

Southeast Asia Commercial Joint Stock Bank
Consolidated Financial Statements
for Quarter IV 2020 and the year ended 31 December 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 - 43

CONSOLIDATED BALANCE SHEET

As at 31 December 2020

Unit: VND million

NO.	ITEMS	Notes	31/12/2020	31/12/2019
A.	ASSETS			
I.	Cash, gold and gemstones	V.1	1,012,228	1,290,009
II.	Balances with the State Bank of Vietnam ("SBV")	V.2	3,374,359	3,231,833
III.	Balances with and loans to other credit institutions ("CIs")	V.3	25,741,179	25,399,935
1.	Balances with other CIs		25,641,179	24,135,256
2.	Loans to other CIs		100,000	1,264,679
IV.	Securities held-for-trading	V.4	2,693,849	1,262,704
1.	Securities held-for-trading		2,705,920	1,310,696
2.	Allowance for securities held-for-trading		(12,071)	(47,992)
IV.	Derivatives and other financial assets	V.5	144,604	33,417
IV.	Loans and advances to customers		107,760,914	97,484,362
1.	Loans and advances to customers	V.6	108,869,236	98,613,839
2.	Allowance for loans and advances to customers	V.7	(1,108,322)	(1,129,477)
V.	Investment securities	V.8	32,180,304	20,654,282
1.	Available-for-sale securities		31,901,137	20,368,222
2.	Held-to-maturity securities		319,364	319,364
3.	Allowance for investment securities		(40,197)	(33,304)
VI.	Long-term investments	V.9	102,912	120,759
1.	Other long-term investments		131,666	147,848
2.	Allowance for diminution in the value of long-term investments		(28,754)	(27,089)
VII.	Fixed assets		862,487	770,572
1.	Tangible fixed assets	V.10	283,496	211,740
	- Cost		739,271	630,071
	- Accumulated depreciation		(455,775)	(418,331)
2.	Intangible fixed assets	V.11	578,991	558,832
	- Cost		741,512	696,981
	- Accumulated amortization		(162,521)	(138,149)
VIII.	Investment property	V.12	240,934	241,518
	- Cost		249,060	248,295
	- Accumulated depreciation		(8,126)	(6,777)
IX.	Other assets	V.13	6,093,518	6,908,897
1.	Receivables		1,282,827	1,134,339
2.	Accrued interest and fee receivables		2,598,213	3,380,276
3.	Other assets		2,247,143	2,421,265
	- In which: Goodwill	V.14	551,843	623,048
4.	Allowance for other assets		(34,665)	(26,983)
TOTAL ASSETS			180,207,288	157,398,288

CONSOLIDATED BALANCE SHEET (continued)

As at 31 December 2020

Unit: VND million

NO.	ITEMS	Notes	31/12/2020	31/12/2019
B.	LIABILITIES AND OWNERS' EQUITY			
I.	Amounts due to the Government and the SBV	V.15	205,702	238,592
II.	Deposits and borrowings from other CIs	V.16	42,516,673	31,469,651
1.	Deposits from other CIs		25,388,472	21,274,592
2.	Borrowings from other CIs		17,128,201	10,195,059
III.	Deposits from customers	V.17	113,276,597	95,727,318
IV.	Other borrowed and entrusted funds		1,020	1,020
V.	Valuable papers issued	V.18	7,064,740	15,679,180
VI.	Other liabilities	V.19	3,472,178	3,356,685
1.	Accrued interest and fee payables		3,065,150	3,019,412
2.	Other liabilities		407,028	337,273
TOTAL LIABILITIES			166,536,910	146,472,446
VII.	Owners' equity	V.20	13,670,378	10,925,842
1.	Capital		12,087,442	9,369,000
	- Charter capital		12,087,442	9,369,000
2.	Reserves		456,110	231,990
3.	Retained earnings		1,126,826	1,324,852
TOTAL LIABILITIES AND OWNERS' EQUITY			180,207,288	157,398,288
NO.	OFF-BALANCE SHEET ITEMS	Notes	31/12/2020	31/12/2019
1.	Loan guarantees		-	101,349
2.	Foreign exchange commitments			
	<i>Foreign currency purchase commitments</i>		541,303	3,999,584
	<i>Foreign currency sale commitments</i>		447,726	3,373,657
	<i>Currency swaps - Purchase commitments</i>		30,139,120	55,137,961
	<i>Currency swaps - Sale commitments</i>		23,652,400	51,524,978
3.	Letters of credit		657,642	572,337
4.	Interest rate swaps		9,805,803	4,987,983
5.	Valuable paper contracts		8,817,950	-
6.	Other guarantees		2,567,945	4,653,959

Preparer



Nghiem Thi Thu Nga

Chief Accountant



Nguyen Thi Hoai Phuong

Deputy General Director




Nguyen Thi Thu Huong

CONSOLIDATED INCOME STATEMENT

Unit: VND million

NO.	ITEMS	Notes	Quarter IV of 2020		Accumulated from the beginning of the year to the end of this quarter	
			Current	Prior year	Current	Prior year
1.	Interest and similar income	V.21	2,788,753	2,541,437	10,695,780	10,208,207
2.	Interest and similar expenses	V.22	1,812,109	1,902,333	7,634,064	7,313,638
I.	Net interest income		976,644	639,104	3,061,716	2,894,569
3.	Fee and commission income		139,356	119,188	522,679	523,230
4.	Fee and commission expenses		72,245	69,635	166,481	187,744
II.	Net fee and commission income		67,111	49,553	356,198	335,486
III.	Net gain from trading of foreign currencies		25,981	(4,623)	74,729	10,301
IV.	Net gain from securities held-for-trading	V.23	115,246	109,922	166,774	171,124
V.	Net gain from investment securities	V.24	15,647	212,388	171,671	235,002
5.	Other income		322,752	1,567,047	1,152,398	1,676,931
6.	Other expenses		123,228	51,584	404,105	143,225
VI.	Net other income		199,524	1,515,463	748,293	1,533,706
VII.	Income from capital contribution, share purchase	V.25	(400)	22,130	4,306	30,625
VIII.	Operating expenses	V.26	590,382	574,732	2,177,375	1,988,350
IX.	Net operating profit before allowance expenses for credit losses		809,371	1,969,205	2,406,312	3,222,463
X.	Allowance expenses for credit losses		211,771	1,261,249	677,376	1,831,765
XI.	Profit before tax		597,600	707,956	1,728,936	1,390,698
7.	Income tax expenses - current		124,493	145,775	368,471	292,246
XII.	Income tax expense		124,493	145,775	368,471	292,246
XIII.	Net profit after tax		473,107	562,181	1,360,465	1,098,452
XIV.	Basic earnings per share (VND/share)	V.27			1,351	1,324

Preparer



Nghiem Thi Thu Nga

Chief Accountant



Nguyen Thi Hoai Phuong

Deputy General Director




Nguyen Thi Thu Huong

CONSOLIDATED CASH FLOW STATEMENT
(direct method)

Unit: VND million

NO. ITEMS	Current year	Prior year
CASH FLOWS FROM OPERATING ACTIVITIES		
01. Interest and similar income received	11,477,843	9,665,869
02. Interest and similar expenses paid	(7,588,326)	(7,060,746)
03. Net fees and commission income received	355,953	335,013
04. Net receipts from trading activities (foreign currencies, gold and securities)	384,546	399,698
05. Other income	722,095	1,520,787
06. Proceeds from bad debts previously written off	43,904	13,455
07. Payments for salary and operating expenses	(2,099,735)	(1,959,284)
08. Corporate income tax paid during the period	(361,787)	(234,669)
Cash flows from operating activities before changes in operating assets and liabilities	2,934,493	2,680,123
Changes in operating assets	(22,826,541)	(8,947,831)
09. Decrease in balances with and loans to other credit institutions	1,164,679	1,498,510
10. (Decrease)/increase in securities held-for-trading	(12,929,439)	5,207,761
11. Increase in derivatives and other financial assets	(111,187)	(103,647)
12. Increase in loans and advances to customers	(10,255,397)	(12,920,027)
13. Utilisation of allowance	(698,532)	(2,847,294)
14. (Increase)/decrease in other operating assets	3,335	216,866
Changes in operating liabilities	20,012,042	14,046,040
14. Decrease in amounts due to the Government and SBV	(32,890)	(7,043,560)
15. Increase in deposits and borrowings from other credit institutions	11,047,022	2,220,865
16. Increase in deposits from customers	17,549,279	11,382,761
17. (Decrease)/increase in valuable papers issued	(8,614,440)	7,574,180
20. Increase/(decrease) in other operating liabilities	63,071	(88,206)
I. Net cash flows from operating activities	119,994	7,778,332

CONSOLIDATED CASH FLOW STATEMENT (continued)
(direct method)

Unit: VND million

NO. ITEMS	Current year	Prior year
CASH FLOWS FROM INVESTING ACTIVITIES		
01. Purchase of fixed assets	(177,467)	(53,262)
02. Proceeds from sales, disposal of fixed assets	491	-
03. Purchase of investment property	(4,864)	(8,749)
04. Proceeds from sales, disposals of investment property	4,344	6,696
05. Proceeds from sales, disposal of investments in other entities	17,082	141,993
06. Dividends and profit received from long-term investments	4,306	9,454
II. Net cash flows form investing activities	(156,108)	96,132
CASH FLOWS FROM FINANCING ACTIVITIES		
01. Increase in share capital from issuing stocks	1,406,782	1,681,000
III. Net cash flows from financing activities	1,406,782	1,681,000
IV. Net cash flows during the year	1,370,668	9,555,464
V. Cash and cash equivalents at the beginning of the year	28,657,098	19,101,634
VI. Cash and cash equivalents at the end of the year	30,027,766	28,657,098

Ha Noi, 20 January 2021

Preparer



Nghiem Thi Thu Nga

Chief Accountant



Nguyen Thi Hoai Phuong

Deputy General Director



Nguyen Thi Thu Huong

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2020

I. Corporate Information

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

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 2197/QĐ-NHNN dated 24/12/2020 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 th Jan 2020)

Legal Representative

Mr. Le Van Tan Chairman

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 31 December 2020, the Bank's charter capital was VND 12,087,442 million (31/12/2019: VND 9,369,000 million).

3. Head Office and network

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, forty four (44) branches, one hundred and twenty nine (129) 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 31 December 2020, the Bank had 4,803 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.

4. Accounting currency

The Bank's accounting currency is Vietnam Dong ("VND"). These consolidated financial statements 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	50%

		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.	
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 second time but still overdue under that second restructured repayment term; or (d) Loans which are restructured of repayment term for the third time or more, whether loans are overdue or not; or (e) Loans which are specified in point (d) of "Sub-standard" section that have not been recoverable for a period of more than 60 days after decisions on recovery have been issued; or (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 (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.	100%

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 31 December is calculated based on the result of loan classification and the outstanding principal amount at the last working day of November.

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

11. 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.

12. 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.

13. 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%

14. Deposits from customers

Deposits from customers are stated at cost.

15. Valuable papers issued

Valuable papers issued are stated at cost.

16. Other payables

Other payables are stated at cost.

17. 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.

18. 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.

19. 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.

20. 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.

21. Interest expenses

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

22. Fee and commission expenses

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

23. 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.

24. 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.

25. 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.

26. 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.

V- Notes to the Financial statements

1. Cash, gold and gemstones

	31/12/2020	31/12/2019
	VND million	VND million
Cash in VND	720,715	964,347
Cash in foreign currencies	291,306	325,455
Other precious metal and gemstones	207	207
Total	1,012,228	1,290,009

2. Balances with the State Bank of Vietnam

	31/12/2020	31/12/2019
	VND million	VND million
Current account at the SBV in VND	2,062,314	3,043,446
Current account at the SBV in foreign currencies	1,287,045	188,387
Other account at the SBV	25,000	-
Total	3,374,359	3,231,833

3. Balances with and loans to other CIs

	31/12/2020	31/12/2019
	VND million	VND million
3.1 Balances with other CIs		
Demand deposits	730,089	9,673,098
- In VND	50,126	9,142,566
- In foreign currencies	679,963	530,532
Term deposits	24,911,090	14,462,158
- In VND	21,964,690	11,915,225
- In foreign currencies	2,946,400	2,546,933
Total	25,641,179	24,135,256

3.2 Loans to other CIs

	31/12/2020	31/12/2019
	VND million	VND million
- In VND	100,000	1,264,679
<i>In which: discount, rediscount</i>	-	1,264,679
Total	100,000	1,264,679
Total balances with and loans to other CIs	25,741,179	25,399,935

Analysis of loans, term deposits at other credit institutions by quality

	31/12/2020	31/12/2019
	VND million	VND million
Current loans	25,011,090	15,726,837
Total	25,011,090	15,726,837

4. Securities held-for-trading

	31/12/2020	31/12/2019
	VND million	VND million
Debt securities	2,683,659	1,202,578
Government bonds	1,296,581	451,416
Bonds issued by other local credit institutions	659,570	-
Bonds issued by local economic entities	727,508	751,162
Equity securities	22,261	108,118
Securities issued by local economic entities	22,261	108,118
Allowance for securities held for trading	(12,071)	(47,992)
Allowance for diminution in value of securities issued by local economic entities	(7,306)	(38,541)
General allowance for bonds issued by local economic	(4,765)	(9,451)
Total	2,693,849	1,262,704

5. 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 31/12/2020				
Derivative financial instruments	85,397,466	85,529,865	85,385,261	144,604
Currency forward contracts	33,847,379	33,878,844	33,833,838	45,006
Interest rate forward contracts	6,391	6,391	6,402	(11)
Currency swap contracts	47,238,782	47,339,716	47,240,132	99,584
Interest rate swap contracts	4,304,914	4,304,914	4,304,889	25
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

6. Loans and advances to customers

	31/12/2020	31/12/2019
	VND million	VND million
Loans to local economic entities and individuals	108,463,097	98,192,147
Loans to foreign economic entities and individuals	406,139	421,692
Total	108,869,236	98,613,839

Analysis of loans by quality:

	31/12/2020	31/12/2019
	VND million	VND million
Current	106,733,552	96,194,585
Special-mentioned	114,723	139,245
Sub-standard	305,721	417,278
Doubtful	380,456	757,451
Loss	1,334,784	1,105,280
Total	108,869,236	98,613,839

Analysis of loans by term:

	31/12/2020	31/12/2019
	VND million	VND million
Short-term	53,146,830	41,016,971
Medium-term	30,973,169	30,194,592
Long-term	24,749,237	27,402,276
Total	108,869,236	98,613,839

7. 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	32,792	644,585	677,377
Utilization of allowance during the period	-	(698,532)	(698,532)
Closing balance	742,708	365,614	1,108,322

8. Investment securities

	31/12/2020	31/12/2019
	VND million	VND million
Available-for-sale securities	31,863,335	20,334,918
<i>Debt securities</i>	<i>31,818,476</i>	<i>20,283,489</i>
<i>Equity securities</i>	<i>82,661</i>	<i>84,733</i>
<i>Allowance for diminution in value of available-for-sale securities</i>	<i>(1,736)</i>	<i>-</i>
<i>General allowance for available-for-sale securities</i>	<i>(36,066)</i>	<i>(33,304)</i>
Held-to-maturity securities	316,969	319,364
<i>Securities value</i>	<i>319,364</i>	<i>319,364</i>
<i>General allowance for held-to-maturity securities</i>	<i>(2,395)</i>	
Total	32,180,304	20,654,282

9. Long-term investments

	31/12/2020	31/12/2019
	VND million	VND million
Other long-term investments	131,666	147,848
Allowance for diminution in the value of long-term	(28,754)	(27,089)
Total	102,912	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%
Company			8,512	7.81%
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	

10. Tangible fixed assets

	Building, structures	Machinery and equipments	Motor vehicles	Office equipment	Others	Total
	VND million	VND million	VND million	VND million	VND million	VND million
Cost						
Opening balance	18,249	289,466	217,576	93,512	11,268	630,071
<i>Acquisitions during the period</i>	-	49,833	59,885	3,613	1,498	114,829
<i>Completed construction investment</i>	-	-	-	-	-	-
<i>Other increase</i>	-	-	-	-	-	-
<i>Switch to investment property</i>	-	-	-	-	-	-
<i>Disposals</i>	122	238	1,537	3,734	-	5,631
<i>Other decrease</i>	-	-	-	-	-	-
Closing balance	18,127	339,061	275,924	93,391	12,766	739,271
Accumulated depreciation						
Opening balance	3,539	174,373	156,905	74,331	9,183	418,331
<i>Depreciation charged for the year</i>	836	21,058	13,134	7,319	635	42,982
<i>Other increase</i>	-	-	-	-	-	-
<i>Switch to investment property</i>	-	-	-	-	-	-
<i>Disposals</i>	122	238	1,470	3,709	-	5,539
<i>Other decrease</i>	-	-	-	-	-	-
Closing balance	4,253	195,193	168,569	77,941	9,818	455,775
Net book value						
Opening balance	14,710	115,093	60,671	19,181	2,085	211,740
Closing balance	13,873	143,868	107,354	15,450	2,948	283,496

11. Intangible fixed assets

	Indefinite land- use rights	Computer software	Other intangible fixed assets	Total
	VND million	VND million	VND million	VND million
Cost				
Opening balance	396,100	290,251	10,630	696,981
<i>Acquisitions during the period</i>	-	58,564	4,071	62,635
<i>Built within the enterprise</i>	-	-	-	-
<i>Increased due to business consolidation</i>	-	-	-	-
<i>Other increase</i>	-	-	-	-
<i>Disposals</i>	-	-	-	-
<i>Other decrease</i>	18,105	-	-	18,105
Closing balance	377,996	348,815	14,701	741,512
Accumulated depreciation				
Opening balance	-	130,414	7,735	138,149
<i>Depreciation charged for the year</i>	-	23,131	1,241	24,372
<i>Other increase</i>	-	-	-	-
<i>Disposals</i>	-	-	-	-
<i>Other decrease</i>	-	-	-	-
Closing balance	-	153,545	8,976	162,521
Net book value				
Opening balance	396,100	159,837	2,895	558,832
Closing balance	377,996	195,270	5,725	578,991

12. Investment properties

	Land-use rights	Buildings and structures	Total
	VND million	VND million	VND million
Cost			
Opening balance	217,556	30,739	248,295
Increase in the year	4,864		4,864
Decrease in the year	4,098	-	4,098
Closing balance	218,322	30,739	249,060
Accumulated depreciation			
Opening balance		6,777	6,777
Increase in the year	1,349	-	1,349
Decrease in the year			
Closing balance	1,349	6,777	8,126
Carrying value			
Opening balance	217,556	23,962	241,518
Closing balance	216,973	23,962	240,934

13. Other assets

	31/12/2020	31/12/2019
	VND million	VND million
Receivables	3,881,040	4,514,615
Other assets	2,247,143	2,421,265
Provision for risks for other assets	(34,665)	(26,983)
Total	6,093,518	6,908,897

14. Goodwill

	31/12/2020	31/12/2019
	VND million	VND million
Total Goodwill	712,055	712,055
Amortisation period (years)	10	10
Cumulative amortisation at the beginning of the year	89,007	17,801
Carrying value at the beginning of the year	623,048	694,254
Decrease in the year	71,206	71,206
Amortised during the year	71,206	71,206
Carrying value at the end of the year	551,843	623,048

15. Amounts due to the Government and the SBV

	31/12/2020	31/12/2019
	VND million	VND million
Borrowings from the SBV		
Discounting and rediscounting valuable papers	-	-
Other borrowings	205,702	238,592
Total	205,702	238,592

16. Deposits and borrowings from other credit institutions

16.1 Deposits from other credit institutions

	31/12/2020	31/12/2019
	VND million	VND million
Demand deposits	5,632	9,112,050
- In VND	5,632	9,112,050
Term deposits	25,382,840	12,162,542
- In VND	20,719,640	9,648,750
- In foreign currencies	4,663,200	2,513,792
Total	25,388,472	21,274,592

16.2 Borrowings from other credit institutions

	31/12/2020	31/12/2019
	VND million	VND million
In VND	16,863,643	10,148,778
In which: - Discounted and rediscounted valuable papers	15,381,328	9,517,962
- Mortgages and pledges	290,000	290,000
In foreign currencies	264,558	46,281
Total	17,128,201	10,195,059
Total deposits and borrowings from other credit institutions	42,516,673	31,469,651

17. Deposits from customers

	31/12/2020	31/12/2019
	VND million	VND million
Demand deposits	11,094,480	9,774,501
- Demand deposits in VND	9,631,981	8,594,430
- Demand deposits in foreign currencies	1,462,499	1,180,071
Term deposits	101,535,148	83,812,747
- Term deposits in VND	100,005,510	81,412,651
- Term deposits in foreign currencies	1,529,638	2,400,096
Deposits for special purpose	359,074	1,918,520
Margin deposits	287,895	221,550
Total	113,276,597	95,727,318

18. Valuable papers issued

	31/12/2020	31/12/2019
	VND million	VND million
Term bonds	2,816,000	12,516,000
- Under 5 years	950,000	7,550,000
- 5 years and above	1,866,000	4,966,000
Certificates of deposits	4,248,740	3,163,180
Total	7,064,740	15,679,180

19. Other liabilities

	31/12/2020	31/12/2019
	VND million	VND million
Internal payables	8,799	13,126
External payables	3,449,752	3,332,797
Bonus and welfare funds	13,627	10,762
Total	3,472,178	3,356,685

20. Owners' equity

Changes in owner's equity of the Bank in 2020 are 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		138,275	93,715	1,324,852	10,925,842
Increase in the period	2,718,442	-	149,413	74,707	1,374,191	4,316,753
Increase in share capital from issuing stocks to pay dividend	1,311,660	-	-	-	-	1,311,660
Profit for the year	-	-	-	-	1,374,191	1,374,191
Increase capital from retained earnings	1,406,782	-	-	-	-	1,406,782
Appropriation to funds	-	-	149,413	74,707	-	224,120
Decrease during the period	-	-	-	-	1,572,217	1,572,217
Appropriation to funds	-	-	-	-	246,421	246,421
Stock dividends paid to shareholders	-	-	-	-	1,311,660	1,311,660
Other decreases	-	-	-	-	14,136	14,136
Closing balance	12,087,442	-	287,688	168,422	1,126,826	13,670,378

Share capital

	31/12/2020		31/12/2019	
	Number (shares)	VND million	Number (shares)	VND million
Number of issued shares				
Common share	1,208,744,208	12,087,442	936,900,000	9,369,000
Number of outstanding shares				
Common share	1,208,744,208	12,087,442	936,900,000	9,369,000

21. Interest and similar income

	Current year VND million	Prior year VND million
Interest income from deposits	129,953	129,873
Interest income from loans	8,940,567	8,439,055
Income from investments in securities	1,484,305	1,523,898
Income from guarantee services	45,630	37,571
Other income from credit activities	95,325	77,810
Total	10,695,780	10,208,207

22. Interest and similar expenses

	Current year VND million	Prior year VND million
Interest expenses for deposits	6,478,058	5,807,484
Interest expenses for borrowings	113,501	492,120
Interest expenses for valuable papers issued	965,548	940,210
Interest expenses for other credit activities	76,957	73,824
Total	7,634,064	7,313,638

23. Net gain from securities held-for-trading

	Current year VND million	Prior year VND million
Gain from securities held-for-trading	198,846	210,998
Loss from securities held-for-trading	(67,993)	(75,635)
Reversal of allowance for securities held-for-trading	35,921	35,761
Net gain from securities held-for-trading	166,774	171,124

24. Net gain from investment securities

	Current year	Prior year
	VND million	VND million
Gain from investment securities	255,836	270,558
Loss from investment securities	(77,272)	(15,174)
Allowance made for investment securities	(6,893)	(20,382)
Net gain from investment securities	171,671	235,002

25. Income from capital contribution, share purchase

	Current year	Prior year
	VND million	VND million
Dividends received from capital contribution, share purchase	4,706	9,454
Gain / (loss) from liquidation of long-term investments	(400)	21,171
Total	4,306	30,625

26. Operating expenses

	Current year	Prior year
	VND million	VND million
Tax, duties and fees	24,061	28,474
Staff costs	1,177,906	1,034,889
<i>In which:</i>		
- <i>Salary and allowances</i>	1,096,557	963,069
- <i>Salary based contribution</i>	55,773	49,233
- <i>Allowances</i>	293	2,218
- <i>Other staff expenses</i>	25,283	20,369
Expenses on assets	353,709	340,504
- <i>Depreciation and amortisation of fixed assets</i>	67,355	58,167
- <i>Others</i>	286,354	282,337
Administrative expenses	327,220	301,885
- <i>Per diems</i>	16,350	24,387
- <i>Printing materials and papers</i>	44,503	45,292
- <i>Postage and telephone expenses</i>	33,325	23,795
- <i>Others</i>	233,042	208,411
Insurance fee for customers' deposits	107,923	92,653
Amortisation of goodwill	71,206	71,206
Other expenses	115,350	118,739
Total	2,177,375	1,988,350

27. Basic earnings per share

	Current year VND million	Prior year VND million
Earnings to calculate basic earnings per share (million VND)	1,360,465	1,098,452
Estimation of appropriation to bonus and welfare fund (million VND)	(15,000)	(22,260)
Weighted average number of ordinary sharesto calculate basic earnings per share (shares)	996,126,153	813,012,603
Basic earnings per share (VND)	1,351	1,324

28. Cash and cash equivalents

	31/12/2020 VND million	31/12/2019 VND million
Cash, gold and gemstones	1,012,228	1,290,009
Deposits at the State Bank of Vietnam	3,374,359	3,231,833
Current accounts at other credit institutions	730,090	9,673,097
Deposits at other credit institutions with term of less than 3 months	24,911,089	14,462,159
Total	30,027,766	28,657,098

29. Tình hình thực hiện nghĩa vụ với ngân sách Nhà nước

Chỉ tiêu	01/01/2020 (Triệu VND)	Phát sinh trong năm		31/12/2020 (Triệu VND)
		Số phải nộp (Triệu VND)	Số đã nộp (Triệu VND)	
Thuế giá trị gia tăng	3,506	37,235	36,818	3,923
Thuế thu nhập doanh nghiệp	169,414	368,471	361,787	176,098
Thuế thu nhập cá nhân	5,710	93,632	93,350	5,992
Các loại thuế khác	-	20,541	20,541	-
Tổng	178,630	519,879	512,496	186,013

30. Concentration of assets, liabilities and off-balance sheet commitments by geographical segment

	Total loans	Total deposits, borrowings	Contingent credit commitments	Derivatives	Trading and investment securities
	VND million	VND million	VND million	VND million	VND million
Domestic	108,563,097	138,655,944	3,225,587	144,604	34,926,421
Overseas	406,139	9,125			
	108,969,236	138,665,069	3,225,587	144,604	34,926,421

31. SEGMENT REPORTING

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

31.1 The primary business segment reporting

The Bank mainly operates in banking business with the following principal activities, products and services :

- Mobilizing deposits;
- Providing credit;
- Wire transfer, settlement services; and
- Other banking operations

The Bank's management identifies that banking operation is the only primary business segment, and the Bank's risks and returns are predominantly affected by this segment. Therefore, the presentation of business segment is not required.

31.2 The secondary geographical segment reporting

The Bank mainly operates within the boundary of Vietnam so its risks and returns are not predominantly affected by the operation in different geographical areas. Therefore, the Bank's management identifies that there is only one geographical segment and its presentation is not required.

VI. 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 December 31, 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	1,012,228	-	-	-	-	-	-	-	1,012,228
Balances with the SBV	-	-	3,374,359	-	-	-	-	-	3,374,359
Balances with and loans to other credit institutions	-	-	23,152,679	2,588,500	-	-	-	-	25,741,179
Securities held-for-trading	-	-	2,705,920	-	-	-	-	-	2,705,920
Derivatives and other financial assets	144,604	-	-	-	-	-	-	-	144,604
Loans and advances to customers	-	2,135,684	32,177,709	21,403,796	40,933,577	12,152,628	57,772	8,070	108,869,236
Investment securities	-	-	3,084,482	3,408,741	9,152,124	14,670,986	1,584,804	319,364	32,220,501
Long-term investments	131,666	-	-	-	-	-	-	-	131,666
Fixed assets and investment property	1,103,421	-	-	-	-	-	-	-	1,103,421
Other assets	6,128,183	-	-	-	-	-	-	-	6,128,183
Total assets	8,520,102	2,135,684	64,495,149	27,401,037	50,085,701	26,823,614	1,642,576	327,434	181,431,297
Liabilities									
Amounts due to the Government and the SBV	-	-	25,240	60,968	68,086	51,409	-	-	205,702
Deposits and borrowings from other credit institutions	-	-	39,779,179	2,457,464	280,030	-	-	-	42,516,673
Deposits from customers	-	-	32,262,653	18,678,351	25,143,734	23,314,878	13,876,982	0	113,276,597
Other borrowed and entrusted funds	1,020	-	-	-	-	-	-	-	1,020
Valuable papers issued	-	-	104,610	457,490	1,683,130	2,312,090	1,541,420	966,000	7,064,740
Other liabilities	3,472,178	-	-	-	-	-	-	-	3,472,178
Total liabilities	3,473,198	-	72,171,681	21,654,273	27,174,980	25,678,376	15,418,402	966,000	166,536,910
Interest sensitivity gap	5,046,904	2,135,684	(7,676,532)	5,746,764	22,910,721	1,145,238	(13,775,826)	(638,566)	14,894,387

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 31 December 2020:



As of December 31, 2020	In VND million equivalent			Total (VND million)
	EUR	USD	Other currencies	
Assets				
Cash, gold and gemstones	97,259	86,182	107,866	291,307
Balances with the SBV	-	1,287,045	-	1,287,045
Balances with and loans to other credit institutions	271,710	3,298,459	56,203	3,626,371
Loans and advances to customers	1,996	2,429,101	-	2,431,097
Other assets	824	289,499	-	290,323
Total assets	371,789	7,390,287	164,068	7,926,144
Liabilities				
Deposits and borrowings from other credit institutions	-	4,927,766	-	4,927,766
Deposits from customers	310,302	2,996,152	41,662	3,348,117
Derivative financial instruments and other financial liabilities	71,293	2,016,857	130,125	2,218,275
Other liabilities	1,138	55,072	-	56,210
Total liabilities	382,733	9,995,847	171,787	10,550,367
FX position on-balance sheet	(10,944)	(2,605,561)	(7,719)	(2,624,223)

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 31 December 2020

3200
NGÂN
HƯNG
ĐÔNG
BANK

As of December 31, 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	-	-	1,012,228	-	-	-	-	1,012,228
Balances with the SBV	-	-	3,374,359	-	-	-	-	3,374,359
Balances with and loans to other credit institutions	-	-	23,152,679	2,588,500	-	-	-	25,741,179
Securities held-for-trading	-	-	2,705,920	-	-	-	-	2,705,920
Derivatives and other financial assets	-	-	-	121,495	61,963	-	-	183,458
Loans and advances to customers	2,020,962	114,722	4,202,222	5,100,583	51,829,478	22,797,120	22,804,149	108,869,236
Investment securities	-	-	20,760,908	650,000	2,822,629	6,577,611	1,409,353	32,220,501
Long-term investments	-	-	-	-	-	-	131,666	131,666
Fixed assets and investment property	-	-	-	-	-	-	1,103,421	1,103,421
Other assets	-	-	375,980	1,489,039	1,509,583	2,753,581	-	6,128,183
Total assets	2,020,962	114,722	55,584,296	9,949,616	56,223,653	32,128,312	25,448,589	181,470,150
Liabilities								
Amounts due to the Government and the SBV	-	-	25,240	60,968	119,495	-	-	205,702
Deposits and borrowings from other credit institutions	-	-	39,779,179	2,457,464	280,030	-	-	42,516,673
Deposits from customers	-	-	32,262,653	18,678,351	48,458,611	13,876,982	-	113,276,597
Derivative financial instruments and other financial liabilities	-	-	38,324	-	-	530	-	38,854
Other borrowed and entrusted funds	-	-	-	-	-	1,020	-	1,020
Valuable papers issued	-	-	104,610	457,490	3,995,220	1,541,420	966,000	7,064,740
Other liabilities	-	-	872,941	693,975	1,529,781	375,481	-	3,472,178
Total liabilities	-	-	73,082,947	22,348,248	54,383,137	15,795,433	966,000	166,575,764
Net liquidity gap	2,020,962	114,722	(17,498,650)	(12,398,631)	1,840,515	16,332,879	24,482,589	14,894,386

Approve the consolidated financial statements

The financial statements are approved by the Board of Management on January 20, 2021.

Ha Noi, 20 January 2021

Preparer



Nghiem Thi Thu Nga

Chief Accountant



Nguyen Thi Hoai Phuong

Deputy General Director



Nguyen Thi Thu Huong



