



SeABank

Kết nối giá trị cuộc sống

Southeast Asia Commercial Joint Stock Bank
CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2020



TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
CONSOLIDATED BALANCE SHEET	1 - 2
CONSOLIDATED INCOME STATEMENT	3
CONSOLIDATED CASH FLOW STATEMENT	4 - 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	6 - 39

CONSOLIDATED BALANCE SHEET

As at 30 September 2020

Unit: VND million

NO.	ITEMS	Notes	<u>Closing balance</u>	<u>Opening balance</u>
A.	ASSETS			
I.	Cash, gold and gemstones		1,008,343	1,290,009
II.	Balances with the State Bank of Vietnam ("SBV")		4,474,865	3,231,833
III.	Balances with and loans to other credit institutions		25,984,580	25,399,935
1.	Balances with other credit institutions		25,984,580	24,135,256
2.	Loans to other credit institutions		-	1,264,679
IV.	Securities held-for-trading	V.1	3,929,864	1,262,704
1.	Securities held-for-trading		3,960,983	1,310,696
2.	Allowance for securities held-for-trading		(31,119)	(47,992)
IV.	Derivatives and other financial assets	V.2	214,312	33,417
IV.	Loans and advances to customers		96,735,601	97,484,362
1.	Loans and advances to customers	V.3	97,870,720	98,613,839
2.	Allowance for loans and advances to customers	V.4	(1,135,119)	(1,129,477)
V.	Investment securities	V.5	26,659,562	20,654,282
1.	Available-for-sale securities		26,378,511	20,368,222
2.	Held-to-maturity securities		319,364	319,364
3.	Allowance for investment securities		(38,313)	(33,304)
VI.	Long-term investments	V.6	104,577	120,759
1.	Other long-term investments		131,666	147,848
2.	Allowance for diminution in the value of long-term investments		(27,089)	(27,089)
VII.	Fixed assets		783,283	770,572
1.	Tangible fixed assets		208,957	211,740
	- Cost		651,552	630,071
	- Accumulated depreciation		(442,595)	(418,331)
2.	Intangible fixed assets		574,326	558,832
	- Cost		730,892	696,981
	- Accumulated amortization		(156,566)	(138,149)
VIII.	Investment property		241,283	241,518
	- Cost		249,060	248,295
	- Accumulated depreciation		(7,778)	(6,777)
IX.	Other assets		7,289,971	6,908,897
1.	Receivables		1,367,534	1,134,339
2.	Accrued interest and fee receivables		3,603,486	3,380,276
3.	Other assets		2,353,616	2,421,265
	- In which: Goodwill		569,644	623,048
4.	Allowance for other assets		(34,665)	(26,983)
TOTAL ASSETS			167,426,241	157,398,288

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 September 2020

Unit: VND million

NO.	ITEMS	Notes	Closing balance	Opening balance
B.	LIABILITIES AND OWNERS' EQUITY			
I.	Amounts due to the Government and the SBV	V.7	215,202	238,592
II.	Deposits and borrowings from other credit institutions	V.8	40,287,921	31,469,651
1.	Deposits from other credit institutions		31,387,685	21,274,592
2.	Borrowings from other credit institutions		8,900,236	10,195,059
III.	Deposits from customers	V.9	102,547,411	95,727,318
IV.	Other borrowed and entrusted funds		1,020	1,020
V.	Valuable papers issued	V.10	8,915,920	15,679,180
VI.	Other liabilities	V.11	3,660,183	3,356,685
1.	Accrued interest and fee payables		3,041,398	3,019,412
2.	Other liabilities		618,785	337,273
TOTAL LIABILITIES			155,627,657	146,472,446
VII.	Owners' equity	V.12	11,798,584	10,925,842
1.	Capital		10,680,660	9,369,000
	- Charter capital		10,680,660	9,369,000
2.	Reserves		231,990	231,990
3.	Foreign exchange differences		8,095	-
4.	Retained earnings		877,839	1,324,852
TOTAL LIABILITIES AND OWNERS' EQUITY			167,426,241	157,398,288

NO.	OFF-BALANCE SHEET ITEMS	Notes	Closing balance	Opening balance
1.	Loan guarantees		8,842	101,349
2.	Foreign exchange commitments			
	<i>Foreign currency purchase commitments</i>		2,535,655	3,999,584
	<i>Foreign currency sale commitments</i>		4,869,679	3,373,657
	<i>Currency swaps - Purchase commitments</i>		25,161,890	55,137,961
	<i>Currency swaps - Sale commitments</i>		15,782,103	51,524,978
3.	Letters of credit		500,481	572,337
4.	Interest rate swaps		9,468,403	4,987,983
5.	Valuable paper contracts		6,568,576	-
6.	Other guarantees		4,229,148	4,653,959

Preparer



Nghiem Thi Thu Nga

Chief Accountant



Nguyen Thi Hoai Phuong

Deputy General Director




Nguyen Thi Thu Huong



CONSOLIDATED INCOME STATEMENT

For the nine-month period ended 30 September 2020

Unit: VND million

NO.	ITEMS	Notes	Quarter III of 2020		Accumulated from the beginning of the year to the end of this quarter	
			Current year	Prior year	Current year	Prior year
1.	Interest and similar income	V.13	2,634,404	2,716,161	7,907,027	7,666,770
2.	Interest and similar expenses	V.14	1,887,398	1,884,911	5,821,955	5,411,305
I.	Net interest income		747,006	831,250	2,085,072	2,255,465
3.	Fee and commission income		153,974	188,280	383,323	404,042
4.	Fee and commission expenses		15,689	51,573	94,236	118,109
II.	Net fee and commission income		138,285	136,707	289,087	285,933
III.	Net gain from trading of foreign currencies		37,163	15,293	48,748	14,924
IV.	Net gain from securities held-for-trading	V.15	28,494	70	51,528	61,202
V.	Net gain from investment securities	V.16	15,116	1,582	156,024	22,614
5.	Other income		277,404	43,269	829,646	109,884
6.	Other expenses		66,765	30,340	280,877	91,641
VI.	Net other income		210,639	12,929	548,769	18,243
VII.	Income from capital contribution, share purchase	V.17	4,107	4,588	4,706	8,495
VIII.	Operating expenses	V.18	543,174	480,949	1,586,993	1,413,618
IX.	Net operating profit before allowance expenses for credit losses		637,636	521,470	1,596,941	1,253,258
X.	Allowance expenses for credit losses		175,399	247,811	465,605	570,516
XI.	Profit before tax		462,237	273,659	1,131,336	682,742
7.	Income tax expenses - current		90,726	58,205	243,978	146,471
XII.	Income tax expense		90,726	58,205	243,978	146,471
XIII.	Net profit after tax		371,511	215,454	887,358	536,271

Preparer



Nghiem Thi Thu Nga

Chief Accountant



Nguyen Thi Hoai Phuong

Deputy General Director




Nguyen Thi Thu Huong

CONSOLIDATED CASH FLOW STATEMENT
(direct method)

For the nine-month period ended 30 September 2020

Unit: VND million

NO. ITEMS	Nine month period ended 30/09/2020	Nine month period ended 30/09/2019
CASH FLOWS FROM OPERATING ACTIVITIES		
01. Interest and similar income received	7,683,817	6,309,742
02. Interest and similar expenses paid	(5,799,969)	(5,333,182)
03. Net fees and commission income received	288,939	285,586
04. Net receipts from trading activities (foreign currencies, gold and securities)	244,836	103,821
05. Other income	531,947	8,247
06. Proceeds from bad debts previously written off	34,527	9,996
07. Payments for salary and operating expenses	(1,537,903)	(1,369,576)
08. Corporate income tax paid during the period	(221,048)	(147,406)
Cash flows from operating activities before changes in operating assets and liabilities	1,225,146	(132,772)
Changes in operating assets	(7,466,117)	(10,435,163)
09. Decrease in balances with and loans to other credit institutions	1,264,679	2,403,805
10. Increase in securities held-for-trading	(8,660,576)	(3,130,765)
11. Increase in derivatives and other financial assets	(180,895)	(249,667)
12. Decrease/(increase) in loans and advances to customers	743,119	(8,777,217)
13. Utilisation of allowance	(459,963)	(769,414)
14. (Increase)/decrease in other operating assets	(172,481)	88,095
Changes in operating liabilities	9,110,295	9,991,464
14. Decrease in amounts due to the Government and SBV	(23,390)	(7,036,194)
15. Increase in deposits and borrowings from other credit institutions	8,818,270	3,609,894
16. Increase in deposits from customers	6,820,093	6,409,747
17. (Decrease)/increase in valuable papers issued	(6,763,260)	7,085,960
20. Increase/(decrease) in other operating liabilities	258,582	(77,943)
I. Net cash flows from operating activities	2,869,324	(576,471)

CONSOLIDATED CASH FLOW STATEMENT (Continued)

(direct method)

For the nine-month period ended 30 September 2020

Unit: VND million

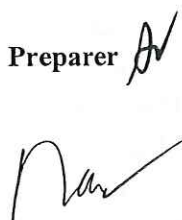
NO. ITEMS	Nine month period ended 30/09/2020	Nine month period ended 30/09/2019
CASH FLOWS FROM INVESTING ACTIVITIES		
01. Purchase of fixed assets	(78,996)	(42,029)
02. Proceeds from sales, disposal of fixed assets	491	-
03. Purchase of investment property	(1,562)	(6,727)
04. Proceeds from sales, disposals of investment property	945	4,981
05. Payments for investments in other entities	(1,300)	-
06. Proceeds from sales, disposal of investments in other entities	17,082	84,880
07. Dividends and profit received from long-term investments	4,706	8,495
II. Net cash flows form investing activities	(58,634)	49,600
CASH FLOWS FROM FINANCING ACTIVITIES		
01. Increase in share capital from issuing stocks	1,311,660	1,681,000
02. Dividends paid to shareholders	(1,311,660)	-
III. Net cash flows from financing activities	-	1,681,000
IV. Net cash flows during the period	2,810,690	1,154,129
V. Cash and cash equivalents at the beginning of the period	28,657,098	19,101,634
VI. Cash and cash equivalents at the end of the period	31,467,788	20,255,763

Ha Noi, 19 October 2020

Preparer

Chief Accountant

Deputy General Director






Nghiem Thi Thu Nga

Nguyen Thi Hoai Phuong

Nguyen Thi Thu Huong

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine - month period ended 30 September 2020

I. Corporate Information

**Banking Operation
Licence No.** 0051/QĐ/NH-GP 25 March 1994

The Banking Operation Licence was issued by the State Bank of Vietnam and is valid for 99 years from the date of the Banking Operation Licence. The Banking Operation Licence have been amended several times, the most recent of which is under Decision 2661/QĐ-NHNN dated 27/12/2019 of the State Bank of Vietnam.

Business Registration

Certificate No. 0200253985 14 January 2005

Business Registration Certificate has been amended several times, the most recent of which is the 29th amendment dated 31 December 2019 issued by Hanoi Department of Planning and Investment.

Board of Directors	Mr. Le Van Tan	Chairman
	Ms. Nguyen Thi Nga	Standing Vice Chairman
	Ms. Le Thu Thuy	Vice Chairman
	Ms. Khuc Thi Quynh Lam	Vice Chairman
	Mr. Hoang Minh Tan	Member
	Mr. Bui Trung Kien	Member
	Ms. Ngo Thi Nhai	Member
Board of Management	Ms. Le Thu Thuy	General Director
	Mr. Le Quoc Long	Standing Deputy General Director
	Ms. Nguyen Thi Thu Huong	Deputy General Director
	Mr. Nguyen Tuan Cuong	Deputy General Director
	Mr. Vu Dinh Khoan	Deputy General Director
	Mr. Nguyen Ngoc Quynh	Deputy General Director
	Ms. Tran Thi Thanh Thuy	Deputy General Director
	Mr. Hoang Manh Phu	Deputy General Director
	Ms. Dang Thu Trang	Deputy General Director (appointed on 20 January 2020)
Legal Representative	Mr. Le Van Tan	Chairman of Board of Directors
Registered office	No. 25 Tran Hung Dao, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi Vietnam	

II. Performance characteristics of the credit institutions

1. Establishment and operation

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

The Bank was established pursuant to Banking Operation License No. 0051/QD/GP-NHNN issued by the Governor of the State Bank of Vietnam on 25 March 1994. The operation period according to the Banking Operation Licence is 99 years from 25 March 1994.

The principal activities of the Bank are mobilising and receiving short, medium and long-term deposits from organisations and individuals; lending to organisations and individuals up to the nature and ability of the Bank's capital resources; conducting settlement, cash services and other banking services as approved by the SBV; making capital contributions, purchasing shares, investing in bonds and trading foreign currencies in accordance with the law.

2. Charter capital

As at 30 september 2020, the Bank's charter capital was VND 10,680,660 million (31/12/2019: VND 9,369,000 million).

3. Head Office and network

The Bank's Head Office is located at No. 25 Tran Hung Dao, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi, Vietnam. As at 30 September 2020, the Bank had one (01) Head Office, one (01) representative office, thirty nine (39) branches, one hundred and twenty six (126) transaction offices nationwide and two (02) subsidiaries (31/12/2019: one (01) Head Office, one (01) representative office, thirty nine (39) branches, one hundred and twenty six (126) transaction offices nationwide and two (02) subsidiaries).

At the reporting date, the Bank has two (02) subsidiaries as follows:

Company name	Operation License No.	Business sector	% owned by the Bank
SeABank Asset Management Company Limited	0104004839 dated 16 December 2008 issued by Hanoi Planning and Investment Department and No. 0103099985 reissued on 10 March 2011	Debt and asset management	100%
Post and Telecommunication Finance Company Limited	03/GP-NHNN dated 10 October 1998 issued under Decision 340/1998/QD-NHNN dated 10 October 1998 and amended under Decision 519/QD-NHNN dated 26 May 2003 of the Governor of the State Bank of Vietnam	Consumer finance	100%

4. Total number of employees

As at 30 september 2020, the Bank had 4,019 employees.

III. Basis of preparation

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting.

2. Basis of measurement

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

3. Accounting period

The annual accounting period of the Bank is from 1 January to 31 December. These consolidated financial statements of the Bank have been prepared for the nine-month period ended 30 september 2020.

4. Accounting currency

The Bank's accounting currency is Vietnam Dong ("VND"). These consolidated financial statement have been prepared and presented in Vietnam Dong ("VND"), rounded to the nearest million ("VND million").

IV. Summary of significant accounting policies

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

1. Basis of consolidation

a) Subsidiaries

Subsidiaries are entities controlled by the Bank. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

b) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. The accounting policies of subsidiaries have been also revised when necessary to ensure consistency with the accounting policies applied by the Bank.

c) Goodwill

Goodwill arises from the acquisition of subsidiaries, associates and joint ventures. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Bank's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill arising from the acquisition of subsidiaries is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising is written down to recoverable amount as management determines that it is not fully recoverable.

2. Foreign currency***Foreign currency transactions***

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

Non-monetary foreign currency assets and liabilities are translated into VND using the exchange rates effective at the dates of the transactions.

Income and expense in foreign currencies are translated into VND using the exchange rates effective at the dates of the transactions.

Foreign exchange differences arising from revaluation of monetary items denominated in foreign currencies as at the end of the accounting period are included in "Foreign exchange differences" under owners' equity. Foreign exchange differences arising from revaluation of monetary items denominated in foreign currencies as at the end of the annual accounting period are recognised in consolidated income statement.

3. Cash and cash equivalents

Cash and cash equivalents include cash on hand, gold on hand, balances with the SBV, government bills and other short-term valuable papers which are eligible for rediscount, balances with other credit institutions with original terms to maturity not exceeding three months and securities with recovery or maturity period not exceeding three months from the acquisition date.

4. Balances with and loans to other credit institutions

Balances with other credit institutions, except for current deposits, are deposits at other credit institutions with original terms of not exceeding three months. Loans to other credit institutions are loans with

original terms to maturity of less than one year.

Term deposits at and loans to other credit institutions are stated at the amount of outstanding principal less allowance for credit risks.

Credit risk classification of balances with and loans to other credit institutions and allowance thereof is made in accordance with Circular No. 02/2013/TT-NHNN dated 21 January 2013 of the State Bank of Vietnam on classification of assets, level and method of allowance making, and use of allowance against credit risks in banking activities of credit institutions and foreign banks' branches ("Circular 02") and Circular No. 09/2014/TT-NHNN dated 18 March 2014 of the SBV amending and supplementing certain articles of Circular 02 ("Circular 09").

According to Circular 02, the Bank is not required to make general allowance for balances with and loans to other credit institutions.

5. Securities held-for-trading and investment securities

a) Classification

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

Investment securities include available-for-sale investment securities and held-to-maturity investment securities. Available-for-sale investment securities are debt securities, which are held for an indefinite period and may be sold at any time. Held-to-maturity investment securities are debt securities with fixed maturities and fixed or determinable payments, where the Bank has the positive intention and ability to hold until maturity.

The Bank classifies investment securities at the date of acquisition as available-for-sale investment securities and held-to-maturity investment securities. According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 of SBV, the Bank is allowed to reclassify investment securities for a maximum of one time after initial recognition at the date of acquisition.

b) Recognition

The Bank recognises securities held-for-trading and investment securities on the date that the Bank becomes a party under purchase contracts for these securities (trade date accounting).

c) Measurement

Debt securities

For debt securities held-for-trading, the Bank initially records at cost less allowance for diminution in the value of securities (if any).

For debt investment securities, the Bank initially records at cost including transaction costs and other directly attributable costs. They are subsequently measured at amortised cost (affected by premium/discount amortisation) less allowance, including allowance for diminution in value of securities

and allowance for risk of unlisted bonds. Premium and discounts arising from purchases of debt securities are amortised to the consolidated income statement on a straight-line basis over the period from acquisition date to maturity date.

Provision for diminution in value of investment securities is determined based on actual market prices. For government bonds, municipal bonds, and debt securities issued by other local credit institutions the actual bond price on the market is the latest trading price at the Stock Exchange within 10 days to the end of the accounting period. If there is no transaction within 10 days to the end of the accounting period, the Bank will not make allowance for these investments.

For debt securities of enterprises that have neither been listed in the stock market nor registered for trading in the market of unlisted public companies, the Bank provides allowance for credit risk of such securities in accordance with the accounting policy applicable to loans and advances to customers as described in Note IV(8).

The remaining unlisted debt securities (excluding unlisted held-to-maturity debt securities and available-for-sale debt securities of unlisted enterprises) are stated at cost less allowance for diminution in value of securities which is determined by referencing to the market value. In cases where market value of securities is not available or cannot be determined reliably, such securities are stated at cost.

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

Interest income from debt securities and equity securities after the acquisition date is recognised in the consolidated income statement income when the income is received.

Equity securities

Equity securities are initially recorded at cost including purchase cost plus other directly attributable costs such as brokerage fees, transaction fees, information fees and bank charges (if any). They are subsequently recognised at the lower of book value and the actual market price with the allowance expenses recognised in the consolidated income statement.

d) De-recognition

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

6. Long-term investments

a) Other long-term investments

Other long-term investments are investments in the equity of other companies without having control or significant influence. These long-term investments are initially recognised at cost at the date of acquisition, and subsequently stated at cost less allowance for diminution in the value of investments.

b) Allowance for diminution in value of long-term investments

Allowance for diminution in value of other long-term investments is made when the invested economic entities suffer losses, except when the loss was anticipated in the initial business plan before the date of investment. Allowance for diminution in value is determined as the total actual contributed capital of parties to the investee less (-) the actual owner's equity multiplied (x) by the Bank's ownership percentage in the investee.

The allowance is reversed if the recoverable amounts are subsequently increased after the allowance was recognised. A allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

7. Loans and advances to customers

Loans and advances to customers are stated at the amount of the principal outstanding less allowance for loans and advances to customers.

Short-term loans are those with maturity term of less than 1 year from the loan disbursement date. Medium-term loans are those with maturity from 1 year to 5 years from the loan disbursement date. Long-term loans are those with maturity term of more than 5 years from the loan disbursement date.

The Bank derecognises loans when the contractual rights to the cash flows from these loans expire or when substantially all the risks and rewards of ownership of these loans have been transferred.

Debt classification and allowance for loans and advances to customers are made in accordance with Circular 02 and Circular 09 as described in Note IV(8).

8. Debt classification and the rate and method of making allowance for credit losses**a) Debt classification**

Classification of deposits with and loans to other credit institutions (excluding current deposits), purchases and entrustment to purchase of unlisted corporate bonds, loans and advances to customers, and entrusted extension of credit (collectively referred to as "loans") is stipulated in Article 10 of Circular 02.

b) Specific allowance for credit losses

According to Circular 02 and Circular 09, the Bank determines specific allowance for credit risks based on the allowance rates corresponding to debt classification results and loan principals balance less the discounted value of collateral assets.

Specific allowance is provided for each quarter based on the balance of loans to each customer as at the end of the last working day of the preceding quarter less discounted value of collateral assets. For the last quarter of the annual accounting period, the balance of loans shall be the amount as at the last working day of the second month of the last quarter of the annual accounting period.

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

<i>Loan group</i>		<i>Overdue status</i>	<i>Rate of allowance</i>
1	Current	(a) Current loans that being assessed as fully and timely recoverable, both principals and interests; or (b) Loans which are overdue for a period of less than 10 days and being assessed as fully recoverable of both overdue principals and interests, and fully and timely recoverable of both remaining principals and interests.	0%
2	Special mention	(a) Loans which are overdue for a period of between 10 days and 90 days; or (b) Loans which are restructured of repayment term for the first time.	5%
3	Sub-standard	(a) Loans which are overdue for a period of between 91 days and 180 days; or (b) Loans with are extended of repayment term for the first time; or (c) Loans with interest exempted or reduced because customers are not capable to paying all interests under credit contracts; or (d) Loans in one of the following circumstances which remain unrecovered during a period of 30 days after the date of the recovery decision: <ul style="list-style-type: none"> Loans in breach of clauses 1, 3, 4, 5 or 6 of Article 126 of the Law on credit institutions; Loans in breach of clauses 1, 2, 3 or 4 of Article 127 of the Law on credit institutions; Loans in breach of clauses 1, 2 or 5 of Article 128 of the Law on credit institutions; or (e) Loans which are under recovery period under inspection conclusions.	20%
4	Doubtful	(a) Loans which are overdue for a period of between 181 days and 360 days; or (b) Loans which are restructured of repayment term for the first time but still overdue for a period of less than 90 days under that restructured repayment term; or (c) Loans which are restructured of repayment term for the second time; or (d) Loans which are specified in point (d) of "Sub-standand" section that have not been recoverable for a period of between 30 days and 60 days after decisions on recovery have been issued; or (e) Loans which must be recovered under inspection conclusions but fail to be repaid although recovery term was overdue from 60 days ago.	50%
5	Loss	(a) Loans which are overdue for a period of more than 360 days; or (b) Loans which are restructured of repayment term for the first time but still overdue for a period of 90 days or more under that first restructured repayment term; or (c) Loans which are restructured of repayment term for the	100%

		<p>second time but still overdue under that second restructured repayment term; or</p> <p>(d) Loans which are restructured of repayment term for the third time or more, whether loans are overdue or not; or</p> <p>(e) Loans which are specified in point (d) of “Sub-standand’ section that have not been recoverable for a period of more than 60 days after decisions on recovery have been issued; or</p> <p>(f) Loans which must be recovered under inspection conclusions but fail to be repaid although recovery term was overdue for more than 60 days; or</p> <p>(g) Loans of customers being credit institutions which are announced by the SBV to be placed in special control status, or foreign bank branches of which capital and assets are blockaded.</p>	
--	--	---	--

Payments arising from off-balance sheet commitments are classified based on the number of overdue days, starting from the date when the Bank exercises the committed obligations:

- Group 3 - Sub-standard loans: overdue for less than 30 days;
- Group 4 - Doubtful loans: overdue for between 30 days and less than 90 days;
- Group 5 - Loss loans: overdue for 90 days or more.

In case where a customer has more than one loan with the Bank, if a loan is reclassified to a higher risk group, the Bank is required to reclassify the other loans of that customers to that higher risk loan group.

When the Bank participates in a syndicated loan to a customer but does not take the lead role, the Bank classifies loans (including the syndicated loan) of the customer to a higher risk group between the risk assessment made by the lead bank and made by the Bank.

The Bank also collects loan classification results of the customers provided by the Credit Information Center of SBV (“CIC”) at the date of loan classification to adjust its own classification of loans. If a customer’s loans and off-balance sheet commitments are classified in a loan group that has a lower risk than the loan groups provided in CIC’s list, the Bank shall adjust its classification of loans and off-balance sheet commitments following the loan groups provided by CIC.

Those collaterals that are movable assets, immovable assets and those collaterals that are not gold bars, government securities listed in the Stock Exchanges, securities issued by enterprises or other credit institutions valued at VND 50 billion or more in respect of the loans of customers that are related persons of the Bank and other persons under Article 127 of the Law on Credit Institutions or those collaterals that are valued at VND 200 billion or more shall be evaluated by professional valuers. For other cases, collaterals are valued in accordance with the Bank’s internal regulations and procedures. For collaterals which fail to fully meet conditions specified in Clause 3, Article 12 of Circular 02, their discounted value must be considered as zero.

c) General allowance for credit risks

According to Circular 02, general allowance is also required at the rate of 0.75% of total balance of loans, except for the balances with and loans to other credit institutions and the loans classified into the Loss group.

The general allowance as at 30 September is calculated based on the result of loan classification and the outstanding principal amount at the last working day of the preceding quarter.

d) Write-off of bad debts

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

e) Off-balance sheet commitments

According to Circular 02 and Circular 09, the classification of off-balance sheet credit commitments is conducted solely for risk management and credit quality supervision of credit granting activities. No allowance is made for off-balance sheet credit commitments, except when the Bank is required to make payment under the guarantee contract, in which case such payment is subject to debt classification and allowance is made for in accordance with policy as stipulated in Note IV(8).

9. Derivative financial instruments

a) Currency forward and swap contracts

The Bank engages in currency forward contracts and currency swap contracts in order to help customers transfer, adjust or mitigate foreign exchange risks and to serve for the business purposes of the Bank.

Currency forward contracts are commitments to buy or to sell an amount of foreign currency at a specified exchange rate at the transaction date and will be settled at a specific date in the future. The forward contracts are recorded at nominal value at the date of transaction and are revalued using the exchange rate at the reporting date for reporting purpose and are stated at net value on the balance sheet. Differences upon revaluation at the reporting date are recognised as "Foreign exchange differences" on the balance sheet and are fully transferred to the income statement at the end of the annual accounting period. Differences between the VND equivalent amounts of the foreign currency amounts committed to buy/sell at forward rate and that at spot rate are amortised on a straight-line basis over the term of the contracts in the consolidated income statement.

The currency swap contracts are commitments to buy or to sell the same amount of foreign currency with VND or another foreign currency with the same partner. In such a transaction, the payment dates of the two transactions are different and the exchange rate of the two transactions is determined at the date of transaction. A currency swap transaction may include two spot transactions and two forward transactions or one spot transaction and one forward transaction. A currency swap transaction with foreign currency and VND must include at least one forward transaction. Amounts arising from the difference between the exchange rates of two transactions will be recognised on the payment date of the first transaction in the consolidated balance sheet as an asset if such difference is positive and as a liability if such difference is negative. This difference is amortised to the consolidated income statement on a straight-line basis over the term of the swap contracts.

b) Interest rate swap contracts

Interest swap contracts are commitments to settle the interest amount based on floating or fixed interest rates over the notional principal amounts. The notional principal amounts in interest rate swaps contracts of the same currency is recognised off-balance sheet. Income earned and expenses incurred are recognised in the consolidated income statement on an accrual basis.

10. Tangible fixed assets**a) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated income statement during 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 an item of tangible fixed assets beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

b) 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	20 years
Machines and equipment	5 - 15 years
Vehicles	5 - 12 years
Office equipment	5 - 12 years
Others	5 - 12 years

c) Intangible fixed assets**Software**

The 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 ranging from 3 to 15 years.

Land use rights

Land use rights are stated at cost less accumulated amortisation. The initial cost of termed land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Termed land use rights are amortised on a straight-line basis over lease term or useful lives.

11 Investment property*Cost*

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

Depreciation

Depreciation is computed on a straight-line basis over a period ranging from 10 to 20 years.

12 Other assets

Other assets, except receivables from credit activities, are stated at cost less allowance for other assets.

For other assets that are not classified as assets with credit risk and are overdue, allowance are made based on the overdue status of receivables or expected losses which may incur in case receivables are overdue or undue receivables are likely to become overdue. Allowance expense is recorded in operating expense during the period.

Allowance rates by overdue period are as follows:

Overdue period	Allowance rate
From more than six (06) months up to less than one (01) year	30%
From one (01) year up to less than two (02) years	50%
From two (02) years up to less than three (03) years	70%
Three (03) years or more	100%

13 Deposits from customers

Deposits from customers are stated at cost.

14 Valuable papers issued

Valuable papers issued are stated at cost.

15 Other payables

Other payables are stated at cost.

16 Share capital

Ordinary shares

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

17 Reserves and funds

a) Reserves and funds of the Bank

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

	Annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax	100% of charter capital
Financial reserve	10% of profit after tax	Not stipulated

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

Other equity funds are allocated from profit after tax. The appropriation from profit after tax to these funds is approved by the shareholders in the Annual General Meeting. Other equity funds are not required by law and are fully distributable.

b) Reserves and funds of the subsidiaries

SeABank Asset Management Company Limited

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

Post and Telecommunication Finance Company Limited

According to Decree No. 93/2017/ND-CP, the company is required to make the following reserves before distribution of profits:

	Annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax	100% of charter capital
Financial reserve	10% of profit after tax	Not stipulated

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

18 Bonus and welfare fund

Bonus and welfare fund is allocated from profit after tax in accordance with the resolution of the annual General Meeting of Shareholders and are used primarily to make payments to the Bank's employees

19 Revenue**a) Interest income**

Interest income is recognised in the consolidated income statement on an accrual basis, except for interest on loans classified in Group 2 to Group 5 as described in Note IV(8) and restructured loans kept unchanged in Group 1 as a result of implementation of Circular 01.

When loans are classified in Group 2 to Group 5 as defined in Note IV(8) or kept unchanged in Group 1 as a result of implementation of Circular 01, interest receivable will be transferred to off-balance sheet items. Interest on these loans are recognised in the consolidated income statement upon receipt.

b) Fee and commission income

Fees and commissions are recognised in the consolidated income statement upon completion of the services rendered.

c) Income from investing activities

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

Dividend income in the form of cash is recognised in the consolidated income statement when the Bank's right to receive dividend is established. Dividends received in the form of shares, bonus shares and rights to purchase shares given to existing shareholders, shares distributed from retained earnings are not recognised as an increase in investment and such dividend income is not recognised in the consolidated income statement. When stock dividends are received, the Bank only recognises an increase in the number of shares.

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

20 Interest expenses

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

21 Fee and commission expenses

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

22 Operating lease payments

Payments made under operating leases are recognised in the consolidated income statement on a straight-line basis over the term of the lease.

23 Taxation

Income tax on the profit for the period comprises current and deferred tax. Income tax is recognised in the consolidated income statement except the case 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 end of the accounting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax is calculated using the balance sheet method, on the basis of the 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 recognized is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the accounting period.

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

24 Related parties

Related parties of the Bank include:

- The subsidiaries of the Bank;
- Management or members of the Supervisory Board of the Bank;
- Individuals, organisations that hold at least 5% of charter capital or share capital with voting rights of the Bank;
- Wives, husbands, parents, children, siblings of managers or members of the Supervisory Board, capital contributors or shareholders who hold at least 5% of charter capital or share capital with voting rights of the Bank;
- Enterprises held directly or indirectly by such individuals hold an important part of voting rights, or through this such individuals may significantly influence the enterprises. This case includes businesses owned by the Bank's leaders or key shareholders and those businesses that have the same key managing member with the Bank;
- Representatives for the Bank's capital contribution and shares purchase.

25 Nil balances

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

26 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:

a) Financial assets

Financial assets at fair value through profit or loss:

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

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

Held-to-maturity investments

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

- financial assets that, upon initial recognition, were categorised by the Bank as financial assets at fair value through profit or loss;
- financial assets already categorised by the Bank as assets that available for sale;
- financial assets that meet the definitions of loans and receivables.

M

Loans and receivables

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

- that the Bank intends to sell immediately or in the near term, which are classified as held-for-trading, and those that the entity on initial recognition designates as 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 assets 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 are not classified as:

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

27 Financial liabilities*Financial liabilities at fair value through profit or loss*

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

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

Financial liabilities carried at amortised cost

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

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

V- Notes to the Financial statements

1. Securities held-for-trading

	Closing balance	Opening balance
	VND million	VND million
Debt securities	3,920,595	1,202,578
Government bonds	1,284,784	451,416
Bonds issued by other local credit institutions	660,626	-
Bonds issued by local economic entities	1,975,185	751,162
Equity securities	40,388	108,118
Securities issued by local economic entities	40,388	108,118
Allowance for securities held for trading	(31,119)	(47,992)
General allowance for bonds issued by local economic entities	(12,309)	(9,451)
Allowance for diminution in value of securities issued by local economic entities	(18,810)	(38,541)
Total	3,929,864	1,262,704

2. Derivative financial instruments

	Total contract value (at exchange rate as of contract effective date) (VND million)	Net book value (at exchange rate as of reporting date)		
		Assets (VND million)	Liabilities (VND million)	Net value (VND million)
As at 30/09/2020				
Derivative financial instruments	50,856,688	50,946,173	50,731,861	214,312
Currency forward contracts	5,491,303	5,514,777	5,469,618	45,159
Interest rate forward contracts	81,132	81,132	80,871	261
Currency swap contracts	41,145,016	41,211,027	41,047,605	163,422
Interest rate swap contracts	4,139,237	4,139,237	4,133,767	5,470
As at 31/12/2019				
Derivative financial instruments	120,062,284	120,373,907	120,340,490	33,417
Currency forward contracts	22,149,476	22,211,980	22,197,978	14,002
Interest rate forward contracts	82,486	82,486	82,422	64
Currency swap contracts	95,587,589	95,836,708	95,819,840	16,868
Interest rate swap contracts	2,242,733	2,242,733	2,240,250	2,483

3. Loans and advances to customers

	Closing balance	Opening balance
	VND million	VND million
Loans to local economic entities and individuals	97,460,932	98,192,147
Loans to foreign economic entities and individuals	409,788	421,692
Total	97,870,720	98,613,839

Analysis of loans by quality:

	Closing balance	Opening balance
	VND million	VND million
Current	95,544,363	96,194,585
Special-mentioned	142,496	139,245
Sub-standard	402,823	417,278
Doubtful	444,370	757,451
Loss	1,336,668	1,105,280
Total	97,870,720	98,613,839

Analysis of loans by term:

	Closing balance	Opening balance
	VND million	VND million
Short-term	47,679,742	41,016,971
Medium-term	25,058,643	30,194,592
Long-term	25,132,335	27,402,276
Total	97,870,720	98,613,839

4. Allowance for loans and advances to customers

	General allowance	Specific allowance	Total
	VND million	VND million	VND million
Opening balance	709,916	419,561	1,129,477
Allowance made during the period	15,691	449,914	465,605
Utilization of allowance during the period	-	(459,963)	(459,963)
Closing balance	725,607	409,512	1,135,119

5. Investment securities

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Available-for-sale securities	26,340,198	20,334,918
<i>Debt securities</i>	<i>26,295,850</i>	<i>20,283,489</i>
<i>Equity securities</i>	<i>82,661</i>	<i>84,733</i>
<i>Allowance for available-for-sale securities</i>	<i>(38,313)</i>	<i>(33,304)</i>
Held-to-maturity securities	319,364	319,364
<i>Securities value</i>	<i>319,364</i>	<i>319,364</i>
Total	26,659,562	20,654,282

6. Long-term investments

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Other long-term investments	131,666	147,848
Allowance for diminution in the value of long-term investments	(27,089)	(27,089)
Total	104,577	120,759

Details of other long-term investments

	Closing balance		Opening balance	
	Cost (VND million)	Owned	Cost (VND million)	Owned
Other long-term investments				
National Payment Corporation of Vietnam	3,300	1.06%	2,000	0.83%
Bao Minh Securities Company	15,000	3.00%	15,000	3.00%
ASEAN Jewelry Joint Stock Company (AJC)	24,102	10.00%	24,102	10.00%
PetroVietnam Oil Thua Thien Hue Joint Stock Company	4,800	6.00%	4,800	6.00%
PetroVietnam Oil Saigon Joint Stock Company	10,000	5.00%	10,000	5.00%
PetroVietnam Oil Vung Tau Joint Stock Company	10,000	8.33%	10,000	8.33%
Phu My Oil Processing Joint Stock Company	11,000	2.20%	11,000	2.20%
PetroVietnam Oil Tay Ninh Joint Stock Company	12,470	9.59%	12,470	9.59%
PetroVietnam Oil Hanoi Joint Stock Company	7,500	3.00%	7,500	3.00%
Thai Binh PetroVietNam Oil Joint Stock Company			8,512	7.81%
Thai Binh Petroleum Services Joint stock Company			1,640	5.86%
VPT Technology and Investment Joint Stock Company			2,000	6.67%
Global Data Service Joint Stock Company	2,670	2.13%	8,000	2.13%
Brainwork Vietnam Inc	500	11.43%	500	11.43%
Post and Telecommunications Investment And Construction Consulting JSC	256	0.45%	256	0.45%
E-Learning and E-Entertainment Service Development Joint Stock Company	5,940	6.00%	5,940	8.62%
Phuong Nam Real Estate Investment Joint Stock Company	20,000	7.69%	20,000	7.69%
Sai Gon Securities Investment Fund A2	4,128	1.13%	4,128	1.13%
Total	131,666		147,848	

7. Amounts due to the Government and the SBV

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Borrowings from the SBV		
Discounting and rediscounting valuable papers	-	-
Other borrowings	215,202	238,592
Total	215,202	238,592

8. Deposits and borrowings from other credit institutions

8.1 Deposits from other credit institutions

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Demand deposits	3,017,440	9,112,050
- In VND	3,017,440	9,112,050
Term deposits	28,370,245	12,162,542
- In VND	25,495,925	9,648,750
- In foreign currencies	2,874,320	2,513,792
Total	31,387,685	21,274,592

8.2 Borrowings from other credit institutions

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
In VND	8,778,970	10,148,778
In which: - Discounted and rediscounted valuable papers	8,078,711	9,517,962
- Mortgages and pledges	290,000	290,000
In foreign currencies	121,266	46,281
Total	8,900,236	10,195,059

Total deposits and borrowings from other credit institutions

40,287,921	31,469,651
-------------------	-------------------

9. Deposits from customers

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Demand deposits	6,457,007	9,774,501
- Demand deposits in VND	5,359,670	8,594,430
- Demand deposits in foreign currencies	1,097,337	1,180,071
Term deposits	95,026,576	83,812,747
- Term deposits in VND	93,322,126	81,412,651
- Term deposits in foreign currencies	1,704,450	2,400,096
Deposits for special purpose	788,666	1,918,520
Margin deposits	275,162	221,550
Total	102,547,411	95,727,318

10. Valuable papers issued

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Term bonds	4,835,000	12,516,000
- Under 5 years	2,050,000	7,550,000
- 5 years and above	2,785,000	4,966,000
Certificates of deposits	4,080,920	3,163,180
Total	8,915,920	15,679,180

11. Other liabilities

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Internal payables	13,492	13,126
External payables	3,633,052	3,332,797
Bonus and welfare funds	13,639	10,762
Total	3,660,183	3,356,685

12. Owners' equity

Changes in capital of the Bank during the nine-month period ended 30 September 2020 were as follows:

	Charter capital	Foreign exchange differences	Financial reserve	Reserve to supplement capital	Retained earnings	Total
	VND million	VND million	VND million	VND million	VND million	VND million
Opening balance	9,369,000		138,276	93,715	1,324,852	10,925,842
Increase in the period	1,311,660	8,095	-	-	887,358	2,207,113
Increase in share capital from issuing stocks to pay dividend	1,311,660	-	-	-	-	1,311,660
Profit for the period	-	-	-	-	887,358	887,358
Other increases	-	8,095	-	-	-	8,095
Decrease during the period	-	-	-	-	1,334,371	1,334,371
Appropriation to fund	-	-	-	-	22,300	22,300
Stock dividends paid to shareholders	-	-	-	-	1,311,660	1,311,660
Other decreases	-	-	-	-	411	411
Closing balance	10,680,660	8,095	138,276	93,715	877,839	11,798,584

13. Interest and similar income

	Nine month period ended 30/09/2020 VND million	Nine month period ended 30/09/2019 VND million
Interest income from deposits	153,003	96,499
Interest income from loans	6,569,668	6,185,434
Income from investments in securities	1,082,081	1,305,795
Income from guarantee services	29,697	23,020
Other income from credit activities	72,578	56,023
Total	7,907,027	7,666,770

14. Interest and similar expenses

	Nine month period ended 30/09/2020 VND million	Nine month period ended 30/09/2019 VND million
Interest expenses for deposits	4,870,090	4,328,778
Interest expenses for borrowings	101,924	410,390
Interest expenses for valuable papers issued	797,378	623,542
Interest expenses for other credit activities	52,563	48,595
Total	5,821,955	5,411,305

15. Net gain from securities held-for-trading

	Nine month period ended 30/09/2020 VND million	Nine month period ended 30/09/2019 VND million
Gain from securities held-for-trading	89,382	88,639
Loss from securities held-for-trading	(54,727)	(46,248)
Reversal of allowance for securities held-for-trading	16,873	18,810
Net gain from trading securities	51,528	61,202

16. Net gain from investment securities

	Nine month period ended 30/09/2020 VND million	Nine month period ended 30/09/2019 VND million
Gain from investment securities	185,507	59,155
Loss from investment securities	(24,474)	(9,159)
Allowance made for investment securities	(5,009)	(27,383)
Net gain from investment securities	156,024	22,614

17. Income from capital contribution, share purchase

	Nine month period ended 30/09/2020 VND million	Nine month period ended 30/09/2019 VND million
Dividends received from capital contribution, share purchase	4,706	8,495
Total	4,706	8,495

18. Operating expenses

	Nine month period ended 30/09/2020 VND million	Nine month period ended 30/09/2019 VND million
Tax, duties and fees	17,572	20,823
Staff costs	888,883	725,450
<i>In which:</i>		
- <i>Salary and allowances</i>	833,236	647,625
- <i>Salary based contribution</i>	41,920	36,529
- <i>Allowances</i>	293	2,070
- <i>Other staff expenses</i>	13,434	39,226
Expenses on assets	267,613	249,460
- <i>Depreciation and amortisation of fixed assets</i>	48,090	43,384
- <i>Others</i>	219,523	206,076
Administrative expenses	206,355	200,558
- <i>Per diems</i>	11,577	15,998
- <i>Others</i>	144,302	140,116
- <i>Printing materials and papers</i>	26,127	26,563
- <i>Postage and telephone expenses</i>	24,349	17,881
Insurance fee for customers' deposits	79,655	68,092
Other expenses	66,240	94,599
Amortisation of goodwill	53,404	53,404
Allowance expenses for other assets	7,271	1,232
Total	1,586,993	1,413,618

19. Obligations to the State Treasury

Items	Opening balance (VND million)	Movement during the period		Closing balance (VND million)
		Payable (VND million)	Paid (VND million)	
Value added tax	3,506	24,775	14,523	13,758
Corporate income tax	169,414	243,978	221,048	192,344
Personal income tax	5,710	75,287	69,729	11,268
Other taxes	-	16,575	16,575	-
Total	178,630	360,615	321,875	217,370

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

	Total loans	Total deposits, borrowings	Contingent credit commitments	Derivatives	Trading and investment securities
	VND million	VND million	VND million	VND million	VND million
Domestic	97,460,932	133,925,594	4,738,471	214,312	30,658,858
Overseas	409,788	9,502			
	97,870,720	133,935,096	4,738,471	214,312	30,658,858

I. Financial risk management

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

1. Interest rate risk

Interest rate risk to the Bank's operation derives from difference in maturity or amount between interest-bearing assets and liabilities.

The following table presents assets and liabilities of the Bank classified based on interest rate re-pricing period or maturity date and effective interest rate as at the reporting date. The interest rate re-pricing date and expected maturity date may differ from the respective dates in the contract, especially for maturity date of customers' desposits.



As of September 30, 2020	Non - interest bearing	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Assets									
Cash, gold and gemstones	1,008,343	-	-	-	-	-	-	-	1,008,343
Balances with the SBV	-	-	4,474,865	-	-	-	-	-	4,474,865
Balances with and loans to other credit institutions	-	-	19,587,580	6,397,000	-	-	-	-	25,984,580
Securities held-for-trading	-	-	3,960,983	-	-	-	-	-	3,960,983
Derivatives and other financial assets	214,312	-	-	-	-	-	-	-	214,312
Loans and advances to customers	-	2,326,358	20,239,706	27,168,975	19,714,044	21,800,110	5,700,268	921,259	97,870,720
Investment securities	-	-	1,093,260	3,406,589	5,791,520	14,878,990	1,527,516	-	26,697,875
Long-term investments	131,666	-	-	-	-	-	-	-	131,666
Fixed assets and investment property	1,024,566	-	-	-	-	-	-	-	1,024,566
Other assets	7,324,636	-	-	-	-	-	-	-	7,324,636
Total assets	9,703,523	2,326,358	49,356,394	36,972,564	25,505,564	36,679,100	7,227,784	921,259	168,692,546
Liabilities									
Amounts due to the Government and the SBV	-	-	3,507	57,401	86,207	68,086	-	-	215,202
Deposits and borrowings from other credit institutions	-	-	33,973,356	6,144,051	170,514	-	-	-	40,287,921
Deposits from customers	-	-	25,575,708	16,021,845	18,482,606	25,261,356	17,205,896	0	102,547,411
Other borrowed and entrusted funds	1,020	-	-	-	-	-	-	-	1,020
Valuable papers issued	-	-	77,640	444,520	521,530	2,427,950	3,569,280	1,875,000	8,915,920
Other liabilities	3,660,183	-	-	-	-	-	-	-	3,660,183
Total liabilities	3,661,203	-	59,630,211	22,667,817	19,260,858	27,757,392	20,775,176	1,875,000	155,627,657
Interest sensitivity gap	6,042,320	2,326,358	(10,273,817)	14,304,747	6,244,706	8,921,708	(13,547,393)	(953,741)	13,064,890

2. Currency risk

the Bank is exposed to currency risk in transactions in foreign currencies, primarily in United States Dollar. Risks in transactions in foreign currencies shall give rise to foreign exchange gains or losses and such gains or losses are recognised in the consolidated income statement.

The following table presents currency status of the Bank's assets and liabilities as at 30 September 2020:

As of September 30, 2020	In VND million equivalent			Total (VND million)
	EUR	USD	Other currencies	
Assets				
Cash, gold and gemstones	94,970	121,894	102,778	319,643
Balances with the SBV	-	350,548	-	350,548
Balances with and loans to other credit institutions	264,870	1,997,019	74,857	2,336,746
Derivative financial instruments and other financial assets	-	3,525,796	-	3,525,796
Loans and advances to customers	11,576	2,537,857	-	2,549,433
Other assets	746	284,660	-	285,406
Total assets	372,163	8,817,773	177,635	9,367,571
Liabilities				
Deposits and borrowings from other credit institutions	-	2,995,587	-	2,995,587
Deposits from customers	303,956	3,242,585	40,817	3,587,358
Derivative and other financial liabilities	64,160	-	148,235	212,395
Other liabilities	864	41,362	-	42,225
Total liabilities	368,979	6,279,533	189,053	6,837,565
FX position on-balance sheet	3,184	2,538,240	(11,418)	2,530,006

3. Liquidity risk

Liquidity risk arises from the Bank's funding activities in general and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.


The following table shows the analysis of assets and liabilities of the Bank according to their maturities as at 30 September 2020.

1985
HANG
CÔ PH
NAM
A-TP

As of September 30, 2020	Overdue (VND million)		Current (VND million)					Total (VND million)
	More than 3 months	Up to 3 months	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	
Assets								
Cash, gold and gemstones	-	-	1,008,343	-	-	-	-	1,008,343
Balances with the SBV	-	-	4,474,865	-	-	-	-	4,474,865
Balances with and loans to other credit institutions	-	-	19,587,580	6,397,000	-	-	-	25,984,580
Securities held-for-trading	-	-	3,960,983	-	-	-	-	3,960,983
Derivatives and other financial assets	-	-	6,585	43,405	161,851	2,471	-	214,312
Loans and advances to customers	2,183,861	142,496	3,061,582	21,915,099	34,909,926	18,377,461	17,280,295	97,870,720
Investment securities	-	-	17,987,113	500,687	1,072,612	6,519,558	617,905	26,697,875
Long-term investments	-	-	-	-	-	-	131,666	131,666
Fixed assets and investment property	-	-	-	-	-	-	1,024,566	1,024,566
Other assets	-	-	520,311	598,842	1,884,805	4,320,678	-	7,324,636
Total assets	2,183,861	142,496	50,607,362	29,455,033	38,029,194	29,220,168	19,054,432	168,692,546
Liabilities								
Amounts due to the Government and the SBV	-	-	3,507	57,401	154,293	-	-	215,202
Deposits and borrowings from other credit institutions	-	-	33,973,356	6,144,051	170,514	-	-	40,287,921
Deposits from customers	-	-	25,575,708	16,025,945	36,904,004	24,041,755	0	102,547,411
Other borrowed and entrusted funds	-	-	-	-	-	1,020	-	1,020
Valuable papers issued	-	-	77,640	444,520	2,949,480	3,569,280	1,875,000	8,915,920
Other liabilities	-	-	211,472	455,521	865,411	2,127,779	-	3,660,183
Total liabilities	-	-	59,841,683	23,127,437	41,043,702	29,739,834	1,875,000	155,627,657
Net liquidity gap	2,183,861	142,496	(9,234,321)	6,327,596	(3,014,508)	(519,667)	17,179,432	13,064,889

Approve the consolidated financial statements

The financial statements are approved by the Board of Management on October 19, 2020.

Preparer 

Nghiem Thi Thu Nga

Chief Accountant



Nguyen Thi Hoai Phuong



Hà Nội, 19 October 2020

Deputy General Director



Nguyen Thi Thu Huong



