(d) Accounting and presentation currency**

The Bank's accounting currency is Vietnam Dong ("VND"). The separate financial statements are prepared and presented in VND rounded to the nearest million ("VND million").

**(e) Form of records applied**

The Bank uses accounting software to record its transactions.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The accounting policies that have been adopted by the Bank in the preparation of these separate financial statements are consistent with those adopted in the preparation of the most recent separate annual financial statements.

**(a) Foreign currency transactions**

All transactions are recognised in original currencies. Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the reporting date. Transactions in currencies other than VND during the year have been translated into VND at rates ruling on transaction dates.

Foreign exchange differences arising from monthly revaluation of foreign currency trading position are recognised in the foreign exchange revaluation reserve on the separate balance sheet at each month-end and are transferred to the separate income statement at the year-end.

**(b) Interest income and expenses**

Interest income and expenses are recognised on an accrual basis, except for interest income from held-for-trading securities is recognised in the separate income statement upon receipt. Interest income is derecognised and recognised into off-balance sheet items when a loan becomes overdue or is not classified as Current loan as described in Note 3(e), 3(h) and 3(o) or is subject to Circular 01/2020/TT-NHNN issued by the SBV dated 13 March 2020 guiding credit institutions and foreign banks' branches on debt restructuring, exemption or reduction of interest and fees, retention of loan group to assist customers affected by Covid-19 pandemic ("Circular 01"). Interest income from these loans is recognised in the separate income statement upon receipt.

**(c) Fee and commission income and expenses****(i) Fee and commission income**

Fee and commission income consist of fees received from settlement services, treasury services and other services are recognised in the separate income statement upon receipt.

**(ii) Fee and commission expenses**

Fee and commission expenses are recognised in the separate income statement when they are incurred.

**(d) Dividend income**

Cash dividends are recognised in the separate income statement when the Bank's right to receive payment is established.

Share dividends and bonus shares are not recognised as an increase in the investments corresponding with income in the separate income statement. The Bank only keeps record of the increase in the number of shares.

Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Loans to customers**

**(i) *Measurement and recognition of loans to customers***

Short-term loans are those with repayment term within one year from the loan disbursement date; medium-term loans are those with repayment term over one year to five years from the loan disbursement date and long-term loans are those with repayment term of more than five years from the loan disbursement date.

Loans to customers are stated at the amount of principal outstanding less allowance for credit losses.

**(ii) *Classification of loans to customers***

Loan classification and allowance for credit losses are made in accordance with Circular No. 02/2013/TT-NHNN dated 21 January 2013 issued by the SBV regulating the classification of assets, credit loss allowance level, allowance method and utilisation of allowance in operations of credit institutions and foreign banks' branches ("Circular 02") and Circular No. 09/2014/TT-NHNN dated 18 March 2014 issued by the SBV on amendment and supplementation to certain articles of Circular 02 ("Circular 09"). The Bank obtained approval of the SBV to classify loans to customers in accordance with the qualitative method as permitted in Official letter No. 6524/NHNN-TTGSNH dated 27 August 2010.

In accordance with Article 11, Point 6 of Circular 02, the Bank classifies loans to customers in accordance with the quantitative method as stipulated in Article 10 of Circular 02 in parallel. In case where there are differences between the result of loan group classified in accordance with Article 10 and Article 11 of Circular 02 then such loans to customers are required to be classified into loan group with higher risk.

*Loan classification in accordance with Article 11 of Circular 02*

Loans to customers are classified into five loan groups based on the internal rating system of the Bank as below:

**Classification per  
the Bank's internal rating system**

AAA, AA, A credit rating  
BBB, BB, B credit rating  
CCC, CC credit rating  
C credit rating  
D credit rating

**Classification per Circular 02**

Group 1 - Current loans  
Group 2 - Special-mentioned loans  
Group 3 - Sub-standard loans  
Group 4 - Doubtful loans  
Group 5 - Loss loans

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Loans to customers (continued)**

**(ii) Classification of loans to customers (continued)**

Loan classification in accordance with Article 10 of Circular 02 and Circular 09

Loans to customers are classified into five loan groups in accordance with the collection status and the quantitative method as stipulated in Circular 02 and Circular 09 as below:

Group		Overdue status
1	Current loans	(a) Current loans being assessed as fully and timely recoverable, both principals and interests; or (b) Loans being overdue less than 10 days and being assessed as fully recoverable, both overdue principals and interests, and fully and timely recoverable, both remaining principals and interests.
2	Special-mentioned loans	(a) Loans being overdue between 10 days and 90 days; or (b) Loans having terms of repayments rescheduled for the first time.
3	Sub-standard loans	(a) Loans being overdue between 91 days and 180 days; or (b) Loans having terms of repayments extended for the first time; or (c) Loans having interests exempted or reduced because customers are not able to pay the interests according to credit contracts; or (d) Loans falling in one of the following cases and not yet collected less than 30 days after the issuance date of recovery decision: <ul style="list-style-type: none"> <li>▪ Loans having violated regulations specified in Points 1, 3, 4, 5, 6 of Article 126 of Law on credit institutions; or</li> <li>▪ Loans having violated regulations specified in Points 1, 2, 3, 4 of Article 127 of Law on credit institutions; or</li> <li>▪ Loans having violated regulations specified in Points 1, 2, 5 of Article 128 of Law on credit institutions.</li> </ul> (e) Loans in the collection process under inspection conclusions.
4	Doubtful loans	(a) Loans being overdue between 181 days and 360 days; or (b) Loans having terms of repayments restructured for the first time and being overdue less than 90 days according to the first restructured terms of repayments; or (c) Loans having terms of repayments restructured for the second time; or (d) Loans specified in point (d) of Sub-standard loans not yet collected between 30 days and 60 days after the issuance date of recovery decision; or (e) Loans in the collection process under inspection conclusions but being overdue up to 60 days according to recovery term.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Loans to customers (continued)**

**(ii) Classification of loans to customers (continued)**

Group		Overdue status
5	Loss loans	(a) Loans being overdue more than 360 days; or (b) Loans having terms of repayments restructured for the first time and being overdue from 90 days and above according to the first restructured terms of repayments; or (c) Loans having terms of repayments restructured for the second time and being overdue according to the second restructured terms of repayments; or (d) Loans having terms of repayments restructured for the third time or more, regardless whether the loans are overdue or not; or (e) Loans specified in point (d) of Sub-standard loans not yet collected more than 60 days after the issuance date of recovery decision; or (f) Loans in the collection process under inspection conclusions but being overdue for more than 60 days according to recovery term; or (g) Loans to other credit institutions being announced under special control status by the SBV, or to foreign banks' branches of which capital and assets are blockaded.

Debts shall be classified in a group with lower risks (including Group 1) in the following cases:

- Customers have made full repayment of the overdue principals and the interest (including interests on overdue principals) and the principals and interest of the following payment periods for at least three months in respect of long and medium-term debts and one month in respect of short-term debts since the date the overdue principals and interest are fully repaid; and
- The Bank has sufficient basis of information and documents to assess and conclude that customers are capable of fully repaying the principals and the interest in a timely manner.

Debts shall be classified in a group with higher risks in the following cases:

- Changes in environment and business field, which negatively impact the capability of customers to pay debt (natural calamities, epidemics, war, economic environment);
- Norms on profitability, solvency, ratio of debts to capital, cash flows, capability of customers to pay debts deteriorating continuously or significantly adversely fluctuated after three consecutive times of assessment and debt classification;
- Customers fail to supply fully, timely and truly financial information at the request of the Bank for an assessment regarding the capability of customers to pay their debts;
- Debts which have been classified in Group 2, Group 3, Group 4 for one year or longer but not qualified to classify in a group with lower risks.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Loans to customers (continued)**

**(ii) Classification of loans to customers (continued)**

Non-performing loans are loans classified into Group 3, 4 and 5.

The Bank is required to use the results of loan classification as provided by the Credit Information Center of the SBV ("the CIC") to classify loans to customers into higher risk group as determined by the Bank and provided by the CIC.

Where a customer owes more than one debt to the Bank, and has any debt classified into a higher risk group of debts, the Bank classifies the remaining debts of such customer into the group of debts with higher risk corresponding with their level of risk.

Where the Bank participates in a syndicated loan, the Bank reclassifies all debts (including the outstanding syndicated loan) of the customer into the highest risk group as determined by the lenders.

**(iii) Allowance for losses on loans to customers**

Allowance for losses on loans to customers included specific allowance and general allowance.

Specific allowance for losses on loans to customers is calculated using set rates applied to each loan group as follows:

	Allowance rates
Group 1 - Current loans	0%
Group 2 - Special-mentioned loans	5%
Group 3 - Sub-standard loans	20%
Group 4 - Doubtful loans	50%
Group 5 - Loss loans	100%

The specific allowance is calculated based on the borrower's loan balance on the last working day of each month less the discounted value of collateral assets. For the year-end, the specific allowance is calculated based on the borrower's loan balance on the last working day of November in accordance with Circular 02 less the discounted value of collateral assets. The discounted value of collateral assets is determined in accordance with Circular 02.

Collateral assets with value of VND50 billion or more against loans to the Bank's related parties or other parties as prescribed in Article 127 of the Law on Credit Institutions and collateral assets with value of VND200 billion or more which are movable assets, real-estate or others, excluding gold billets, Government bonds listed on the Stock Exchange, securities issued by enterprises or other credit institutions must be valued by a licensed asset valuation organisation. Other than these cases, collateral assets are valued in accordance with the Bank's internal policy and process.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Loans to customers (continued)**

**(iii) Allowance for losses on loans to customers (continued)**

Maximum discounted ratio of collateral assets is determined as follows:

Type of collateral assets	Maximum discounted ratio
(a) Deposits from customers in VND	100%
(b) Gold billets, except for the types of gold specified in (i); deposits from customers in foreign currencies	95%
(c) Government bonds, transferable instruments, valuable papers issued by the Bank, savings, certificates of deposit, bills and notes issued by other credit institutions:	
• With a remaining term of less than 1 year	95%
• With a remaining term of between 1 year to 5 years	85%
• With a remaining term of over 5 years	80%
(d) Securities issued by other credit institutions and listed on a stock exchange	70%
(e) Securities issued by enterprises and listed on a stock exchange	65%
(f) Unlisted securities and valuable papers, except for the types of securities specified in (c), issued by other credit institutions registered for listing on a stock exchange;	50%
Unlisted securities and valuable papers, except for the types of securities specified in (c), issued by other credit institutions not registered for listing on a stock exchange	30%
(g) Unlisted securities and valuable papers issued by enterprises registered for listing on a stock exchange;	30%
Unlisted securities and valuable papers issued by enterprises not registered for listing on a stock exchange	10%
(h) Real estates	50%
(i) Gold billets not having quoted price, other types of gold and other collateral assets	30%

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(e) Loans to customers (continued)****(iii) Allowance for losses on loans to customers (continued)**

Collateral assets that do not satisfy the conditions as specified in Article 12, Point 3 of Circular 02 are deemed to have zero value.

The general allowance is made at 0.75% of the outstanding balance of loans to customers on the last working day of each month, excluding the total balance of loans to customers which are classified as loss loans. For the year-end, the general allowance is made at 0.75% of the outstanding balance of loans to customers on the last working day of November in accordance with Circular 02, excluding the total balance of loans to customers which are classified as loss loans.

**(iv) Writing off loans to customers classified as bad debts**

Loans are written off at the discretion of the Bank's Risk Resolution Committee when all reasonable efforts for recovery of bad debts, including legal actions, have been exhausted.

In accordance with Circular 02 and Circular 09, loans to customers are written off against allowance when loans to customers have been classified to Group 5 or when borrowers have been declared bankrupt or dissolved (for borrowers being enterprises) or borrowers are deceased or missing (for borrowers being individuals).

Loans written off against allowance are recognised as off-balance sheet items for following up and collection. The amount collected from previously written-off loans, including the amount from sales of collaterals against those loans, is recognised in the separate income statement upon receipt.

**(v) Debt restructuring, exemption or reduction of interest, fees and retention of loan group to assist customers affected by Covid-19 pandemic**

The debt restructuring, exemption or reduction of interest, fees and retention of loan group to assist customers affected by Covid-19 pandemic are carried out in accordance with Circular 01.

The Bank restructures, exempts or reduces interest, fees of customers' debts satisfying all of following conditions:

- Being a loan (debt restructuring) or a credit granting except investment in corporate bonds (exemption or reduction of interest, fees);
- The principal and/or interest repayment obligations arise during the period from 23 January 2020 to the date after 3 months from the date on which the Prime Minister declares the end of the Covid-19 outbreak;
- The customer is unable to repay the principal and/or interest under the loan agreement due to decrease in revenue caused by Covid-19 pandemic.

The debts are restructured in the following cases:

- The debt is undue or is overdue up to 10 days under the loan agreement;
- The debt was overdue more than 10 days during the period from 23 January 2020 to 29 March 2020.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Loans to customers (continued)**

**(v) *Debt restructuring, exemption or reduction of interest, fees and retention of loan group to assist customers affected by Covid-19 pandemic (continued)***

The extension term is not permitted to exceed 12 months from the loan maturity date on which customers are obliged to repay all principal and interest payables.

For debts being restructured, exempted or reduced interest, fees in accordance with Circular 01, the Bank retains their loan groups which they were recently classified into before 23 January 2020; these loans are classified and made allowance for losses on loan based on their restructured term in accordance with Circular 02 and Circular 09 without applying the higher-risk-group principle.

For debts being restructured, exempted or reduced interest, fees and remaining current loan (Group 1) in accordance with Circular 01, the Bank derecognises their accrued interests and recognises them as off-balance sheet items for following up and collection. Interest income is recognised in the separate income statement upon receipt.

Circular 01 is effective from 13 March 2020. The loan classification and interest income recognition of loans which are subject to Circular 01 are not retrospectively applied.

**(f) Off-balance sheet commitments**

Off-balance sheet commitments consist of guarantees, settlement and irrevocable commitments.

Off-balance sheet commitments are classified into five groups as follows:

<b>Group</b>		<b>Definition</b>
1	Current commitments	▪ Commitments which, according to the Bank's assessment, could be fully settled when they fall due.
2	Special-mentioned commitments	▪ Commitments which, according to the Bank's assessment, could be fully settled when they fall due but there are indicators of declining capability to settle the commitments.
3	Sub-standard commitments	▪ Commitments which, according to the Bank's assessment, could not be fully settled when they fall due.
4	Doubtful commitments	▪ Commitments which, according to the Bank's assessment, are not highly probably settled by customers.
5	Loss commitments	▪ Commitments which, according to the Bank's assessment, could not be settled.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(f) Off-balance sheet commitments (continued)**

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

**(g) Held-for-trading securities***Classification*

Held-for-trading securities are debt securities or equity securities acquired principally for the purpose of selling in the short-term, not over one year, for the purpose of short-term profit-taking.

*Recognition*

The Bank recognises held-for-trading securities on the date it becomes a party to the contractual provisions of these securities (trade date accounting).

*Measurement*

Held-for-trading unlisted bonds issued by enterprises are stated at cost less allowance for credit losses. Credit risk classification of unlisted bonds issued by enterprises and allowance thereof is made in accordance with the same accounting policy applied for loans to customers as described in Note 3(e).

Other held-for-trading securities are stated at cost less allowance for diminution in value. Allowance for diminution in value is made when the market value is lower than the book value.

Interest income during the holding period of held-for-trading securities is recognised in the separate income statement upon receipt.

The allowance for credit losses on held-for-trading unlisted bonds issued by enterprises and allowance for diminution in value of other held-for-trading securities as described above are reversed if the recoverable amount of the securities subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

*Derecognition*

Held-for-trading securities are derecognised when the rights to receive cash flows from the investments have expired or the Bank has transferred substantially all risks and rewards of ownership.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(h) Investment securities****(i) Available-for-sale securities***Classification*

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

*Recognition*

The Bank recognises available-for-sale securities on the date it becomes a party to the contractual provisions of these securities (trade date accounting).

*Measurement*

Available-for-sale unlisted bonds issued by enterprises are stated at cost less allowance for credit losses. Credit risk classification of unlisted bonds issued by enterprises and allowance thereof is made in accordance with the same accounting policy applied for loans to customers as described in Note 3(e).

Other available-for-sale securities are stated at cost less allowance for diminution in value. Allowance for diminution in value is made when the market value is lower than the book value.

Premiums and discounts arising from purchases of available-for-sale debt securities are amortised to the separate income statement using the straight line method over the period from the acquisition date to the maturity date, in cases these available-for-sale securities would be sold before their maturity dates, the unamortised premiums and discounts are recognised fully in the separate income statement at the sale date.

Post-acquisition interest income of available-for-sale securities is recognised in the separate income statement on an accrual basis. Interest income received which are attributable to the period before acquisition date of available-for-sale securities are deducted from the carrying amount of available-for-sale securities.

The allowance for credit losses on available-for-sale unlisted bonds issued by enterprises and allowance for diminution in value of other available-for-sale securities as described above are reversed if the recoverable amount of the securities subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

*Derecognition*

Available-for-sale securities are derecognised when the rights to receive cash flows from the investments have expired or the Bank has transferred substantially all risks and rewards of ownership.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(h) Investment securities (continued)**

**(ii) Held-to-maturity securities**

*Classification*

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

*Recognition*

The Bank recognises held-to-maturity securities on the date it becomes a party to the contractual provisions of these securities (trade date accounting).

*Measurement*

Held-to-maturity unlisted bonds issued by enterprises are stated at cost less allowance for credit losses. Credit risk classification of unlisted bonds issued by enterprises and allowance thereof is made in accordance with the same accounting policy applied for loans to customers as described in Note 3(e).

Other held-to-maturity securities are stated at cost less allowance for diminution in value. Allowance for diminution in value is made based on the recoverability of held-to-maturity securities.

Premiums and discounts arising from purchases of held-to-maturity securities are amortised to the separate income statement using the straight line method over the period from the acquisition date to the maturity date.

Post-acquisition interest income of held-to-maturity securities is recognised in the separate income statement on an accrual basis. Interest income received which are attributable to the period before acquisition date of held-to-maturity securities are deducted from the carrying amount of held-to-maturity securities.

The allowance for credit losses on held-to-maturity unlisted bonds issued by enterprises and the allowance for diminution in value of other held-to-maturity securities as described above are reversed if the recoverable amount of the securities subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

*Derecognition*

Held-to-maturity securities are derecognised when the rights to receive cash flows from the investments have expired or the Bank has transferred substantially all risks and rewards of ownership.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(i) Investments in subsidiaries, associates and joint-ventures**

Subsidiaries are entities controlled by the Bank. Associates are those entities in which the Bank has significant influence, but not control, over the financial and operating policies. Joint-ventures are those entities over whose activities the Bank has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in subsidiaries, associates and joint-ventures are stated at cost less allowance for diminution in value in the separate financial statements of the Bank. Allowance for diminution in value is made when there is an indicator of devaluation in investments. Accordingly, the allowance is equal to the difference between the total contributed capital and the owners' equity multiplied (x) by the proportion of the Bank's actual contributed capital to the total contributed capital of the investors. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance 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 allowance had been recognised.

**(j) Other long-term investments***Classification*

Other long-term investments are investments in equity instruments of unlisted entities where the Bank has no control or significant influence. These investments must have a period of holding, recovering or paying off more than one year with the purpose of gaining benefits in the following cases:

- The Bank is a founding shareholder;
- The Bank is a strategic partner; or
- The Bank has a certain influence on the process of establishment, approval of financial and operating policies through written agreements about having the Bank's personnel joining the investee's Board of Directors/Board of Management.

*Recognition*

The Bank recognises other long-term investments on the date it becomes a party to the contractual provisions of these investments (trade date accounting).

*Measurement*

These long-term investments are stated at cost less allowance for diminution in value. Allowance for diminution in value is made when there is an indicator of devaluation in investments as described in Note 3(i). An allowance is reversed when the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance 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 allowance had been recognised.

*Derecognition*

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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(k) Derivative financial instruments****(i) *Currency forward and currency swap contracts***

Currency forward and currency swap contracts are recognised at contract value in the separate financial statements. Differences between the currency amounts which are committed to buy/sell at the contractual exchange rate and the buy/sell committed currency amounts translated at the spot exchange rate at the effective dates of the currency forward contracts and currency swap contracts are amortised to the separate income statement on a straight-line basis over the terms of the contracts.

Currency forward contracts are revalued at the spot exchange rate at month-end. Any unrealised gains/losses are recognised in the foreign exchange revaluation reserve on the separate balance sheet at each month-end and are transferred to the separate income statement at the year-end.

**(ii) *Cross currency swap contracts***

For cross currency swap of parties to exchange interest payments and principals denominated in two different currencies which are exchanged at the effective date, the contract value is recognised on the separate balance sheet in accordance with the same accounting policy applied to currency swap contracts. Income earned and expenses incurred are recognised in the separate income statement on an accrual basis.

**(iii) *Currency option contracts***

The committed value in currency option contracts is not recognised in the separate balance sheet. Any paid or received option premium is recognised as deferred expense or revenue and amortised to the separate income statement on a straight-line basis over the terms of the contracts.

Currency option contracts are revalued at the spot exchange rate at month-end. Any unrealised gains/losses are recognised in the foreign exchange revaluation reserve on the separate balance sheet at each month-end and are transferred into the separate income statement at the year-end.

**(l) *Repurchase and reverse repurchase agreements***

Securities sold under agreements to repurchase at a specific date in the future are recognised in the separate balance sheet. The proceeds from these agreements are recognised as a liability on the separate balance sheet and the difference between selling price and the committed repurchase price is amortised to the separate income statement using the straight line method over the contractual term.

Securities purchased under agreements to resell at a specific date in the future are not recognised in the separate balance sheet. The cash payment under the agreements is recognised as a loan on the separate balance sheet and the difference between the purchase price and committed reselling price is amortised to the separate income statement using the straight line method over the contractual term.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(m) Gold**

Gold is revalued monthly at the spot exchange rate at each month-end. Differences from the monthly revaluation are recognised in the foreign exchange revaluation reserve on the separate balance sheet at each month-end and are transferred to the separate income statement at the year-end.

**(n) Cash and cash equivalents**

For the presentation of separate statement of cash flows, cash and cash equivalents comprise cash on hand, gold and gemstones; demand deposits at the SBV; treasury bills and other short-term valuable papers qualified to be discounted at the SBV; securities which have maturity date within three months from purchase date; and demand and term deposits with other credit institutions with original maturity of three months or less.

**(o) Deposits with and loans to other credit institutions****(i) Deposits with other credit institutions**

Deposits with other credit institutions include demand deposits and term deposits.

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

Term deposits with other credit institutions are stated at the amount of principal outstanding less specific allowance.

In accordance with Circular No. 21/2012/TT-NHNN dated 18 June 2012 issued by the SBV, effective from 1 September 2012 ("Circular 21") and Circular No. 01/2013/TT-NHNN dated 7 January 2013 issued by the SBV to amend and to supplement Circular 21, credit institutions are only allowed to undertake deposits for which the maximum term is three months with other credit institutions. New deposits with over-three-month term after the effective date of these circulars are classified as loans to other credit institutions.

Credit risk classification of term deposits with other credit institutions and allowance thereof is made in accordance with Circular 02 and Circular 09 being similar to those policies on loans to other credit institutions as described in Note 3(o)(ii).

**(ii) Loans to other credit institutions**

Loans to other credit institutions are loans with original term to maturity of less than one year. Original term of loans to finance leasing company that is a subsidiary of the Bank can be more than or equal to one year.

Loans to other credit institutions are stated at the amount of principal outstanding less specific allowance.

The specific allowance is calculated based on each other credit institution's loan balance on the last working day of each month less the discounted value of collateral assets. For the year-end, the specific allowance is calculated based on each other credit institution's loan balance on the last working day of November in accordance with Circular 02 less the discounted value of collateral assets. The discounted value of collateral assets is determined in accordance with the principles as set out in Circular 02 as described in Note 3(e)(iii).

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(o) Deposits with and loans to other credit institutions (continued)**

**(ii) Loans to other credit institutions (continued)**

The Bank has classified loans to other credit institutions in accordance with a quantitative method as stipulated in Article 10 of Circular 02. Loan classification and specific allowance for losses on loans to other credit institutions is determined in accordance with the same accounting policy applied to loans to customers as set out in Circular 02 and Circular 09 as described in Note 3(e)(ii) and Note 3(e)(iii).

The Bank is required to use the results of loan classification as provided by the CIC to classify loans to other credit institutions in accordance with the same accounting policy applied to loans to customers as described in Note 3(e).

**(p) Receivables**

Receivables are stated at cost less allowance for losses.

Allowance for doubtful receivables is made based on the anticipated possible loss or the overdue status of receivables at the following rates:

<b>Overdue status</b>	<b>Allowance rates</b>
From 6 months to below 1 year	30%
From 1 to below 2 years	50%
From 2 to below 3 years	70%
From 3 years and above	100%

Allowance for losses on doubtful receivables is recognised as operating expenses in the separate income statement when incurred.

**(q) Classification of financial instruments**

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

**(i) Financial assets**

*Financial assets at fair value through profit or loss*

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

- It is classified by the Bank as held for trading. A financial asset is classified as held for trading if:
  - it is acquired principally for the purpose of selling it in the near term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - it is 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 a financial asset at fair value through profit or loss.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(q) Classification of financial instruments (continued)**

**(i) Financial assets (continued)**

*Held-to-maturity investments*

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

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

*Loans and receivables*

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

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

*Available-for-sale financial assets*

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

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

**(ii) Financial liabilities**

*Financial liabilities at fair value through profit or loss*

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

- It is considered by the Bank as held for trading. A financial liability is classified as held for trading if:
  - it is incurred principally for the purpose of repurchasing it in the near term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - it is 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 a financial liability at fair value through profit or loss.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(q) Classification of financial instruments (continued)****(ii) Financial liabilities (continued)***Financial liabilities carried at amortised cost*

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

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

**(r) Tangible fixed assets****(i) Cost**

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

**(ii) Depreciation**

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

Buildings and structures	40 years
Office equipment	3 - 5 years
Motor vehicles	10 years
Others	5 years

**(iii) Disposals**

Gains and losses on disposals of tangible fixed assets are determined by comparing net disposal proceeds with the carrying amounts. The disposal proceeds are recognised as income in the separate income statement. Expenses on disposal of assets and the carrying amounts are recognised as expenses in the separate income statement.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(s) Intangible fixed assets****(i) Land use rights**

Land use rights comprise those acquired in a legitimate transfer and indefinite land use rights. Indefinite land use rights are stated at cost and without amortisation. Initial cost of a land use right comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use right.

**(ii) Software**

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software costs are amortised on a straight-line basis over 3 to 8 years.

**(iii) Disposals**

Gains and losses on disposals of intangible fixed assets are determined by comparing net disposal proceeds with the carrying amounts. The disposal proceeds are recognised as income in the separate income statement. Expenses on disposal of assets and the carrying amounts are recognised as expenses in the separate income statement.

**(t) Provisions**

A provision except for provision described in Note 3(e), 3(g), 3(h), 3(i), 3(j), 3(o) and 3(p) is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(u) Severance allowance**

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more ("the eligible employee") voluntarily terminates his/her labour contract, the Bank is required to pay the eligible employee severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Bank less the period during which the employee participates the unemployment insurance scheme in accordance with the labour regulations and the period during which the severance allowance has already paid. The average monthly salary for calculating the severance allowance is based on the average salary of the six consecutive months preceding the resignation of the eligible employees.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(u) Severance allowance (continued)**

On 9 August 2013, the Ministry of Finance issued Official letter No. 10441/BTC-TCDN guiding the Bank on accounting for severance allowance. According to this official letter, the Ministry of Finance does not allow the Bank to make provision for severance allowance to employees. Accordingly, the Bank discontinues making any provision for severance allowance since 2013. The Bank pays severance allowance to the eligible employee at the time the employee leaves.

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Bank and its employees are required to contribute to the unemployment insurance fund managed by the Vietnam Social Insurance Agency.

**(v) Taxation**

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

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

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

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

**(w) Capital****(i) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

**(ii) Share premium**

On receipt of capital from shareholders, the difference between issue price and par value of issued shares is credited/debited to the share premium account in equity.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(w) Capital (continued)**

**(iii) Treasury shares**

When the Bank repurchases its ordinary shares ("treasury shares"), the amount of consideration paid, which includes directly attributable costs, is recognised as a deduction from equity.

When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transactions is transferred to/from share premium.

**(x) Reserves**

According to Decree No. 93/2017/ND-CP dated 7 August 2017 issued by the Government, the Bank is required to make the following allocations before distribution of profits:

	<b>Percentage of annual allocation</b>	<b>Maximum balance</b>
Reserve to supplement charter capital	5% of profit after tax	Charter capital
Financial reserve	10% of profit after tax	Not specified

The purpose of financial reserve is to offset residual asset losses and damage occurring in the course of business after such losses have been offset with compensation paid by the organisations, individuals who caused them, indemnity paid by insurers and with the allowance set up and accounted for in expenses, and shall be used for other purposes in accordance with the law.

Reserves are used for specific purposes and are appropriated from profit after tax of the Bank according to the proportion prescribed below:

- Reserve to supplement charter capital;
- Financial reserve;
- Other reserves: appropriated according to the resolution of the General Meeting of Shareholders. The appropriation rates of these reserves are determined by the General Meeting of Shareholders in accordance with the law.

The remaining profit after the appropriation of the above reserves, bonus and welfare fund and distribution of dividends to the shareholders is recognised as retained profit of the Bank.

The Bank only appropriates reserve to supplement charter capital and financial reserve at the year-end.

**(y) Other fund**

**(i) Bonus and welfare fund**

Bonus and welfare fund is established by appropriating from profit after tax as approved at the General Meeting of Shareholders. Bonus and welfare fund is recognised as other liabilities in the separate balance sheet.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(y) Other fund (continued)****(ii) *Science and technology development fund***

Science and technology development fund is established according to the resolution of the General Meeting of Shareholders. The appropriation, expenditure and supervision of the science and technology development fund are carried out in accordance with Decree 95/2014/ND-CP dated 17 October 2014 issued by the Government and Circular No.12/2016/TTLT-BKHCHN-BTC dated 28 June 2016. The Bank recognises the appropriation of science and technology development fund as operating expenses in the separate income statement, which shall not exceed 10% of taxable income. At the end of five-year period starting from recognition date, when the fund is not spent up to 70% of the total of the fund appropriated by the Bank and the fund financed by others, the Bank must pay corporate income tax imposed on unused amount of the fund and an interest on such corporate income tax.

**(z) Related parties**

Related parties include enterprises and individuals that directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Bank. The enterprises in which the Bank has significant influence, enterprises and individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the Bank, key management personnel, including members of Board of Directors, members of Board of Management, members of Supervisory Board, Chief Financial Officer, Chief Accountant and close members of the family of these individuals and companies which these individuals directly or indirectly hold significant voting right or have significant influence over also constitute related parties.

In considering each possible related party relationship, the Bank pays attention to the substance of the relationship, and not merely the legal form.

**(aa) Fiduciary activities**

The Bank acts as a trustee and in other fiduciary capacities that result in the holding or placing of assets, loans on behalf of individuals, corporates and other credit institutions.

The value of investment trusts and trust funds received are recognised when the trust contracts have been signed and trust funds have been realised. Rights and obligations of the truster and trustee relating to profit and profit sharing, trust fee, other rights and obligations are in compliance with the terms of the contracts.

Based on the terms of the contracts, fiduciary activities of the Bank comprise:



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(aa) Fiduciary activities (continued)***Fiduciary activities at no risk*

The Bank acts as a trustee and in other fiduciary capacities that result in holding assets on behalf of customers, entrusted investments and loans to customers in which entrusters bear all risks of fiduciary activities. These assets are excluded from these separate financial statements as they are not assets of the Bank. Entrusted funds received from trustees but not yet disbursed are recognised as other liabilities in the separate balance sheet. After the disbursement is made, the Bank recognised entrusted funds as off-balance sheet items in accordance with Circular No. 30/2014/TT-NHNN dated 6 November 2014 issued by the SBV.

*Fiduciary activities at risk*

The Bank acts as a trustee receiving funds from the Government, international and other credit institutions to make loans to customers. The Bank recognises the received fund as an entrusted fund and recognises loans to customers financed by these funds as its loans to customers. The accounting policies of these loans to customers are in accordance with the regulations issued by the SBV (Note 3(e)).

**(bb) Dividend distribution**

Dividend distribution to the Bank's shareholders is recognised as a liability in the separate financial statements when the dividends are approved in accordance with regulations of the Bank's Charter.

**(cc) Segment reporting**

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

**(dd) Nil balance**

Items or balances required by Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV that are not shown in these separate financial statements indicate nil balances.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**4 CASH ON HAND, GOLD AND GEMSTONES**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Cash in VND	5,948,956	5,510,455
Cash in foreign currencies	755,010	835,155
Valuable papers	471	472
Gold	263,472	91,721
	<u>6,967,909</u>	<u>6,437,803</u>

**5 BALANCES WITH THE STATE BANK OF VIETNAM**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Demand deposits with the SBV		
- In VND	10,115,714	9,677,027
- In foreign currencies	6,501,084	743,279
	<u>16,616,798</u>	<u>10,420,306</u>

Under the SBV's regulations relating to the compulsory reserve, banks are required to maintain a compulsory reserve requirement ("CRR") in demand deposits with the SBV. The monthly average balance of demand deposits with the SBV must not be less than relevant CRR rates multiplied by the preceding month's average balances of deposits in scope as follows:

**CRR rates applicable to the preceding month's average balances of:**

	<b>31.12.2020</b> <b>%</b>	<b>31.12.2019</b> <b>%</b>
<i>Deposits from customers:</i>		
- 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
<i>Deposits from foreign credit institutions:</i>		
- Deposits in foreign currencies	<u>1.00</u>	<u>1.00</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**6 DEPOSITS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS**

**6.1 Deposits with and loans to other credit institutions**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
<b>Deposits with other credit institutions</b>		
Demand deposits		
- In VND	32,659	30,550
- In foreign currencies	4,552,379	2,381,444
	<u>4,585,038</u>	<u>2,411,994</u>
Term deposits (i)		
- In VND	14,346,000	10,020,000
- In foreign currencies	3,372,600	6,787,795
- Allowance for losses on deposits with other credit institutions	-	(100,514)
	<u>17,718,600</u>	<u>16,707,281</u>
	<u>22,303,638</u>	<u>19,119,275</u>
<b>Loans to other credit institutions</b>		
In VND	9,083,029	11,581,117
<i>In which:</i>		
- <i>Discount, rediscount</i>	8,360,129	11,051,317
In foreign currencies	9,933	51,669
	<u>9,092,962</u>	<u>11,632,786</u>
<b>Total deposits with and loans to other credit institutions</b>	<u>31,396,600</u>	<u>30,752,061</u>

(i) Included in term deposits with other credit institutions as at 31 December 2020 was VND231,000 million (31.12.2019: VND4,423,630 million), which was pledged as collaterals for deposits from other credit institutions with the amount of VND232,000 million (31.12.2019: VND4,293,360 million) (Note 35.2).

**6.2 Analysis of quality of term deposits with and loans to other credit institutions**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Group 1 – Current loans	26,811,562	28,040,581
Group 2 – Special-mentioned loans	-	-
Group 3 – Sub-standard loans	-	-
Group 4 – Doubtful loans	-	-
Group 5 – Loss loans (i)	-	400,000
	<u>26,811,562</u>	<u>28,440,581</u>

(i) The term deposit with a local commercial joint stock bank which has been overdue. As at 31 January 2015, the SBV announced a mandatory acquisition for all stakes of this bank at a price of VND0. As at 31 December 2020, the term deposit was written off by utilising the associated allowances and recognised as the off-balance sheet item for following up and collection.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**6 DEPOSITS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS (continued)**

**6.3 Allowance for losses on deposits with and loans to other credit institutions**

	Specific allowance VND million
As at 1 January 2019	140,392
Allowance reversed during the year (Note 30)	(39,878)
As at 31 December 2019	100,514
Allowance made during the year (Note 30)	299,486
Allowance utilised during the year	(400,000)
As at 31 December 2020	-

**7 HELD-FOR-TRADING SECURITIES**

	31.12.2020 VND million	31.12.2019 VND million
Government securities – listed	5,986,742	2,792,425
Allowance for diminution in value of held-for-trading securities	-	(8,669)
	5,986,742	2,783,756

**8 DERIVATIVES AND OTHER FINANCIAL ASSETS**

	As at 31 December 2020		
	Total contract value (at foreign exchange rate at the contract date)	Total carrying value (at foreign exchange rate as at 31 December 2020)	
	VND million	Assets VND million	Liabilities VND million
<b>Currency derivatives</b>			
- Currency forward contracts	901,434	3,447	-
- Currency swap contracts	28,600,664	51,026	-
<b>Other derivatives</b>			
- Cross currency contracts	2,784,000	-	-

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**8 DERIVATIVES AND OTHER FINANCIAL ASSETS (continued)**

	As at 31 December 2019		
	Total contract value (at foreign exchange rate at the contract date)	Total carrying value (at foreign exchange rate as at 31 December 2019)	
		Assets	Liabilities
	VND million	VND million	VND million
<b>Currency derivatives</b>			
- Currency forward contracts	1,374,514	7,077	-
- Currency swap contracts	19,906,181	78,876	-
<b>Other derivatives</b>			
- Cross currency contracts	1,392,000	1,800	-

**9 LOANS TO CUSTOMERS**

**9.1 By type of loans**

	31.12.2020 VND million	31.12.2019 VND million
Loans to domestic economic entities and individuals	307,489,969	265,821,642
Discounted negotiable instruments and valuable papers	125,407	155,744
Payments on behalf of customers	199	199
Loans funded by the Government, international and other credit institutions	1,949	3,901
	<u>307,617,524</u>	<u>265,981,486</u>

**9.2 By type of customers**

	31.12.2020 VND million	31.12.2019 VND million
State-owned companies	1,170,762	1,193,119
Joint stock companies, limited liability companies and private enterprises	114,256,785	102,647,829
Joint-venture companies	433,762	529,697
100% foreign-owned companies	776,700	880,866
Co-operatives	201,331	208,000
Individuals and others	190,778,184	160,521,975
	<u>307,617,524</u>	<u>265,981,486</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**9 LOANS TO CUSTOMERS (continued)**

**9.3 By loan group**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Group 1 - Current loans (i)	305,220,931	263,922,547
Group 2 - Special mentioned loans	566,565	618,418
Group 3 - Sub-standard loans	211,975	234,837
Group 4 - Doubtful loans	405,975	310,103
Group 5 - Loss loans	1,212,078	895,581
	<u>307,617,524</u>	<u>265,981,486</u>

- (i) Included in current-loan balance as at 31 December 2020 was VND8,937,148 million of drawdowns which were subject to Circular 01, VND1,588,916 million of which was restructured, exempted and/or reduced interest, fees and remained loan group to assist customers affected by Covid-19 pandemic in accordance with Circular 01. As at 31 December 2020, the Bank recognised VND299,830 million of accrued interest of these drawdowns as off-balance sheet items.

**9.4 By term**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Short-term loans	177,853,958	143,115,446
Medium-term loans	14,828,543	17,596,497
Long-term loans	114,935,023	105,269,543
	<u>307,617,524</u>	<u>265,981,486</u>

**9.5 By currency**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Denominated in VND	299,803,794	258,772,536
Denominated in foreign currencies and gold	7,813,730	7,208,950
	<u>307,617,524</u>	<u>265,981,486</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**9 LOANS TO CUSTOMERS (continued)**

**9.6 By business sector of customers**

	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>VND million</b>	<b>VND million</b>
Trading	55,342,274	49,850,300
Agriculture and forestry	1,043,089	941,014
Manufacturing and processing	24,318,752	23,763,927
Construction	14,726,784	12,396,147
Individual and community services	7,345,463	5,686,841
Warehousing, transportation and communication	3,229,237	2,749,348
Training and education	755,053	695,851
Real estate advisory and trading	4,737,931	4,547,891
Hotels and restaurants	2,712,426	2,563,235
Financial services	90,739	16,120
Other business sectors	193,315,776	162,770,812
	<u>307,617,524</u>	<u>265,981,486</u>

**9.7 Allowance for losses on loans to customers**

	<b>Specific allowance VND million</b>	<b>General allowance VND million</b>	<b>Total VND million</b>
As at 1 January 2019	734,321	1,685,890	<b>2,420,211</b>
Allowance made during the year (Note 30)	7,817	270,157	<b>277,974</b>
Allowance utilised during the year	(301,140)	-	<b>(301,140)</b>
As at 31 December 2019	440,998	1,956,047	<b>2,397,045</b>
Allowance made during the year (Note 30)	353,219	297,065	<b>650,284</b>
Allowance utilised during the year	(226,558)	-	<b>(226,558)</b>
As at 31 December 2020	<u>567,659</u>	<u>2,253,112</u>	<u><b>2,820,771</b></u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 10 INVESTMENT SECURITIES

## 10.1 Details of investment securities

	31.12.2020 VND million	31.12.2019 VND million
<b>Available-for-sale securities</b>		
<b>Debt securities</b>		
Government securities	9,779,851	9,893,342
Debt securities issued by domestic credit institutions	302,420	-
<b>Equity securities</b>		
Equity securities issued by domestic economic entities	708,161	708,161
Total available-for-sale securities	10,790,432	10,601,503
<b>Allowance for losses on available-for-sale securities</b>		
Allowance for diminution in value	(439,685)	(466,865)
	10,350,747	10,134,638
<b>Held-to-maturity securities (excluding special bonds issued by VAMC)</b>		
<b>Debt securities</b>		
Government securities (i)	53,048,264	45,821,522
Total held-to-maturity securities (excluding special bonds issued by VAMC)	53,048,264	45,821,522
<b>Total investment securities</b>	63,399,011	55,956,160

(i) Included in held-to-maturity Government securities as at 31 December 2020 were:

- VND6,840,416 million of Government securities (31.12.2019: VND2,511,680 million) which were pledged as collaterals for borrowings from other credit institutions with the amount of VND6,721,541 million (31.12.2019: VND2,474,170 million) (Note 35.2).
- VND1,504,136 million of Government securities (31.12.2019: VND1,507,602 million) which were pledged as collaterals for deposits from other credit institutions with the amount of VND1,280,000 million (31.12.2019: VND1,280,000 million) (Note 35.2).
- VND4,346,624 million of Government securities (31.12.2019: VND4,663,274 million) which were pledged as collaterals for valuable papers issued with the amount of VND4,372,452 million (31.12.2019: VND4,367,678 million) (Note 35.2).



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**10 INVESTMENT SECURITIES (continued)**

**10.2 Analysis of quality of securities classified as credit-risk bearing assets**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Group 1 – Current loans	302,420	-

**10.3 Allowance for losses on investment securities**

	<b>Allowance for diminution in value of available-for-sale securities VND million</b>
As at 1 January 2019	437,267
Allowance made during the year (Note 26)	29,598
As at 31 December 2019	466,865
Allowance reversed during the year (Note 26)	(27,180)
As at 31 December 2020	439,685

**11 LONG-TERM INVESTMENTS**

**11.1 By type of investments**

	<b>Note</b>	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Investments in subsidiaries	11.2	1,805,000	2,140,000
Investments in a joint venture	11.3	1,000	1,000
Investments in an associate	11.3	200	200
Other long-term investments	11.4	101,827	101,827
Allowance for diminution in value of long-term investments	11.5	(5,305)	(5,384)
		1,902,722	2,237,643

**11.2 Investments in subsidiaries**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
ACB Securities Company Limited	1,500,000	1,500,000
Asia Commercial Bank Asset Management Company Limited	5,000	340,000
Asia Commercial Bank Leasing Company Limited	300,000	300,000
	1,805,000	2,140,000

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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**11 LONG-TERM INVESTMENTS (continued)**

**11.3 Investments in a joint venture and an associate**

	Historical cost	
	31.12.2020 VND million	31.12.2019 VND million
ACB-SJC Saigon Gold and Silver Joint Stock Company	1,000	1,000
Asia Commercial Bank Security Service Joint Stock Company	200	200
	<u>1,200</u>	<u>1,200</u>

**11.4 Other long-term investments**

	31.12.2020 VND million	31.12.2019 VND million
Investments in domestic economic entities - Unlisted (i)	101,827	101,827
Allowance for diminution in value of long-term investments	(5,305)	(5,384)
	<u>96,522</u>	<u>96,443</u>

(i) Movements in investments in unlisted domestic economic entities were as follows:

	VND million
As at 1 January 2019	159,927
Disposal during the year	(58,100)
	<u>101,827</u>
As at 31 December 2019 and 31 December 2020	<u>101,827</u>

**11.5 Allowance for diminution in value of long-term investments**

	VND million
As at 1 January 2019	5,350
Allowance made during the year (Note 29)	34
	<u>5,384</u>
As at 31 December 2019	5,384
Allowance reversed during the year (Note 29)	(79)
	<u>5,305</u>
As at 31 December 2020	<u>5,305</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**12 FIXED ASSETS**

**12.1 Tangible fixed assets**

	<b>Buildings and structures VND million</b>	<b>Office equipment VND million</b>	<b>Motor vehicles VND million</b>	<b>Others VND million</b>	<b>Total VND million</b>
<b>Historical cost</b>					
As at 1 January 2020	2,493,288	1,595,814	381,807	160,392	4,631,301
Additions	1,792	183,049	54,017	4,520	243,378
Transfer from construction in progress	45,217	-	-	-	45,217
Disposals	-	(51,636)	(17,602)	(8,233)	(77,471)
As at 31 December 2020	<u>2,540,297</u>	<u>1,727,227</u>	<u>418,222</u>	<u>156,679</u>	<u>4,842,425</u>
<b>Accumulated depreciation</b>					
As at 1 January 2020	465,356	1,102,393	233,950	147,512	1,949,211
Charge for the year	65,219	184,073	35,617	6,337	291,246
Disposals	-	(51,287)	(16,804)	(8,222)	(76,313)
As at 31 December 2020	<u>530,575</u>	<u>1,235,179</u>	<u>252,763</u>	<u>145,627</u>	<u>2,164,144</u>
<b>Net book value</b>					
As at 1 January 2020	<u>2,027,932</u>	<u>493,421</u>	<u>147,857</u>	<u>12,880</u>	<u>2,682,090</u>
As at 31 December 2020	<u>2,009,722</u>	<u>492,048</u>	<u>165,459</u>	<u>11,052</u>	<u>2,678,281</u>

**Other information about tangible fixed assets was as follows:**

	<b>31.12.2020 VND million</b>	<b>31.12.2019 VND million</b>
Carrying amount of temporarily idle tangible fixed assets	45	478
Cost of tangible fixed assets which were fully depreciated but still in use	<u>967,374</u>	<u>905,334</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**12 FIXED ASSETS (continued)**

**12.2 Intangible fixed assets**

	<b>Land use rights VND million</b>	<b>Software VND million</b>	<b>Total VND million</b>
<b>Historical cost</b>			
As at 1 January 2020	816,902	546,155	<b>1,363,057</b>
Additions	2,804	18,972	<b>21,776</b>
Transfer from construction in progress	-	65,136	<b>65,136</b>
As at 31 December 2020	<u>819,706</u>	<u>630,263</u>	<b><u>1,449,969</u></b>
<b>Accumulated amortisation</b>			
As at 1 January 2020	-	331,548	<b>331,548</b>
Charge for the year	-	62,310	<b>62,310</b>
As at 31 December 2020	<u>-</u>	<u>393,858</u>	<b><u>393,858</u></b>
<b>Net book value</b>			
As at 1 January 2020	<u>816,902</u>	<u>214,607</u>	<b><u>1,031,509</u></b>
As at 31 December 2020	<u>819,706</u>	<u>236,405</u>	<b><u>1,056,111</u></b>

**Other information about intangible fixed assets was as follows:**

	<b>31.12.2020 VND million</b>	<b>31.12.2019 VND million</b>
Cost of intangible fixed assets which were fully amortised but still in use	<u>148,930</u>	<u>134,913</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**13 OTHER ASSETS**

**13.1 Receivables**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Construction in progress (i)	143,638	104,225
External receivables (ii)	3,063,839	3,300,298
Receivables from the SBV	7,022	7,022
Advances and internal receivables	116,207	290,178
Dividend receivables	25,228	83,523
	<u>3,355,934</u>	<u>3,785,246</u>

(i) Movements of construction in progress were as follows:

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Opening balance	104,225	499,343
Additions	151,545	272,023
Transfer to tangible fixed assets (Note 12.1)	(45,217)	(129,287)
Transfer to intangible fixed assets (Note 12.2)	(65,136)	(505,013)
Transfer to other assets	(1,779)	(32,841)
Closing balance	<u>143,638</u>	<u>104,225</u>

Major constructions in progress were:

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Office buildings	<u>115,434</u>	<u>28,976</u>

(ii) Included in external receivables as at 31 December 2020 were:

- Receivables from two companies within the Group of six companies (the Group of six companies is a group of entities related to an individual who was either the former Chairman or the former member of Board of Directors of these companies) with the amount of VND131,905 million (31.12.2019: VND131,905 million). The allowance for these receivables as at 31 December 2020 was VND131,905 million (31.12.2019: VND131,905 million).
- Advances to suppliers with the amount of VND389,232 million (31.12.2019: VND705,122 million).

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**13 OTHER ASSETS (continued)****13.2 Other assets**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Prepaid expenses	994,791	921,952
Foreclosed assets of which ownership was transferred to the Bank and awaiting settlement (i)	51,041	56,398
Other assets	32,099	55,092
	<u>1,077,931</u>	<u>1,033,442</u>

(i) Foreclosed assets of which ownership was transferred to the Bank and awaiting settlement:

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Real estates	<u>51,041</u>	<u>56,398</u>

**13.3 Allowance for losses on other assets**

	<b>VND million</b>
As at 1 January 2019	1,323,693
Allowance made during the year (Note 29)	278,452
As at 31 December 2019	1,602,145
Allowance reversed during the year (Note 29)	(648,211)
As at 31 December 2020	<u>953,934</u>

**13.4 Deferred tax assets**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Deferred tax assets relating to deductible temporary differences	<u>50,724</u>	<u>22,962</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**13 OTHER ASSETS (continued)**

**13.4 Deferred tax assets (continued)**

The movement in the deferred tax assets was as follows:

	2020 VND million	2019 VND million
Opening balance	22,962	44,323
Increase in deferred tax assets in the year (Note 31)	50,595	22,725
Reversal of deferred tax assets recognised in previous periods (Note 31)	(22,833)	(44,086)
Closing balance	<u>50,724</u>	<u>22,962</u>

In the year 2020 and 2019, deferred tax assets were calculated at the tax rate of 20%.

**14 DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS**

	31.12.2020 VND million	31.12.2019 VND million
<b>Deposits from other credit institutions</b>		
Demand deposits		
- In VND	86,640	51,290
- In foreign currencies	<u>3,177</u>	<u>21,183</u>
Term deposits (i)		
- In VND	14,036,195	14,833,935
- In foreign currencies	<u>993,314</u>	<u>1,784,652</u>
	<u>15,119,326</u>	<u>16,691,060</u>
<b>Borrowings from other credit institutions</b>		
In VND	7,040,355	2,509,623
In which:		
- <i>Discount, rediscount (i)</i>	6,721,541	2,474,170
In foreign currencies	<u>370,538</u>	<u>-</u>
	<u>7,410,893</u>	<u>2,509,623</u>
<b>Total deposits and borrowings from other credit institutions</b>	<u>22,530,219</u>	<u>19,200,683</u>

(i) These term deposits and borrowings from other credit institutions were secured by following assets:

	31.12.2020 VND million	31.12.2019 VND million
Held-to-maturity securities (Note 10.1(i))	8,344,552	4,019,282
Term deposits with other credit institutions (Note 6.1(i))	<u>231,000</u>	<u>4,423,630</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**15 DEPOSITS FROM CUSTOMERS**

**15.1 By type of deposits**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Demand deposits		
- In VND	69,206,380	51,933,646
- In foreign currencies	4,954,665	4,136,987
Term deposits		
- In VND	59,918,642	45,384,718
- In foreign currencies	340,063	275,072
Saving deposits		
- In VND	212,359,343	199,592,882
- In foreign currencies	4,374,352	4,556,290
Margin deposits		
- In VND	1,596,123	1,319,886
- In foreign currencies	42,596	105,381
Specialised capital deposits		
- In VND	114,989	680,964
- In foreign currencies	415,540	507,987
	<u>353,322,693</u>	<u>308,493,813</u>

**15.2 By type of customers**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
State-owned companies	969,050	1,469,245
Joint stock companies, limited liability companies and private enterprises	62,769,454	51,267,079
Joint venture companies	1,736,470	1,511,062
100% foreign-owned companies	6,694,160	4,646,303
Co-operatives	87,530	91,795
Individuals	280,172,776	247,094,148
Others	893,253	2,414,181
	<u>353,322,693</u>	<u>308,493,813</u>



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**16 FUNDS AND ENTRUSTED INVESTMENTS RECEIVED FROM THE GOVERNMENT,  
INTERNATIONAL AND OTHER CREDIT INSTITUTIONS**

	<b>31.12.2020</b> VND million	<b>31.12.2019</b> VND million
Funds received from Japan Bank for International Cooperation in VND (i)	90,439	128,850
Funds received from Japan Bank for International Cooperation in foreign currencies (ii)	26,266	27,297
	<u>116,705</u>	<u>156,147</u>

Funds received from Japan Bank of International Co-operation ("JBIC") are financed by the Japanese Government via JBIC. These funds are granted to small and medium enterprises with maximum period of 10 years for medium and long-term loans and with maximum period of 1 year for short-term loans in accordance with the Lending arrangement signed between the SBV and the Bank.

- (i) Outstanding balances of funds received from JBIC in VND born annual interest rates from 4.18% per annum to 5.08% per annum in 2020 (2019: from 5.00% per annum to 5.18% per annum).
- (ii) Outstanding balances of funds received from JBIC in foreign currencies born annual interest rates of 1.91% per annum in 2020 (2019: 1.91% per annum).

**17 VALUABLE PAPERS ISSUED**

	<b>31.12.2020</b> VND million	<b>31.12.2019</b> VND million
<b>Bonds</b>		
- Two-year bonds (par value of VND1,000,000,000/bond)	3,494,633	3,491,170
- Three-year bonds (par value of VND1,000,000,000/bond)	9,140,381	9,133,417
- Five-year bonds (par value of VND1,000,000,000/bond)	1,488,217	1,485,213
- Five-year and one-day bonds (par value of VND100,000,000/bond)	2,000,000	2,000,000
- Ten-year bonds (par value of VND1,000,000,000/bond)	2,399,584	2,366,419
- Ten-year and one-day bonds (par value of VND1,000,000,000/bond)	884,000	1,054,000
<b>Certificates of deposit</b>		
- One-year certificates of deposit (par value of VND1,000,000,000/certificate)	2,199,882	799,617
	<u>21,606,697</u>	<u>20,329,836</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**18 OTHER LIABILITIES**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Internal payables	1,436,647	1,048,555
External payables		
- Remittances in transit	313,272	281,552
- Tax payable to the State Budget (Note 34)	364,748	102,898
- Cash held on behalf and awaiting for settlement	138,387	115,257
- Amount awaiting settlement	944,493	162,890
- Other payables	1,000	12
Unearned revenue	1,824	1,222
Bonus and welfare fund (i)	202,931	204,068
Science and technology development fund (ii)	1,100,000	1,100,000
	<u>4,503,302</u>	<u>3,016,454</u>

**(i) Bonus and welfare fund**

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Opening balance	204,068	105,395
Addition during the year	100,000	100,000
Purchases of treasury shares (*)	(99,981)	-
Other utilisation during the year	(1,156)	(1,327)
Closing balance	<u>202,931</u>	<u>204,068</u>

(\*) According to the approval of the Board of Directors dated 2 March 2020, the Bank sold 6,222,000 treasury shares with the amount of VND99,981 million, using Bonus and welfare fund as the source of fund. These shares were distributed to the Bank's Trade Union as bonus shares for employees.

(ii) At the meeting on 19 April 2018, the General Meeting of Shareholders resolved to establish the Science and technology development fund.

**ASIA COMMERCIAL JOINT STOCK BANK**

Form B05/TCCTD

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**19 OWNERS' EQUITY**

**19.1 Statement of changes in owners' equity**

	Charter capital VND million	Share premium VND million	Treasury shares VND million	Reserve to supplement charter capital VND million	Financial reserve VND million	Other reserves (i) VND million	Retained profits VND million	Total VND million
As at 1 January 2019	12,885,877	-	(665,725)	875,703	2,493,570	121	5,084,512	20,674,058
Net profits for the year	-	-	-	-	-	-	5,917,720	5,917,720
Appropriation to reserves	-	-	-	295,885	591,772	-	(387,657)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	(100,000)	(100,000)
Share dividends	3,741,496	-	-	-	-	-	(3,741,496)	-
Sale of treasury shares	-	271,779	565,744	-	-	-	-	837,523
As at 31 December 2019	16,627,373	271,779	(99,981)	1,171,588	3,085,342	121	6,273,079	27,329,301
Net profits for the year	-	-	-	-	-	-	7,493,361	7,493,361
Appropriation to reserves	-	-	-	374,668	749,336	-	(1,124,004)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	(100,000)	(100,000)
Share dividends (Note 19.3)	4,988,212	-	-	-	-	-	(4,988,212)	-
Sale of treasury shares	-	-	99,981	-	-	-	-	99,981
As at 31 December 2020	21,615,585	271,779	-	1,546,256	3,834,678	121	7,554,224	34,822,643

(i) Other reserves comprised of capital expenditure fund.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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**19 OWNERS' EQUITY (continued)**

**19.2 Shares**

**(a) Number of shares**

	<b>31.12.2020</b>		<b>31.12.2019</b>	
	<b>Number of shares</b>	<b>Carrying value VND million</b>	<b>Number of shares</b>	<b>Carrying value VND million</b>
Authorised share capital	2,161,558,460	21,615,585	1,662,737,277	16,627,373
Treasury shares	-	-	(6,222,000)	(99,981)
Ordinary shares in circulation	<u>2,161,558,460</u>	<u>21,615,585</u>	<u>1,656,515,277</u>	<u>16,527,392</u>

**(b) Movements of the charter capital**

	<b>Number of shares</b>	<b>Ordinary shares VND million</b>
As at 1 January 2019	1,288,587,738	12,885,877
New shares issued	<u>374,149,539</u>	<u>3,741,496</u>
As at 31 December 2019	1,662,737,277	16,627,373
New shares issued	<u>498,821,183</u>	<u>4,988,212</u>
As at 31 December 2020	<u>2,161,558,460</u>	<u>21,615,585</u>

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of shareholders of the Bank. 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. In respect of shares bought back by the Bank, all rights are suspended until those shares are reissued.

**19.3 Dividends**

The General Meeting of Shareholders of the Bank on 16 June 2020 resolved to distribute share dividends at a distribution rate of 30% from VND4,988,212 million of retained profits of 2019 and previous years. The Bank completed the process for adjusting the Business Registration Certificate for the issuance of shares for dividends.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**20 INTEREST AND SIMILAR INCOME**

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Interest income from deposits	258,191	601,275
Interest income from loans	27,543,608	24,261,247
Interest income from debt securities:	2,915,654	2,934,133
- <i>Interest income from held-for-trading securities</i>	38,050	22,050
- <i>Interest income from investment securities</i>	2,877,604	2,912,083
Income from guarantee services	235,968	214,602
Other income from credit activities	623,357	56,969
	<u>31,576,778</u>	<u>28,068,226</u>

**21 INTEREST AND SIMILAR EXPENSES**

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Interest expense on deposits	15,589,604	15,088,890
Interest expense on borrowings	27,077	101,024
Interest expense on valuable papers	1,509,573	934,124
Other expenses on credit activities	101,991	49,789
	<u>17,228,245</u>	<u>16,173,827</u>

**22 FEE AND COMMISSION INCOME**

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Settlement services	1,500,181	1,426,182
Treasury services	27,951	34,109
Other services	1,069,005	1,123,626
	<u>2,597,137</u>	<u>2,583,917</u>

**23 FEE AND COMMISSION EXPENSES**

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Settlement and treasury services	582,706	511,139
Other services	473,248	259,360
	<u>1,055,954</u>	<u>770,499</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**24 NET GAIN FROM TRADING OF FOREIGN CURRENCIES**

	<b>2020</b> VND million	<b>2019</b> VND million
Gains from trading of foreign currencies:		
- Currency spots	610,768	477,786
- Gold trading	73,964	48,204
- Currency derivatives	237,938	217,177
Losses on trading of foreign currencies:		
- Currency spots	(105,603)	(135,622)
- Gold trading	(5,301)	(320)
- Currency derivatives	(124,469)	(176,800)
	<u>687,297</u>	<u>430,425</u>

**25 NET GAIN FROM TRADING OF HELD-FOR-TRADING SECURITIES**

	<b>2020</b> VND million	<b>2019</b> VND million
Gains from trading of held-for-trading securities	215,461	75,848
Losses on trading of held-for-trading securities	(117,661)	(16,027)
Reversal of/(addition to) allowance for losses on held-for-trading securities	8,669	(8,669)
	<u>106,469</u>	<u>51,152</u>

**26 NET GAIN FROM TRADING OF INVESTMENT SECURITIES**

	<b>2020</b> VND million	<b>2019</b> VND million
Gains from trading of investment securities	735,251	116,397
Losses on trading of investment securities	(30,316)	(32,493)
Reversal of/(addition to) allowance for diminution in value of available-for-sale securities (Note 10.3)	27,180	(29,598)
	<u>732,115</u>	<u>54,306</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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## 27 NET OTHER INCOME

	2020 VND million	2019 VND million
<b>Other income</b>		
Income from bad debt collection previously written off	208,790	1,426,468
Income from other trading activities	200,897	66,480
Other income	52,027	52,340
	<u>461,714</u>	<u>1,545,288</u>
<b>Other expenses</b>		
Expenses on other trading activities	(163,726)	(15,793)
Other expenses	(22,694)	(29,956)
	<u>(186,420)</u>	<u>(45,749)</u>
	<u>275,294</u>	<u>1,499,539</u>

## 28 INCOME FROM INVESTMENTS IN OTHER ENTITIES

	2020 VND million	2019 VND million
Dividend income during the year:		
- From available-for-sale equity securities	7,653	11,354
- From long-term investments	31,825	22,372
	<u>39,478</u>	<u>33,726</u>



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**29 OPERATING EXPENSES**

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Tax, duties and fees	15,580	13,129
Salaries and relates expenses	4,201,578	3,660,452
- <i>Salaries and allowances</i>	1,633,533	1,566,936
- <i>Salary related contributions</i>	351,750	334,694
- <i>Subsidies</i>	6,862	10,195
- <i>Others</i>	2,209,433	1,748,627
Expenses on assets	1,729,849	1,623,948
- <i>Depreciation and amortisation expenses</i>	353,556	329,145
- <i>Others</i>	1,376,293	1,294,803
Administrative expenses	1,750,281	2,243,052
Insurance for deposits from customers	374,287	330,101
Allowance expenses (i)	(648,290)	278,486
	<u>7,423,285</u>	<u>8,149,168</u>

(i) Details of allowance expenses were as follows:

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
(Reversal of)/addition to allowance for diminution in value of long-term investments (Note 11.5)	(79)	34
(Reversal of)/addition to allowance for losses on other assets (Note 13.3)	(648,211)	278,452
	<u>(648,290)</u>	<u>278,486</u>

**30 ALLOWANCE EXPENSES FOR CREDIT LOSSES**

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Addition to/(reversal of) specific allowance for losses on deposits with and loans to other credit institutions (Note 6.3)	299,486	(39,878)
Addition to general allowance for losses on loans to customers (Note 9.7)	297,065	270,157
Addition to specific allowance for losses on loans to customers (Note 9.7)	353,219	7,817
	<u>949,770</u>	<u>238,096</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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**31 CORPORATE INCOME TAX**
**31.1 Current corporate income tax**

The tax on the Bank's profit before tax differs from theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2020 VND million	2019 VND million
<b>Profit before tax</b>	<b>9,357,314</b>	<b>7,389,701</b>
<b>Adjustments for taxable profit:</b>		
Less: Non-taxable profit	39,478	34,726
- Income from investments in other entities	39,478	33,726
- Other non-taxable profit	-	1,000
Add: Non-deductible expenses	1,928	3,675
Other adjustments to increase/(decrease) taxable profit	138,810	(106,801)
<b>Taxable profit</b>	<b>9,458,574</b>	<b>7,251,849</b>
<b>Corporate income tax at applicable tax rate</b>	<b>1,891,715</b>	<b>1,450,370</b>
Under-provision in previous years	-	250
<b>Current corporate income tax</b>	<b>1,891,715</b>	<b>1,450,620</b>
Corporate income tax paid	(1,625,993)	(1,556,331)
Tax payable at the beginning of the year	44,702	150,413
<b>Corporate income tax payable</b>	<b>310,424</b>	<b>44,702</b>

The corporate income tax for the year ended 31 December 2020 was calculated based on current regulations applicable for corporate income tax and has not been finalised by the tax authorities.

**31.2 Deferred corporate income tax expenses**

	2020 VND million	2019 VND million
Deferred income tax expenses relating to reversal of deferred tax assets	22,833	44,086
Deferred income tax income relating to deductible temporary differences	(50,595)	(22,725)
	<u>(27,762)</u>	<u>21,361</u>

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## 32 CASH AND CASH EQUIVALENTS

	31.12.2020 VND million	31.12.2019 VND million
Cash on hand, gold and gemstones	6,967,909	6,437,803
Balances with the SBV	16,616,798	10,420,306
Deposits with other credit institutions with original terms of three months or less	22,303,637	18,819,788
	<u>45,888,344</u>	<u>35,677,897</u>

## 33 EMPLOYEE REMUNERATION

	2020 VND million	2019 VND million
<b>Average number of employees (person)</b>	10,904	10,553
<b>Employee remuneration</b>		
Total salary	1,633,533	1,566,936
Other remuneration	1,788,707	1,549,273
	<u>3,422,240</u>	<u>3,116,209</u>
Total income		
Average salary per employee per year	150	148
Average income per employee per year	<u>314</u>	<u>295</u>

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**34 OBLIGATIONS TO THE STATE'S BUDGET**

	1.1.2020 VND million	Movement during the year		31.12.2020 VND million
		Payable VND million	Paid VND million	
Value added tax	17,972	214,213	(216,272)	15,913
Corporate income tax	44,702	1,891,715	(1,625,993)	310,424
Other taxes	40,224	269,777	(271,590)	38,411
	<u>102,898</u>	<u>2,375,705</u>	<u>(2,113,855)</u>	<u>364,748</u>

**35 ASSETS, VALUABLE PAPERS MORTGAGED, PLEDGED, DISCOUNTED AND REDISCOUNTED**

**35.1 Assets, valuable papers mortgaged, pledged, discounted and rediscounted at the Bank**

	31.12.2020 VND million	31.12.2019 VND million
<b>Assets, valuable papers of customers mortgaged, pledged and discounted at the Bank</b>		
Land and property	596,168,788	494,245,578
Inventories	331,252	583,208
Machinery and equipment	4,210,884	5,434,604
Valuable papers	21,640,208	22,718,863
In which:		
- Valuable papers issued by enterprises	21,640,208	22,718,863
Other assets	13,912,810	13,671,741
	<u>636,263,942</u>	<u>536,653,994</u>
 <b>Assets, valuable papers of other credit institutions mortgaged, pledged, discounted and rediscounted at the Bank</b>		
Land and property	658,907	598,973
Valuable papers	7,188,000	10,088,000
Other assets	2,290,576	2,572,530
	<u>10,137,483</u>	<u>13,259,503</u>
 <b>Total assets, valuable papers mortgaged, pledged, discounted and rediscounted at the Bank</b>	<u>646,401,425</u>	<u>549,913,497</u>

**35.2 The Bank's assets, valuable papers mortgaged, pledged, discounted and rediscounted**

	31.12.2020 VND million	31.12.2019 VND million
Held-to-maturity securities (Note 10.1)	12,691,176	8,682,556
Deposits with other credit institutions (Note 6.1)	231,000	4,423,630
	<u>12,922,176</u>	<u>13,106,186</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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**36 CONTINGENT LIABILITIES AND COMMITMENTS**

**36.1 Off-balance sheet items**

<b>As at 31 December 2020</b>			
	<b>Denominated in VND VND million</b>	<b>Denominated in foreign currencies VND million</b>	<b>Total VND million</b>
Borrowing guarantees	75,723	-	<b>75,723</b>
Commitments on foreign exchange transactions	26,919,629	32,355,103	<b>59,274,732</b>
Letters of credit at sight	-	2,163,859	<b>2,163,859</b>
Deferred letters of credit	302,286	2,118,940	<b>2,421,226</b>
Payment guarantees	2,211,922	53,850	<b>2,265,772</b>
Performance guarantees	1,238,688	29,925	<b>1,268,613</b>
Bidding guarantees	358,455	196	<b>358,651</b>
Other commitments and guarantees	6,520,657	154,059	<b>6,674,716</b>
	<b>37,627,360</b>	<b>36,875,932</b>	<b>74,503,292</b>

<b>As at 31 December 2019</b>			
	<b>Denominated in VND VND million</b>	<b>Denominated in foreign currencies VND million</b>	<b>Total VND million</b>
Borrowing guarantees	50,599	-	<b>50,599</b>
Commitments on foreign exchange transactions	18,734,275	25,631,336	<b>44,365,611</b>
Letters of credit at sight	580	2,354,079	<b>2,354,659</b>
Deferred letters of credit	210,275	2,433,412	<b>2,643,687</b>
Payment guarantees	1,660,709	73,425	<b>1,734,134</b>
Performance guarantees	1,750,417	11,789	<b>1,762,206</b>
Bidding guarantees	294,963	-	<b>294,963</b>
Other guarantees	3,290,074	137,201	<b>3,427,275</b>
	<b>25,991,892</b>	<b>30,641,242</b>	<b>56,633,134</b>

(\*) These balances represented the gross amount of off-balance sheet items as at 31 December 2020 before deducting margin deposits of VND927,074 million (31.12.2019: VND601,649 million).

**36.2 Operating lease commitments**

The future minimum lease payments under non-cancellable operating leases were:

	<b>31.12.2020 VND million</b>	<b>31.12.2019 VND million</b>
Within 1 year	365,011	331,071
Over 1 year to 5 years	1,786,522	1,663,024
Over 5 years	1,166,328	1,303,377
	<b>3,317,861</b>	<b>3,297,472</b>

**36.3 Capital commitments**

The capital commitments that have been approved but not yet provided for in the separate financial statements as of 31 December 2020 amounted to VND122,870 million (31.12.2019: VND213,329 million).

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37 CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET COMMITMENTS BY GEOGRAPHICAL AREA

As at 31 December 2020

	Deposits with and loans to other credit institutions VND million	Loans to customers VND million	Deposits and borrowings from other credit institutions VND million	Deposits from customers VND million	Off-balance sheet commitments VND million	Derivatives (i) VND million	Held-for- trading and investment securities VND million
Domestic	28,241,183	307,617,524	22,159,421	353,322,693	10,466,438	32,270,869	69,825,438
Overseas	3,155,417	-	370,798	-	4,762,122	15,229	-
	<u>31,396,600</u>	<u>307,617,524</u>	<u>22,530,219</u>	<u>353,322,693</u>	<u>15,228,560</u>	<u>32,286,098</u>	<u>69,825,438</u>

As at 31 December 2019

	Deposits with and loans to other credit institutions VND million	Loans to customers VND million	Deposits and borrowings from other credit institutions VND million	Deposits from customers VND million	Off-balance sheet commitments VND million	Derivatives (i) VND million	Held-for- trading and investment securities VND million
Domestic	29,129,140	265,981,486	19,200,424	308,493,813	7,205,324	22,645,130	59,215,450
Overseas	1,723,435	-	259	-	5,062,199	27,565	-
	<u>30,852,575</u>	<u>265,981,486</u>	<u>19,200,683</u>	<u>308,493,813</u>	<u>12,267,523</u>	<u>22,672,695</u>	<u>59,215,450</u>

(i) Represented the total contract value at foreign exchange rate at the contract date.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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**38 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES**

**(a) Transactions incurred during the year**

During the year, there were the following transactions with related parties:

	<b>2020</b> <b>VND million</b>	<b>2019</b> <b>VND million</b>
Interest income from loans to subsidiaries	40,109	29,011
Interest income from loans to other related parties (i)	3,695	5,394
Interest expenses on deposits from subsidiaries	22,272	29,327
Interest expenses on deposits from joint venture and an associate	1,318	1,220
Interest expenses on deposits from other related parties (i)	63,273	30,305
Interest expense on valuable papers to other related parties (i)	2,739	2,737
Fees earned from subsidiaries	249	223
Other income from subsidiaries	2,010	1,907
Fees paid to subsidiaries	4,289	30,443
Fees paid to an associate	271,868	250,407
Distribution of profits from subsidiaries	25,513	12,860
Dividend income from other related parties (i)	1,390	12,519
Remuneration – Members of the Board of Management	49,670	45,004
Remuneration – Members of the Board of Directors	15,943	15,225
Remuneration – Members of the Supervisory Board	5,623	5,407

**(b) Balances at the year-end**

	<b>31.12.2020</b> <b>VND million</b>	<b>31.12.2019</b> <b>VND million</b>
Loans to subsidiaries	732,833	581,469
Loans to other related parties (i)	45,660	51,141
Deposits from subsidiaries	301,095	495,940
Deposits from a joint venture and an associate	39,996	42,694
Deposits from other related parties (i)	966,552	647,089
Valuable papers issued to other related parties (i)	31,000	31,000
Interest receivables from loans to subsidiaries	5,200	4,221
Interest receivables from loans to other related parties (i)	260	584
Interest payables from deposits from subsidiaries	5,162	6,764
Interest payables from deposits from a joint venture and an associate	478	35
Interest payables from deposits from other related parties (i)	40,893	7,470
Interest payables from valuable papers issued to other related parties (i)	643	677
Receivables from subsidiaries	340,000	-
Distribution of profits from subsidiaries	25,067	83,298

- (i) Other related parties comprise key management personnel including members of Board of Directors, members of Board of Management, members of Supervisory Board, Chief Financial Officer, Chief Accountant and close members of the family of these individuals and companies which these individuals directly or indirectly hold significant voting right or have significant influence over.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****39 FINANCIAL RISK MANAGEMENT**

The Bank implements risk management by establishing an overall risk management framework and implementing risk components in accordance with regulatory requirements and the Bank's business strategies for a certain period of time. The risk management principles and risk appetite defined by the Board of Directors are established on the basis of assessing material risks and their tolerance. The Board of Management is in charge of executing risk management into processes, regulations and limits to ensure all activities carried out by business units and function units in compliance with the given risk management framework and risk appetite.

Through the internal control system with three lines of defenses and complete risk management process (including identification, measurement, monitoring and risk control), risk management is owned and is managed by all units and employees across the Bank in order to control, prevent, detect, timely handle risks and achieve the goals set by the Board of Directors.

The implementing, monitoring, evaluating of risk management activities and amending internal regulations are carried out periodically or when there are any changes in business environment, requirements from the SBV or the Bank's business strategy.

Among different types of the Bank's material risks, three types of financial risks that affect the Bank's financial instruments comprise of credit risk, market risk, and liquidity risk.

**(a) Credit risk**

Credit risk arises when customers or counterparties fail to perform or are unable to perform their partial or full obligations under agreements with the Bank.

The Bank establishes credit risk policies and applies them to its whole credit process including identifying target customers, credit granting activities, credit underwriting activities, credit approval activities, credit management, non-performing credit management to comply with regulatory requirements and align with the Bank's business strategy, risk management strategy and risk appetite.

The Bank uses a variety of tools to manage credit risk, such as: (i) setting credit limits by industries, economic sectors, products, collateral types, (ii) developing and applying the internal credit rating system, (iii) implementing software systems for credit management to monitor and to analyse non-performing credit, and early credit risk warning system. Credit data and credit management results are periodically reported to relevant management units, the Board of Directors, Board Risk Committee, General Director and Risk Committee in order to timely handle and control risks according to the Bank's risk appetite and business strategy.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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**39 FINANCIAL RISK MANAGEMENT (continued)**

**(a) Credit risk (continued)**

***Maximum exposure to credit risk before collateral held or other credit enhancements***

The maximum exposure to credit risk is the carrying amounts on the balance sheet as well as off-balance sheet of financial instruments, without taking into account any collateral held or other credit enhancements. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the instruments issued are called upon. For off-balance sheet commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers. The table below shows the maximum exposure to credit risk of the Bank:

	<b><i>Maximum exposure to credit risk</i></b>	
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>VND million</b>	<b>VND million</b>
<b>Credit risk exposures relating to balance sheet assets:</b>		
Balances with the State Bank of Vietnam	16,616,798	10,420,306
Deposits with and loans to other credit institutions	31,396,600	30,852,575
Held-for-trading securities – debt securities	5,986,742	2,792,425
Derivatives	54,473	87,753
Loans to customers	307,617,524	265,981,486
Investment securities:		
- Debt securities - Available-for-sale securities	10,082,271	9,893,342
- Debt securities - Held-to-maturity securities	53,048,264	45,821,522
Other financial assets	6,812,968	7,346,590
	<u>431,615,640</u>	<u>373,195,999</u>
<b>Credit risk exposures relating to off-balance sheet items:</b>		
Off-balance sheet commitments	<u>15,228,560</u>	<u>12,267,523</u>

The above table represents the worst case with the maximum level of loss of the Bank as at 31 December 2020 and 31 December 2019, not taking into account any collateral held or other credit enhancements. Details of collateral held as at 31 December 2020 and 31 December 2019 were described in Note 35.1.

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39 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

*Credit quality*

Financial assets exposed to credit risk were summarised as follows:

As at 31 December 2020

	Balances with the State Bank of Vietnam VND million	Deposits with and loans to other credit institutions VND million	Held-for- trading securities VND million	Derivatives VND million	Loans to customers VND million	Investment debt securities VND million	Other financial assets VND million	Total VND million
Balances neither past due nor impaired	16,616,798	31,396,600	5,986,742	54,473	305,122,670	63,130,535	5,855,175	428,162,993
Balances past due but not impaired	-	-	-	-	98,261	-	252	98,513
Balances impaired	-	-	-	-	2,396,593	-	957,541	3,354,134
Less: Allowance	-	-	-	-	(2,820,771)	-	(953,934)	(3,774,705)
<b>Net amount</b>	<b>16,616,798</b>	<b>31,396,600</b>	<b>5,986,742</b>	<b>54,473</b>	<b>304,796,753</b>	<b>63,130,535</b>	<b>5,859,034</b>	<b>427,840,935</b>
<b>Allowance</b>								
Specific allowance	-	-	-	-	(567,659)	-	-	(567,659)
General allowance	-	-	-	-	(2,253,112)	-	-	(2,253,112)
Other allowance	-	-	-	-	-	-	(953,934)	(953,934)

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39 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

*Credit quality (continued)*

As at 31 December 2019									
	Balances with the State Bank of Vietnam VND million	Deposits with and loans to other credit institutions VND million	Held-for-trading securities VND million	Derivatives VND million	Loans to customers VND million	Investment securities VND million	Other financial assets VND million	Total VND million	
Balances neither past due nor impaired	10,420,306	30,452,575	2,792,425	87,753	263,721,131	55,714,864	5,740,951	368,930,005	
Balances past due but not impaired	-	-	-	-	201,416	-	-	201,416	
Balances impaired	-	400,000	-	-	2,058,939	-	1,605,639	4,064,578	
Less: Allowance	-	(100,514)	(8,669)	-	(2,397,045)	(949)	(1,602,145)	(4,109,322)	
Net amount	10,420,306	30,752,061	2,783,756	87,753	263,584,441	55,713,915	5,744,445	369,086,677	
Allowance									
Specific allowance	-	(100,514)	-	-	(440,998)	-	-	(541,512)	
General allowance	-	-	-	-	(1,956,047)	-	-	(1,956,047)	
Other allowance	-	-	(8,669)	-	-	(949)	(1,602,145)	(1,611,763)	

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## 39 FINANCIAL RISK MANAGEMENT (continued)

## (b) Market risk

Market risk is the risk of losses due to adverse changes in interest rate, exchange rate, gold price, market price of securities or commodity price.

## (i) Interest rate risk

Interest rate risk in the banking book is the risk of losses due to adverse changes in interest rate against income, assets, liabilities and off-balance sheet commitments, generally arising from timing mismatch of repricing, changes in relationship amongst interest rate of different terms, impact from interest rate options, interest rate embedded options. The Bank manages interest rate risk in the banking book according to indicators of the interest rate risk sensitivity, measures of decrease in net interest income and economic value of equity.

**Management of interest rate risk**

The following table shows the Bank's assets, liabilities and off-balance sheet items categorised by the repricing period at the reporting date.

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39 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued)

As at 31 December 2020		Unit: VND million					
	Overdue	Non-interest bearing	Under 1 month	From 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	Total
<b>Assets</b>							
Cash on hand, gold and gemstones	-	6,967,909	-	-	-	-	6,967,909
Balances with the State Bank of Vietnam	-	16,616,798	-	-	-	-	16,616,798
Deposits with and loans to other credit institutions (i)	-	-	18,675,844	12,659,756	-	-	31,396,600
Held-for-trading securities (i)	-	5,986,742	-	-	-	-	5,986,742
Derivatives and other financial assets	-	54,473	-	-	-	-	54,473
Loans to customers (i)	2,166,636	-	2,901,489	286,610,565	11,822,502	3,381,360	307,617,524
Investment securities (i)	-	708,161	-	-	-	302,420	63,838,696
Long-term investments (i)	-	1,908,027	-	-	-	-	1,908,027
Fixed assets	-	3,734,392	-	-	-	-	3,734,392
Other assets (i)	225,238	7,134,490	-	-	-	732,555	8,092,283
<b>Total assets</b>	<b>2,391,874</b>	<b>43,110,992</b>	<b>21,577,333</b>	<b>299,270,321</b>	<b>11,822,502</b>	<b>4,416,335</b>	<b>446,213,444</b>
<b>Liabilities</b>							
Deposits and borrowings from other credit institutions	-	-	21,091,772	1,082,687	355,760	-	22,530,219
Deposits from customers	-	-	80,089,121	93,572,623	94,240,960	17,596,547	353,322,693
Funds and entrusted investments from the Government, international and other credit institutions	-	-	-	90,439	-	-	116,705
Valuable papers issued	-	-	-	-	-	5,083,882	21,606,697
Other liabilities	-	9,594,792	-	-	-	-	9,594,792
<b>Total liabilities</b>	-	<b>9,594,792</b>	<b>101,180,893</b>	<b>94,745,749</b>	<b>94,596,720</b>	<b>22,680,429</b>	<b>407,171,106</b>
Interest sensitivity gap of balance sheet items	2,391,874	33,516,200	(79,603,560)	204,524,572	(82,774,218)	(18,264,094)	39,042,338
Interest sensitivity gap of off-balance sheet items	-	(15,228,560)	-	-	-	-	(15,228,560)
<b>Total sensitivity interest gap</b>	<b>2,391,874</b>	<b>18,287,640</b>	<b>(79,603,560)</b>	<b>204,524,572</b>	<b>(82,774,218)</b>	<b>(18,264,094)</b>	<b>23,813,778</b>

(i) These items do not include the allowances.

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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**39 FINANCIAL RISK MANAGEMENT (continued)**

**(b) Market risk (continued)**

**(i) Interest rate risk (continued)**

(i)	Interest rate risk (continued)										Unit: VND million
As at 31 December 2019											
	Overdue	Non-interest bearing	Under 1 month	From 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years	Total		
Assets											
Cash on hand, gold and gemstones	-	6,437,803	-	-	-	-	-	-	-	6,437,803	
Balances with the State Bank of Vietnam	-	10,420,306	-	-	-	-	-	-	-	10,420,306	
Deposits with and loans to other credit institutions (i)	400,000	-	13,745,755	14,850,493	1,795,327	-	-	61,000	-	30,852,575	
Held-for-trading securities (i)	-	2,792,425	-	-	-	-	-	-	-	2,792,425	
Derivatives and other financial assets	-	87,753	-	-	-	-	-	-	-	87,753	
Loans to customers (i)	1,929,577	-	2,420,454	251,494,499	6,401,472	2,947,811	484,297	303,376	-	265,981,486	
Investment securities (i)	-	708,161	-	-	-	-	25,221,860	30,493,004	-	56,423,025	
Long-term investments (i)	-	2,243,027	-	-	-	-	-	-	-	2,243,027	
Fixed assets	-	3,713,599	-	-	-	-	-	-	-	3,713,599	
Other assets (i)	272,893	6,908,602	-	-	-	1,332,746	-	-	-	8,514,241	
Total assets	2,602,470	33,311,676	16,166,209	266,344,992	8,196,799	4,280,557	25,706,157	30,857,380		387,466,240	
Liabilities											
Deposits and borrowings from other credit institutions	-	-	15,410,113	3,790,570	-	-	-	-	-	19,200,683	
Deposits from customers	-	-	63,102,584	91,276,042	85,330,180	13,194,886	55,590,121	-	-	308,493,813	
Funds and entrusted investments from the Government, international and other credit institutions	-	-	-	128,850	-	-	-	27,297	-	156,147	
Valuable papers issued	-	-	-	-	-	3,853,617	14,109,800	2,366,419	-	20,329,836	
Other liabilities	-	7,375,838	-	-	-	-	-	-	-	7,375,838	
Total liabilities	-	7,375,838	78,512,697	95,195,462	85,330,180	17,048,503	69,699,921	2,393,716		355,556,317	
Interest sensitivity gap of balance sheet items	2,602,470	25,935,838	(62,346,488)	171,149,530	(77,133,381)	(12,767,946)	(43,993,764)	28,463,664		31,909,923	
Interest sensitivity gap of off-balance sheet items	-	(12,267,523)	-	-	-	-	-	-		(12,267,523)	
Total sensitivity interest gap	2,602,470	13,668,315	(62,346,488)	171,149,530	(77,133,381)	(12,767,946)	(43,993,764)	28,463,664		19,642,400	

(i) These items do not include the allowances.

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**39 FINANCIAL RISK MANAGEMENT (continued)**

**(b) Market risk (continued)**

**(i) Interest rate risk (continued)**

Interest rates of monetary items at the reporting date were as follows:

<b>As at 31 December 2020</b>	<b>Up to 1 month</b>	<b>From 1 to 3 months</b>	<b>From over 3 to 6 months</b>	<b>From over 6 to 12 months</b>	<b>From over 1 to 5 years</b>	<b>Over 5 years</b>
<b>Assets</b>						
Deposits with and loans to other credit institutions						
▪ VND	0.00% - 0.65%	0.20% - 7.10%	(*)	(*)	(*)	5.10% - 5.50%
▪ Foreign currencies	0.00% - 0.25%	0.30% - 2.00%	(*)	(*)	(*)	(*)
Loans to customers						
▪ VND	6.30% - 29.00%	3.70% - 25.90%	4.99% - 13.00%	4.50% - 22.15%	4.82% - 29.19%	4.81% - 12.50%
▪ Foreign currencies	5.10%	2.10% - 6.90%	2.20% - 5.10%	3.20% - 7.50%	3.70%	(*)
Investment securities						
▪ VND	(*)	(*)	(*)	7.30% - 8.00%	2.90% - 6.50%	2.30% - 11.50%
Other assets						
▪ VND	(*)	(*)	(*)	7.50% - 8.60%	(*)	(*)
<b>Liabilities</b>						
Deposits and borrowings from other credit institutions						
▪ VND	0.00% - 0.50%	0.28% - 4.83%	(*)	(*)	(*)	(*)
▪ Foreign currencies	0.00% - 0.20%	0.35% - 1.18%	0.90% - 1.36%	(*)	(*)	(*)
Deposits from customers						
▪ VND	0.00% - 5.00%	0.00% - 5.30%	0.00% - 8.10%	0.00% - 7.50%	0.00% - 8.30%	(*)
▪ Foreign currencies	0.00%	0.00% - 0.10%	0.00%	0.00%	0.00%	(*)
Funds and entrusted investments from the Government, international and other credit institutions						
▪ VND	(*)	4.18% - 5.08%	(*)	(*)	(*)	(*)
▪ Foreign currencies	(*)	(*)	(*)	(*)	(*)	1.91%
Valuable papers issued						
▪ VND	(*)	(*)	(*)	6.00% - 8.55%	6.00% - 7.10%	7.35% - 8.50%

(\*) Balances of these items at the reporting date were nil.

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**39 FINANCIAL RISK MANAGEMENT (continued)**

**(b) Market risk (continued)**

**(i) Interest rate risk (continued)**

**As at 31 December 2019**

	Up to 1 month	From 1 to 3 months	From over 3 to 6 months	From over 6 to 12 months	From over 1 to 5 years	Over 5 years
<b>Assets</b>						
Deposits with and loans to other credit institutions						
▪ VND	0.00% - 4.50%	3.50% - 7.50%	3.70% - 4.00%	(*)	(*)	5.10% - 5.50%
▪ Foreign currencies	0.00% - 2.00%	1.50% - 2.80%	(*)	(*)	(*)	(*)
Loans to customers						
▪ VND	6.55% - 29.00%	0.60% - 22.22%	5.92% - 24.00%	4.50% - 25.85%	1.77% - 28.52%	4.91% - 12.50%
▪ Foreign currencies	1.00% - 5.60%	3.00% - 11.60%	3.40% - 5.50%	3.70% - 7.50%	(*)	(*)
Investment securities						
▪ VND	(*)	(*)	(*)	(*)	2.90% - 6.60%	3.40% - 11.50%
Other assets	(*)	(*)	(*)	(*)	(*)	(*)
▪ VND	(*)	(*)	(*)	8.30% - 8.60%	(*)	(*)
<b>Liabilities</b>						
Deposits and borrowings from other credit institutions						
▪ VND	0.00% - 4.10%	3.50% - 6.30%	(*)	(*)	(*)	(*)
▪ Foreign currencies	0.00% - 1.70%	1.60% - 1.90%	(*)	(*)	(*)	(*)
Deposits from customers						
▪ VND	0.00% - 6.80%	0.00% - 5.50%	0.00% - 8.10%	0.00% - 7.70%	0.00% - 8.30%	(*)
▪ Foreign currencies	0.00%	0.00% - 0.10%	0.00%	0.00%	0.00%	(*)
Funds and entrusted investments from the Government, international and other credit institutions						
▪ VND	(*)	5.00% - 5.18%	(*)	(*)	(*)	(*)
▪ Foreign currencies	(*)	(*)	(*)	(*)	(*)	1.91%
Valuable papers issued						
▪ VND	(*)	(*)	(*)	6.00% - 8.80%	6.00% - 7.10%	7.35% - 8.50%

(\*) Balances of these items at the reporting date were nil.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****39 FINANCIAL RISK MANAGEMENT (continued)****(b) Market risk (continued)****(ii) Currency risk**

Currency risk (also referred to as exchange rate risk) is the risk of losses due to adverse changes in foreign exchange rate and gold price when the Bank holds an open foreign currency or gold position. The Bank was established and operates in Vietnam and the accounting currency is VND. Major transactions of the Bank are also in VND. The Bank's loans to customers were mainly denominated in VND and USD. However, some other assets of the Bank are denominated in foreign currencies other than USD. The Board of Management sets limits on the level of exposure by each currency, including gold. The currency position is monitored daily and the Bank takes risk mitigation actions to ensure that the currency position is within the set limit.

**Management of currency risk**

The following table shows the Bank's assets, liabilities and equity categorised by currencies which were translated into VND at the reporting date.

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**39 FINANCIAL RISK MANAGEMENT (continued)**

**(b) Market risk (continued)**

**(ii) Currency risk (continued)**

**As at 31 December 2020**

	VND	USD	Gold	EUR	JPY	AUD	CAD	Others	Unit: VND million Total
<b>Assets</b>									
Cash on hand, gold and gemstones	5,948,956	696,207	263,472	6,478	8,777	20,376	17,783	5,860	6,967,909
Balances with the State Bank of Vietnam	10,115,714	6,501,084	-	-	-	-	-	-	16,616,798
Deposits with and loans to other credit institutions (i)	23,461,688	5,550,568	-	168,710	2,109,857	24,039	13,621	68,117	31,396,600
Held-for-trading securities (i)	5,986,742	-	-	-	-	-	-	-	5,986,742
Derivatives and other financial assets	14,240,860	(12,506,770)	-	-	(1,661,692)	-	(12,683)	(5,242)	54,473
Loans to customers (i)	299,803,794	7,677,498	136,232	-	-	-	-	-	307,617,524
Investment securities (i)	63,838,696	-	-	-	-	-	-	-	63,838,696
Long-term investments (i)	1,908,027	-	-	-	-	-	-	-	1,908,027
Fixed assets	3,734,392	-	-	-	-	-	-	-	3,734,392
Other assets (i)	7,228,695	851,547	3,919	5,833	2,275	-	9	5	8,092,283
<b>Total assets</b>	<b>436,267,564</b>	<b>8,770,134</b>	<b>403,623</b>	<b>181,021</b>	<b>459,217</b>	<b>44,415</b>	<b>18,730</b>	<b>68,740</b>	<b>446,213,444</b>
<b>Liabilities and owners' equity</b>									
Deposits and borrowings from other credit institutions	21,163,190	1,358,942	-	5,815	2,272	-	-	-	22,530,219
Deposits from customers	343,195,477	9,586,077	-	125,589	375,483	17,741	4,898	17,428	353,322,693
Funds and entrusted investments from the Government, international and other credit institutions	90,439	-	-	-	26,266	-	-	-	116,705
Valuable papers issued	21,606,697	-	-	-	-	-	-	-	21,606,697
Other liabilities	9,125,903	401,280	-	23,085	26,333	4,787	6,911	6,493	9,594,792
Owners' equity	34,822,643	-	-	-	-	-	-	-	34,822,643
<b>Total liabilities and owners' equity</b>	<b>430,004,349</b>	<b>11,346,299</b>	<b>-</b>	<b>154,489</b>	<b>430,354</b>	<b>22,528</b>	<b>11,809</b>	<b>23,921</b>	<b>441,993,749</b>
<b>FX position on-balance sheet</b>	<b>6,263,215</b>	<b>(2,576,165)</b>	<b>403,623</b>	<b>26,532</b>	<b>28,863</b>	<b>21,887</b>	<b>6,921</b>	<b>44,819</b>	<b>4,219,695</b>
<b>FX position off-balance sheet</b>	<b>(10,938,750)</b>	<b>(3,964,792)</b>	<b>-</b>	<b>(215,274)</b>	<b>(96,988)</b>	<b>890</b>	<b>906</b>	<b>(14,623)</b>	<b>(15,228,631)</b>
<b>FX position on and off-balance sheet</b>	<b>(4,675,535)</b>	<b>(6,540,957)</b>	<b>403,623</b>	<b>(188,742)</b>	<b>(68,125)</b>	<b>22,777</b>	<b>7,827</b>	<b>30,196</b>	<b>(11,008,936)</b>

(i) These items do not include the allowances.

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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**39 FINANCIAL RISK MANAGEMENT (continued)**

**(b) Market risk (continued)**

**(ii) Currency risk (continued)**

**As at 31 December 2019**

Assets	VND	USD	Gold	EUR	JPY	AUD	CAD	Others	Unit: VND million Total
Cash on hand, gold and gemstones	5,510,455	782,785	91,721	10,169	10,320	11,400	16,987	3,966	6,437,803
Balances with the State Bank of Vietnam	9,677,027	743,279	-	-	-	-	-	-	10,420,306
Deposits with and loans to other credit institutions (i)	21,631,667	7,179,264	-	131,698	1,861,498	16,223	4,757	27,468	30,852,575
Held-for-trading securities (i)	2,792,425	-	-	-	-	-	-	-	2,792,425
Derivatives and other financial assets	8,439,420	(7,332,155)	-	64,955	(1,498,443)	-	(12,436)	426,412	87,753
Loans to customers (i)	258,772,536	7,062,190	146,506	254	-	-	-	-	265,981,486
Investment securities (i)	56,423,025	-	-	-	-	-	-	-	56,423,025
Long-term investments (i)	2,243,027	-	-	-	-	-	-	-	2,243,027
Fixed assets	3,713,599	-	-	-	-	-	-	-	3,713,599
Other assets (i)	8,062,995	447,978	3,244	6	4	-	9	5	8,514,241
<b>Total assets</b>	<b>377,266,176</b>	<b>8,883,341</b>	<b>241,471</b>	<b>207,082</b>	<b>373,379</b>	<b>27,623</b>	<b>9,317</b>	<b>457,851</b>	<b>387,466,240</b>
<b>Liabilities and owners' equity</b>									
Deposits and borrowings from other credit institutions	17,394,848	1,805,835	-	-	-	-	-	-	19,200,683
Deposits from customers	298,912,096	9,135,781	-	124,972	284,897	22,766	1,312	11,989	308,493,813
Funds and entrusted investments from the Government, international and other credit institutions	128,850	-	-	-	27,297	-	-	-	156,147
Valuable papers issued	20,329,836	-	-	-	-	-	-	-	20,329,836
Other liabilities	6,932,475	397,141	-	19,779	9,180	4,583	3,982	8,698	7,375,838
Owners' equity	27,329,301	-	-	-	-	-	-	-	27,329,301
<b>Total liabilities and owners' equity</b>	<b>371,027,406</b>	<b>11,338,757</b>	<b>-</b>	<b>144,751</b>	<b>321,374</b>	<b>27,349</b>	<b>5,294</b>	<b>20,687</b>	<b>382,885,618</b>
<b>FX position on-balance sheet</b>	<b>6,238,770</b>	<b>(2,455,416)</b>	<b>241,471</b>	<b>62,331</b>	<b>52,005</b>	<b>274</b>	<b>4,023</b>	<b>437,164</b>	<b>4,580,622</b>
<b>FX position off-balance sheet</b>	<b>(7,790,578)</b>	<b>(3,813,241)</b>	<b>-</b>	<b>(166,388)</b>	<b>(101,996)</b>	<b>(752)</b>	<b>(4,619)</b>	<b>(387,323)</b>	<b>(12,264,897)</b>
<b>FX position on and off-balance sheet</b>	<b>(1,551,808)</b>	<b>(6,268,657)</b>	<b>241,471</b>	<b>(104,057)</b>	<b>(49,991)</b>	<b>(478)</b>	<b>(596)</b>	<b>49,841</b>	<b>(7,684,275)</b>

(i) These items do not include the allowances.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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Changes in market risks can result in increase/decrease of the profit which the Bank has recognised.

The sensitivity assessment of market risk can be made based on changes in main risk factors such as interest rate, currency exchange rate and share prices while other factors are kept constant. The Bank will analyse and present the sensitivity analysis of its market risks when it has detailed guidance from the regulators.

**(c) Liquidity risk**

Liquidity risk is the risk that the Bank is unable to fulfill its repayment obligations when due; or the Bank is able to perform its obligations upon maturity but must pay higher costs than the market's average cost.

The Bank's liquidity risk management strategy is applied under both normal conditions and unfavorable movements of liquidity, including maintaining sufficient liquid assets, performing daily liquidity management, regularly assessing the ability to meet liquidity needs and complying with the regulations of the SBV on liquidity management.

**Management of liquidity risk**

The following table shows the Bank's assets and liabilities categorised by the remaining contractual maturities at the reporting date.

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**39 FINANCIAL RISK MANAGEMENT (continued)**

**(c) Liquidity risk (continued)**

	Overdue		Current				Total
	Over 3 months	Up to 3 months	Up to 1 month	From over 1 to 3 months	From over 3 to 12 months	From over 1 to 5 years	
<b>As at 31 December 2020</b>							
<b>Assets</b>							
Cash on hand, gold and gemstones	-	-	6,967,909	-	-	-	6,967,909
Balances with the State Bank of Vietnam	-	-	16,616,798	-	-	-	16,616,798
Deposits with and loans to other credit institutions (i)	-	-	27,467,667	3,200,600	9,933	486,000	31,396,600
Held-for-trading securities (i)	-	-	5,986,742	-	-	-	5,986,742
Derivatives and other financial assets	-	-	54,473	-	-	-	54,473
Loans to customers (i)	1,683,659	482,977	14,134,726	43,479,351	120,386,941	25,297,019	307,617,524
Investment securities (i)	-	-	2,208,418	6,548,392	7,682,120	16,420,600	63,838,696
Long-term investments (i)	-	-	-	-	-	-	1,908,027
Fixed assets	-	-	-	-	-	-	3,734,392
Other assets (i)	225,238	-	7,134,490	-	88,425	478,430	8,092,283
<b>Total assets</b>	<b>1,908,897</b>	<b>482,977</b>	<b>80,571,223</b>	<b>53,228,343</b>	<b>128,167,419</b>	<b>42,682,049</b>	<b>446,213,444</b>
<b>Liabilities</b>							
Deposits and borrowings from other credit institutions	-	-	21,911,189	325,747	285,072	7,749	22,530,219
Deposits from customers	-	-	171,038,242	65,048,624	110,205,415	7,030,412	353,322,693
Funds and entrusted investments from the Government, international and other credit institutions	-	-	88	6,589	21,205	66,175	116,705
Valuable papers issued	-	-	2,199,883	-	7,693,365	8,429,865	21,606,697
Other liabilities	-	-	9,594,792	-	-	-	9,594,792
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>204,744,194</b>	<b>65,380,960</b>	<b>118,205,057</b>	<b>15,534,201</b>	<b>407,171,106</b>
<b>Net liquidity gap</b>	<b>1,908,897</b>	<b>482,977</b>	<b>(124,172,971)</b>	<b>(12,152,617)</b>	<b>9,962,362</b>	<b>27,147,848</b>	<b>39,042,338</b>

(i) These items do not include the allowances.

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**39 FINANCIAL RISK MANAGEMENT (continued)**

**(c) Liquidity risk (continued)**

	Overdue		Current				Unit: VND million
	Over 3 months	Up to 3 months	Up to 1 month	From over 1 to 3 months	From over 3 to 12 months	From over 1 to 5 years	
<b>As at 31 December 2019</b>							
<b>Assets</b>							
Cash on hand, gold and gemstones	-	-	6,437,803	-	-	-	6,437,803
Balances with the State Bank of Vietnam	-	-	10,420,306	-	-	-	10,420,306
Deposits with and loans to other credit institutions (i)	400,000	-	17,953,740	11,920,366	25,487	411,082	30,952,575
Held-for-trading securities (i)	-	-	2,792,425	-	-	-	2,792,425
Derivatives and other financial assets	-	-	87,753	-	-	-	87,753
Loans to customers (i)	1,353,057	576,520	13,156,003	33,989,145	96,430,504	26,484,936	265,981,486
Investment securities (i)	-	-	1,208,156	249,766	4,478,368	32,553,333	56,423,025
Long-term investments (i)	-	-	-	-	-	-	2,243,027
Fixed assets	-	-	-	-	-	-	3,713,599
Other assets (i)	272,893	-	6,908,602	-	63,178	742,090	8,514,241
<b>Total assets</b>	<b>2,025,950</b>	<b>576,520</b>	<b>58,964,788</b>	<b>46,159,277</b>	<b>100,997,537</b>	<b>60,191,441</b>	<b>387,466,240</b>
<b>Liabilities</b>							
Deposits and borrowings from other credit institutions	-	-	18,701,673	464,760	15,441	17,886	19,200,683
Deposits from customers	-	-	156,665,474	50,309,855	90,958,771	10,321,353	308,493,813
Funds and entrusted investments from the Government, international and other credit institutions	-	-	26	7,761	24,493	89,107	156,147
Valuable papers issued	-	-	-	-	799,617	16,109,800	20,329,836
Other liabilities	-	-	7,375,838	-	-	-	7,375,838
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>182,743,011</b>	<b>50,782,376</b>	<b>91,798,322</b>	<b>26,538,146</b>	<b>355,556,317</b>
<b>Net liquidity gap</b>	<b>2,025,950</b>	<b>576,520</b>	<b>(123,778,223)</b>	<b>(4,623,099)</b>	<b>9,199,215</b>	<b>33,653,295</b>	<b>31,909,923</b>

(i) These items do not include the allowances.

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**39 FINANCIAL RISK MANAGEMENT (continued)**

**(d) Fair value of financial assets and financial liabilities**

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

The Bank has not determined fair values of these financial instruments for disclosure in these separate financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards, the Vietnamese Accounting System and relevant statutory requirements on preparation and presentation of financial statements applicable to credit institutions. The fair values of these financial instruments may differ from their carrying amounts.

**ASIA COMMERCIAL JOINT STOCK BANK**

Form B05/JCTCD

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**40 SEGMENT REPORTING**

**Geographical segments**

The Bank reports segment information by main regions in Vietnam as follows:

	For the year ended 31 December 2020				Total VND million
	The Northern region VND million	The Central region VND million	The Southern region VND million	Elimination VND million	
<b>Income</b>					
1. Interest and similar income	9,869,936	4,899,941	62,123,883	(45,316,982)	31,576,778
<i>External interest and similar income</i>	4,732,794	3,723,082	23,120,902	-	31,576,778
<i>Internal interest and similar income</i>	5,137,142	1,176,859	39,002,981	(45,316,982)	-
2. Fee and commission income	200,435	56,375	2,340,327	-	2,597,137
3. Other income	93,150	13,512	1,920,411	-	2,027,073
<b>Expenses</b>					
1. Interest and similar expenses	(7,516,621)	(3,516,836)	(51,511,770)	45,316,982	(17,228,245)
<i>External interest and similar expenses</i>	(3,690,098)	(720,930)	(12,817,217)	-	(17,228,245)
<i>Internal interest and similar expenses</i>	(3,826,523)	(2,795,906)	(38,694,553)	45,316,982	-
2. Depreciation and amortisation expenses	(28,072)	(18,329)	(307,155)	-	(353,556)
3. Other expenses	(1,264,783)	(630,321)	(6,416,999)	-	(8,312,103)
<b>Operating profit before allowance expenses for credit losses</b>	<b>1,354,045</b>	<b>804,342</b>	<b>8,148,697</b>	<b>-</b>	<b>10,307,084</b>
<b>Allowance expenses for credit losses</b>	<b>(122,866)</b>	<b>(141,739)</b>	<b>(685,165)</b>	<b>-</b>	<b>(949,770)</b>
<b>Profit before tax</b>	<b>1,231,179</b>	<b>662,603</b>	<b>7,463,532</b>	<b>-</b>	<b>9,357,314</b>



**ASIA COMMERCIAL JOINT STOCK BANK**

Form B05/TCTD

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**40 SEGMENT REPORTING (continued)**

**Geographical segments (continued)**

**For the year ended 31 December 2019**

	<b>The Northern region VND million</b>	<b>The Central region VND million</b>	<b>The Southern region VND million</b>	<b>Elimination VND million</b>	<b>Total VND million</b>
<b>Income</b>					
1. Interest and similar income	8,622,514	4,195,127	54,952,191	(39,701,606)	28,068,226
<i>External interest and similar income</i>	4,364,851	3,203,292	20,500,083	-	28,068,226
<i>Internal interest and similar income</i>	4,257,663	991,835	34,452,108	(39,701,606)	-
2. Fee and commission income	229,593	92,033	2,262,291	-	2,583,917
3. Other income	306,790	22,738	1,785,369	-	2,114,897
<b>Expenses</b>					
1. Interest and similar expenses	(6,680,559)	(3,104,274)	(46,090,600)	39,701,606	(16,173,827)
<i>External interest and similar expenses</i>	(3,138,960)	(677,528)	(12,357,339)	-	(16,173,827)
<i>Internal interest and similar expenses</i>	(3,541,599)	(2,426,746)	(33,733,261)	39,701,606	-
2. Depreciation and amortisation expenses	(22,434)	(13,730)	(292,981)	-	(329,145)
3. Other expenses	(1,144,538)	(602,925)	(6,888,808)	-	(8,636,271)
<b>Operating profit before allowance expenses for credit losses</b>	<b>1,311,366</b>	<b>588,969</b>	<b>5,727,462</b>	<b>-</b>	<b>7,627,797</b>
<b>Allowance expenses for credit losses</b>	<b>(74,045)</b>	<b>(84,572)</b>	<b>(79,479)</b>	<b>-</b>	<b>(238,096)</b>
<b>Profit before tax</b>	<b>1,237,321</b>	<b>504,397</b>	<b>5,647,983</b>	<b>-</b>	<b>7,389,701</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020


## 40 SEGMENT REPORTING (continued)

## Geographical segments (continued)

As at 31 December 2020					
	The Northern region VND million	The Central region VND million	The Southern region VND million	Elimination VND million	Total VND million
<b>Assets</b>					
1. Cash on hand, gold and gemstones	943,551	437,960	5,586,398	-	6,967,909
2. Fixed assets	271,343	312,459	3,150,590	-	3,734,392
3. Other assets	81,749,249	39,642,739	434,999,343	(125,099,883)	431,291,448
	<b>82,964,143</b>	<b>40,393,158</b>	<b>443,736,331</b>	<b>(125,099,883)</b>	<b>441,993,749</b>
<b>Liabilities</b>					
1. External liabilities	74,274,845	16,984,489	313,170,370	-	404,429,704
2. Internal liabilities	7,464,948	22,750,135	96,321,447	(125,099,883)	1,436,647
3. Other liabilities	205	762	1,303,788	-	1,304,755
	<b>81,739,998</b>	<b>39,735,386</b>	<b>410,795,605</b>	<b>(125,099,883)</b>	<b>407,171,106</b>

As at 31 December 2019					
	The Northern region VND million	The Central region VND million	The Southern region VND million	Elimination VND million	Total VND million
<b>Assets</b>					
1. Cash on hand, gold and gemstones	983,231	485,875	4,968,697	-	6,437,803
2. Fixed assets	276,731	322,999	3,113,869	-	3,713,599
3. Other assets	68,075,749	34,843,783	379,237,262	(109,422,578)	372,734,216
	<b>69,335,711</b>	<b>35,652,657</b>	<b>387,319,828</b>	<b>(109,422,578)</b>	<b>382,885,618</b>
<b>Liabilities</b>					
1. External liabilities	62,475,374	14,582,691	276,144,407	-	353,202,472
2. Internal liabilities	5,622,956	20,565,033	84,283,144	(109,422,578)	1,048,555
3. Other liabilities	61	536	1,304,693	-	1,305,290
	<b>68,098,391</b>	<b>35,148,260</b>	<b>361,732,244</b>	<b>(109,422,578)</b>	<b>355,556,317</b>

  
\_\_\_\_\_  
Nguyen Van Hoa  
Chief Accountant

  
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Do Minh Toan  
General Director  
Legal Representative

  
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Tran Hung Huy  
Chairman  
24 February 2021