



**Southeast Asia Commercial Joint Stock Bank**

Consolidated Financial Statements  
for the year ended 31 December 2021



## Southeast Asia Commercial Joint Stock Bank

### Corporate Information

|  |   |  |
|--|---|--|
| <b>Banking Operation Licence No.</b>         | 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 2078/QĐ-NHNN dated 24 December 2021 of the State Bank of Vietnam. |  |
| <b>Business Registration Certificate No.</b> | 0200253985  | 14 January 2005  |
|  | The Business Registration Certificate has been amended several times, the most recent of which is the 33 <sup>rd</sup> amendment dated 5 January 2022 issued by Hanoi Department of Planning and Investment.  |  |
| <b>Board of Directors</b>                    | Mr. Le Van Tan<br>Ms. Nguyen Thi Nga<br>Ms. Le Thu Thuy<br>Ms. Khuc Thi Quynh Lam<br>Mr. Hoang Minh Tan<br>Mr. Bui Trung Kien<br>Ms. Ngo Thi Nhai<br>Mr. Faussier Loic Michel Marc  | Chairman<br>Standing Vice Chairwoman<br>Vice Chairwoman<br>Vice Chairwoman<br>Member<br>Member<br>Independent Member<br>Independent Member<br><i>(from 23 April 2021)</i>  |
| <b>Board of Management</b>                   | Ms. Le Thu Thuy<br>Mr. Le Quoc Long<br>Ms. Nguyen Thi Thu Huong<br>Mr. Nguyen Tuan Cuong<br>Mr. Vu Dinh Khoan<br>Mr. Nguyen Ngoc Quynh<br>Ms. Tran Thi Thanh Thuy<br>Mr. Hoang Manh Phu<br>Ms. Dang Thu Trang<br>Mr. Vo Long Nhi  | General Director<br>Standing Deputy General Director<br>Deputy General Director<br>Deputy General Director<br>Deputy General Director<br>Deputy General Director<br>Deputy General Director<br>Deputy General Director<br>Deputy General Director<br>Deputy General Director<br><i>(from 16 November 2021)</i> |
| <b>Legal Representative</b>                  | Mr. Le Van Tan  | Chairman of Board of Directors   |
| <b>Registered office</b>                     | No. 198, Tran Quang Khai, Ly Thai To Ward<br>Hoan Kiem District, Hanoi, Vietnam   |  |
| <b>Auditors</b>                              | KPMG Limited<br>Vietnam   |  |

## **Southeast Asia Commercial Joint Stock Bank Statement of the Board of Management**

The Board of Management of Southeast Asia Commercial Joint Stock Bank presents this statement and the accompanying consolidated financial statements of the Bank and its subsidiaries (collectively referred to as "SeABank") for the year ended 31 December 2021.

The Board of Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements 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. In the opinion of the Board of Management:

- (a) the consolidated financial statements set out on pages 5 to 78 give a true and fair view of the consolidated financial position of SeABank as at 31 December 2021 and their consolidated results of operations and their consolidated cash flows for the year then ended 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; and
- (b) at the date of this statement, there are no reasons for the Board of Management to believe that the Bank or its subsidiaries will not be able to pay their debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised the accompanying consolidated financial statements for issue.

On behalf of the Board of Management



Nguyen Thi Thu Huong  
*Deputy General Director*

Hanoi, 15 March 2021



KPMG Limited  
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South Tu Liem District, Hanoi, Vietnam  
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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders Southeast Asia Commercial Joint Stock Bank**

We have audited the accompanying consolidated financial statements of Southeast Asia Commercial Joint Stock Bank ("the Bank") and its subsidiaries (collectively referred to as "SeABank"), which comprise the consolidated balance sheet as at 31 December 2021, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Management on 15 March 2022, as set out on pages 5 to 78.

### **Management's Responsibility**

The Bank's Board of Management is responsible for the preparation and fair presentation of these consolidated financial statements 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, and for such internal control as the Bank's Board of Management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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





### Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Southeast Asia Commercial Joint Stock Bank and its subsidiaries as at 31 December 2021 and of their consolidated results of operations and consolidated cash flows for the year then ended 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.

**KPMG Limited**

Vietnam

Audit Report No. 21-02-00142-22-2



Wang Toon Kim  
Practicing Auditor Registration  
Certificate No. 0557-2018-007-1  
*Deputy General Director*

Hanoi, 15 March 2022

Tran Dinh Vinh  
Practicing Auditor Registration  
Certificate No. 0339-2018-007-1

|   | Note      | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|---|-----------|---------------------------|---------------------------|
| <b>A ASSETS</b>   |           |                           |                           |
| <b>I Cash and gold on hand</b>  | <b>4</b>  | <b>1,076,028</b>          | <b>1,012,228</b>          |
| <b>II Balances with the State Bank of Vietnam ("SBV")</b>               | <b>5</b>  | <b>4,799,360</b>          | <b>3,374,359</b>          |
| <b>III Deposits with and loans to other credit institutions ("CIs")</b> | <b>6</b>  | <b>42,590,477</b>         | <b>25,741,179</b>         |
| 1 Deposits with other CIs   |           | 35,233,492                | 25,641,179                |
| 2 Loans to other CIs  |           | 7,356,985                 | 100,000                   |
| <b>IV Held-for-trading securities</b>                                   | <b>7</b>  | <b>13,082,630</b>         | <b>2,693,849</b>          |
| 1 Held-for-trading securities   |           | 13,094,009                | 2,705,920                 |
| 2 Allowance for held-for-trading securities                             |           | (11,379)                  | (12,071)                  |
| <b>V Derivatives and other financial assets</b>                         | <b>19</b> | <b>-</b>                  | <b>144,604</b>            |
| <b>VI Loans and advances to customers</b>                               |           | <b>125,806,542</b>        | <b>107,760,914</b>        |
| 1 Loans and advances to customers                                       | 8         | 127,588,159               | 108,869,236               |
| 2 Allowance for loans and advances to customers                         | 9         | (1,781,617)               | (1,108,322)               |
| <b>VIII Investment securities</b>                                       |           | <b>16,819,782</b>         | <b>32,180,304</b>         |
| 1 Available-for-sale investment securities                              | 10(a)     | 16,199,886                | 31,901,137                |
| 2 Held-to-maturity investment securities                                | 10(b)     | 663,222                   | 319,364                   |
| 3 Allowance for investment securities                                   | 11        | (43,326)                  | (40,197)                  |
| <b>IX Capital contribution, long-term investments</b>                   | <b>12</b> | <b>85,091</b>             | <b>102,912</b>            |
| 4 Other long-term investments   |           | 86,534                    | 131,666                   |
| 5 Allowance for diminution in value of long-term investments            |           | (1,443)                   | (28,754)                  |
| <b>X Fixed assets</b>   |           | <b>882,503</b>            | <b>862,487</b>            |
| 1 Tangible fixed assets   | 13        | 286,268                   | 283,496                   |
| a Cost  |           | 678,972                   | 739,271                   |
| b Accumulated depreciation  |           | (392,704)                 | (455,775)                 |
| 3 Intangible fixed assets   | 14        | 596,235                   | 578,991                   |
| a Cost  |           | 760,635                   | 741,512                   |
| b Accumulated amortisation  |           | (164,400)                 | (162,521)                 |
| <b>XI Investment property</b>   | <b>15</b> | <b>65,564</b>             | <b>240,934</b>            |
| a Cost  |           | 70,809                    | 249,060                   |
| b Accumulated depreciation  |           | (5,245)                   | (8,126)                   |
| <b>XII Other assets</b>   | <b>16</b> | <b>6,455,538</b>          | <b>6,093,518</b>          |
| 1 Receivables   |           | 1,991,841                 | 1,282,827                 |
| 2 Accrued interest and fees receivable                                  |           | 1,679,591                 | 2,598,213                 |
| 4 Other assets  |           | 2,825,200                 | 2,247,143                 |
| In which : Goodwill   |           | 480,637                   | 551,843                   |
| 5 Allowance for losses other assets                                     |           | (41,094)                  | (34,665)                  |
| <b>TOTAL ASSETS</b>   |           | <b>211,663,515</b>        | <b>180,207,288</b>        |

The accompanying notes are an integral part of these consolidated financial statements

|             |  | Note      | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|-------------|--|-----------|---------------------------|---------------------------|
| <b>B</b>    | <b>LIABILITIES AND OWNERS' EQUITY</b>              |           |                           |                           |
|             | <b>LIABILITIES</b>                                 |           |                           |                           |
| <b>I</b>    | <b>Amounts due to the Government and the SBV</b>   | <b>17</b> | <b>2,172,763</b>          | <b>205,702</b>            |
| <b>II</b>   | <b>Deposits and borrowings from other CIs</b>      | <b>18</b> | <b>58,365,998</b>         | <b>42,516,673</b>         |
| 1           | Deposits from other CIs                            |           | 35,552,732                | 25,388,472                |
| 2           | Borrowings from other CIs                          |           | 22,813,266                | 17,128,201                |
| <b>III</b>  | <b>Deposits from customers</b>                     | <b>19</b> | <b>109,784,637</b>        | <b>113,276,597</b>        |
| <b>IV</b>   | <b>Derivatives and other financial liabilities</b> | <b>20</b> | <b>47,804</b>             | <b>-</b>                  |
| <b>V</b>    | <b>Grants and entrusted funds received</b>         |           | <b>1,020</b>              | <b>1,020</b>              |
| <b>VI</b>   | <b>Valuable papers issued</b>                      | <b>21</b> | <b>19,053,200</b>         | <b>7,064,740</b>          |
| <b>VII</b>  | <b>Other liabilities</b>                           | <b>22</b> | <b>3,574,829</b>          | <b>3,472,178</b>          |
| 1           | Accrued interest and fees payable                  |           | 2,947,979                 | 3,065,150                 |
| 3           | Other liabilities                                  |           | 626,850                   | 407,028                   |
|             | <b>TOTAL LIABILITIES</b>                           |           | <b>193,000,251</b>        | <b>166,536,910</b>        |
|             | <b>OWNERS' EQUITY</b>                              |           |                           |                           |
| <b>VIII</b> | <b>Capital and reserves</b>                        | <b>23</b> | <b>18,663,264</b>         | <b>13,670,378</b>         |
| 1           | Capital  |           | 15,595,507                | 12,087,442                |
| a           | Charter capital                                    |           | 14,784,884                | 12,087,442                |
| c           | Share premium                                      |           | 810,623                   | -                         |
| 2           | Reserves   |           | 855,641                   | 456,110                   |
| 3           | Foreign exchange differences                       |           | -                         | -                         |
| 5           | Retained earnings                                  |           | 2,212,116                 | 1,126,826                 |
|             | <b>TOTAL OWNERS' EQUITY</b>                        |           | <b>18,663,264</b>         | <b>13,670,378</b>         |
|             | <b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>        |           | <b>211,663,515</b>        | <b>180,207,288</b>        |

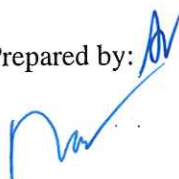
The accompanying notes are an integral part of these consolidated financial statements



|   | Note      | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|---|-----------|---------------------------|---------------------------|
| <b>OFF-BALANCE SHEET ITEMS</b>                        |           |                           |                           |
| <b>I CONTINGENT LIABILITIES AND OTHER COMMITMENTS</b> | <b>35</b> |                           |                           |
| 1 Loan guarantees                                     |           | -                         | -                         |
| 2 Foreign exchange commitments                        |           |                           |                           |
| Foreign currency purchase commitments                 |           | 1,430,311                 | 541,303                   |
| Foreign currency sale commitments                     |           | 625,751                   | 447,726                   |
| Currency swaps - Purchase commitments                 |           | 47,849,800                | 30,139,120                |
| Currency swaps - Sale commitments                     |           | 44,526,580                | 23,652,400                |
| 3 Letters of credit                                   |           | 1,782,559                 | 657,643                   |
| 4 Other guarantees                                    |           | 4,228,007                 | 2,567,945                 |
| 6 Interest rate swaps                                 |           | 8,089,470                 | 9,805,803                 |

15 March 2022

Prepared by:



Nghiem Thi Thu Nga  
Preparer

Approved by:



Nguyen Thi Hoai Phuong  
Chief Accountant

Approved by:



Nguyen Thi Thu Huong  
Deputy General Director



|  | Note      | 2021<br>VND million | 2020<br>VND million |
|--|-----------|---------------------|---------------------|
| 1 Interest and similar income  | 26        | 11,804,488          | 10,695,780          |
| 2 Interest and similar expenses  | 27        | (6,618,395)         | (7,634,064)         |
| <b>I Net interest income</b>   |           | <b>5,186,093</b>    | <b>3,061,716</b>    |
| 3 Fee and commission income  |           | 1,519,119           | 522,679             |
| 4 Fee and commission expenses  |           | (373,232)           | (166,481)           |
| <b>II Net fee and commission income</b>                                    | <b>28</b> | <b>1,145,887</b>    | <b>356,198</b>      |
| <b>III Net gain from trading of foreign currencies</b>                     | <b>29</b> | <b>148,886</b>      | <b>74,729</b>       |
| <b>IV Net gain from trading securities</b>                                 | <b>30</b> | <b>58,462</b>       | <b>166,774</b>      |
| <b>V Net gain from sales of investment securities</b>                      | <b>31</b> | <b>306,197</b>      | <b>171,671</b>      |
| 5 Other income   |           | 437,554             | 1,152,398           |
| 6 Other expenses   |           | (257,040)           | (404,105)           |
| <b>VI Net other income</b>   | <b>32</b> | <b>180,514</b>      | <b>748,293</b>      |
| <b>VII Gains from capital contribution, shares purchase</b>                | <b>33</b> | <b>9,751</b>        | <b>4,306</b>        |
| <b>VIII Operating expenses</b>   | <b>34</b> | <b>(2,529,414)</b>  | <b>(2,177,375)</b>  |
| <b>IX Net operating profit before allowance expenses for credit losses</b> |           | <b>4,506,376</b>    | <b>2,406,312</b>    |
| <b>X Allowance expenses for credit losses</b>                              |           | <b>(1,237,838)</b>  | <b>(677,376)</b>    |
| <b>XI Profit before tax</b>  |           | <b>3,268,538</b>    | <b>1,728,936</b>    |
| 7 Corporate income tax expenses - current                                  |           | (662,020)           | (368,471)           |
| <b>XII Income tax expense</b>  | <b>36</b> | <b>(662,020)</b>    | <b>(368,471)</b>    |
| <b>XIII Profit after tax</b>   |           | <b>2,606,518</b>    | <b>1,360,465</b>    |
| <b>XV Basic earnings per share (VND/share) (restated)</b>                  | <b>37</b> | <b>1,706</b>        | <b>973</b>          |

15 March 2022

Prepared by:



Nghiem Thi Thu Nga  
Preparer

Approved by:



Nguyen Thi Hoai Phuong  
Chief Accountant

Approved by:



Nguyen Thi Thu Huong  
Deputy General Director

The accompanying notes are an integral part of these consolidated financial statements

|  | 2021<br>VND million | 2020<br>VND million |
|--|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                     |                     |
| 01 Interest and similar income received  | 12,723,110          | 11,477,843          |
| 02 Interest and similar expenses paid  | (6,735,566)         | (7,588,326)         |
| 03 Net fees and commission income received   | 1,145,264           | 355,953             |
| 04 Net receipts from trading activities<br>(foreign currencies, gold and securities)               | 515,983             | 384,546             |
| 05 Other income  | 107,111             | 722,095             |
| 06 Collection of bad debts previously written off  | 102,746             | 43,904              |
| 07 Payments for salary and operating expenses  | (2,474,267)         | (2,099,735)         |
| 08 Corporate income tax paid during the year   | (566,024)           | (361,787)           |
| <b>Cash flows from operating activities before changes in<br/>operating assets and liabilities</b> | <b>4,818,357</b>    | <b>2,934,493</b>    |
| <b>Changes in operating assets</b>   |                     |                     |
| 09 (Increase)/decrease in balances with and loans to other CIs                                     | (7,256,985)         | 1,164,679           |
| 10 Decrease/(increase) in securities held-for-trading  | 4,969,304           | (12,929,439)        |
| 11 Decrease/(increase) in derivatives and other financial<br>assets                                | 192,408             | (111,187)           |
| 12 Increase in loans and advances to customers   | (18,718,923)        | (10,255,397)        |
| 13 Utilisation of allowance  | (564,542)           | (698,532)           |
| 14 (Increase)/decrease in other operating assets   | (1,306,331)         | 3,335               |
| <b>Changes in operating liabilities</b>  |                     |                     |
| 15 Increase/(decrease) in amounts due to the Government and<br>the SBV                             | 1,967,061           | (32,890)            |
| 16 Increase in deposits and borrowings from other CIs  | 15,849,325          | 11,047,022          |
| 17 (Decrease)/increase in deposits from customers  | (3,491,960)         | 17,549,279          |
| 18 Increase/(decrease) in valuable papers issued   | 11,988,460          | (8,614,440)         |
| 20 Increase in other operating liabilities   | 123,831             | 63,071              |
| <b>I NET CASH FLOWS FROM OPERATING<br/>ACTIVITIES</b>  | <b>8,570,005</b>    | <b>119,994</b>      |

*The accompanying notes are an integral part of these consolidated financial statements*

|   | 2021<br>VND million | 2020<br>VND million |
|---|---------------------|---------------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                           |                     |                     |
| 01 Purchases of fixed assets  | (114,013)           | (177,467)           |
| 02 Proceeds from disposals of fixed assets                            | -                   | 491                 |
| 04 Purchases of investment property                                   | (7,139)             | (4,864)             |
| 05 Proceeds from sales, disposals of investment property              | 182,023             | 4,344               |
| 08 Collections on investments in other entities                       | 40,905              | 17,082              |
| 09 Receipt of dividends and profit from long-term investments         | 3,710               | 4,306               |
| <b>II NET CASH FLOWS FROM INVESTING ACTIVITIES</b>                    | <b>105,486</b>      | <b>(156,108)</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                           |                     |                     |
| 01 Proceeds from issuing shares                                       | 2,405,623           | 1,406,782           |
| <b>III NET CASH FLOWS FROM FINANCING ACTIVITIES</b>                   | <b>2,405,623</b>    | <b>1,406,782</b>    |
| <b>IV NET CASH FLOWS DURING THE YEAR</b>                              | <b>11,081,114</b>   | <b>1,370,668</b>    |
| <b>V CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>       | <b>30,027,766</b>   | <b>28,657,098</b>   |
| <b>VII CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 38)</b> | <b>41,108,880</b>   | <b>30,027,766</b>   |

15 March 2022

Prepared by:



Nghiem Thi Thu Nga  
Preparer

Approved by:



Nguyen Thi Hoai Phuong  
Chief Accountant

Approved by:



Nguyen Thi Thu Huong  
Deputy General Director

The accompanying notes are an integral part of these consolidated financial statements



These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

## **1. Reporting entity**

### **(a) 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 and cash services and other banking services as approved by SBV; making capital contributions, purchasing shares, investment in bonds and trading foreign currencies in accordance with the law.

### **(b) Charter capital**

As at 31 December 2021, the Bank’s charter capital was VND14,784,884 million (31/12/2020: VND12,087,442 million). The Bank issued 1,478,488,369 ordinary shares (31/12/2020: 1,208,744,208 ordinary shares), with the par value of VND10,000 per share.

### **(c) Location and network**

The Bank’s Head Office is located at No. 198, Tran Quang Khai, Ly Thai To Ward, Hoan Kiem District, Hanoi, Vietnam. As at 31 December 2021, 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 (2) subsidiaries (31/12/2020: 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 (2) subsidiaries).

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

| <b>Company name</b>                                | <b>Operation License No.</b>   | <b>Business sector</b>    | <b>% owned by the Bank</b> |
|--|--|---------------------------|----------------------------|
| SeABank Asset Management Company Limited           | 0103099985 dated 16 December 2008 issued by Hanoi Planning and Investment Department and the most recent amendment on 24 October 2018.         | Debt and asset management | 100%                       |
| Post and Telecommunication Finance Company Limited | 96/GP-NHNN dated 28 September 2018 and amended under Decision 2284/QD-NHNN dated 31 December 2020 of the Governor of the State Bank of Vietnam | Consumer finance          | 100%                       |



**(d) Total number of employees**

As at 31 December 2021, SeABank had 4,972 employees (31/12/2020: 4,803 employees).

**2. Basis of preparation**

**(a) Statement of compliance**

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. These standards and statutory requirements may differ in some material respects from International Financial Reporting Standards and the generally accepted accounting principles and standards of other countries. Accordingly, the accompanying consolidated financial statements are not intended to present SeABank's consolidated financial position, consolidated results of operations and consolidated cash flows in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. Furthermore, the utilisation is not designed for those who are not informed about Vietnam's accounting principles, procedures and practices applicable to credit institutions.

**(b) Basis of measurement**

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

**(c) Accounting period**

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

**(d) Accounting currency**

SeABank'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").

**(e) Changes in accounting policies**

Since 1 October 2021, SeABank has prospectively adopted regulations of Circular 11/2021/TT-NHNN dated 30 July 2021 ("Circular 11") of the SBV the classification of assets, credit loss allowance level, allowance calculation method and utilisation of allowance in operations of credit institutions and branches of foreign banks. Circular 11 replaces Circular No. 02/2013/TT-NHNN dated 21 January 2013 issued by the SBV regulating the classification of assets, credit loss allowance level, allowance calculation method and utilisation of allowance in operations of credit institutions and branches of foreign banks ("Circular 02") and Circular No. 09/2014/TT-NHNN dated 18 March 2014 issued by the SBV amending and supplementing certain articles of Circular 02.

The significant changes in accounting policy due to the prospective adoption of Circular 11 and impacts on the consolidated financial statement of SeABank, if any, are presented in Note 3(h) of the consolidated financial statements.

### 3. Summary of significant accounting policies

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

#### (a) Basis of consolidation

##### (i) 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.

##### (ii) 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.

##### (iii) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Bank. Control exists when the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

##### (iv) 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 SeABank'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.



**(b) 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 the average buying and selling spot exchange rate of that currency (gold is converted at the average selling and buying rate) of SeABank at the end of the last working day of the annual accounting period if the difference between this rate and the weighted average of the buying and selling exchange rates of the last working day of the annual accounting period is less than 1% (refer to Note 45(b) for details of foreign exchange rates as at 31 December 2021). If the difference between the average exchange rate for spot selling and buying at the end of the last working day of the annual accounting period and the weighted average of the buying and selling exchange rates of the last working day of the annual accounting period is greater than or equal to 1%, SeABank shall use the weighted average of the buying and selling exchange rate of the last working day of the annual 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 annual accounting period are recognised in the consolidated statement of income.

**(c) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, gold on hand, balances with SBV, Government treasury bills and other short-term valuable papers which are eligible for rediscount with SBV, balances with other CIs without a term and with original terms to maturity of not exceeding three months and securities with recovery or maturity period not exceeding three months from the acquisition date.

**(d) Deposits with and loans to other credit institutions**

Deposits with other CIs, except for current deposits, are deposits at other CIs with original terms of not exceeding three months. Loans to other CIs are loans with original terms to maturity of not exceeding one year.

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

Credit risk classification of deposits with and loans to other CIs and allowance thereof is made in accordance with Circular 11. Accordingly, SeABank has provided specific allowance for balances with and loans to other CIs in accordance with the method described in Note 3(h).

According to Circular 11, SeABank is not required to make general allowance for deposits with and loans to other CIs.

**(e) Securities held-for-trading and investment securities**

**(i) Classification**

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

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 SeABank has the positive intention and ability to hold until maturity.

SeABank 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, SeABank is allowed to reclassify investment securities for a maximum of one time after initial recognition at the date of acquisition.

**(ii) Recognition**

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

**(iii) Measurement**

***Debt securities***

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

For debt investment securities, SeABank initially records at cost including transaction costs and other directly attributable costs. They are subsequently recognised at amortised cost (affected by premium/discount amortisation) less allowance for risks of investment securities, 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 statement of income on a straight-line basis over the period from acquisition date to maturity date.

Allowance for diminution in value of investment securities is determined based on actual market prices. For Government bonds, municipal bonds, 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 annual accounting period. If there is no transaction within 10 days to the end of the annual accounting period, SeABank will not make additional allowance or reverse 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, SeABank provides allowance for credit risk of such securities in accordance with the provisions of the Circular as described in Note 3(h).



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 would have 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 statement of income upon receipt.

#### *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 measured at the lower of book value and the actual market price with the allowance expenses recognised in the consolidated statement of income.

For listed equity securities, the actual market price of securities is the closing bid price at the latest trading date prior to the end of the annual accounting period. If the listed securities are not traded in 30 days before making allowances or the listed securities are cancelled or suspended from trading on the date of making allowances, allowances for each investment in equity securities are determined as those for other investments specified in Note 3(f)(ii).

For securities which have been registered for trading in the market of unlisted public companies and state-owned enterprises equitized through public offering ("UpCom"), the actual market price is the average price within the last 30 transaction days prior to the end of the annual accounting period announced by the Stock Exchange. If the securities of a joint-stock company registered for trading in the Upcom are not traded in 30 days prior to the end of the annual accounting period, allowances for each investment in equity securities are determined as those for other investments specified in Note 3(f)(ii).

For unlisted, unregistered equity securities, allowances for each investment in securities held for trading are determined as those for other investments specified in Note 3(f)(ii).

If there is no information that is reliably determined to make allowances for investment Note 3(f)(ii), SeABank shall not make allowances for such investments.

#### *(iv) De-recognition*

SeABank 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.

**(f) Long-term investments**

**(i) 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.

**(ii) 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 causing diminution in value of SeABank's original investment, except when there is evidence that the investment is not impaired. 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 SeABank'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.

**(g) 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 not more than 1 year from the loan disbursement date. Medium-term loans are those with maturity term from over 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.

SeABank 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 11 as described in Note 3(h).

**(h) Debt classification and the rate and method of allowance making for credit losses**

**(i) Debt classification**

***Before 1 October 2021***

Classification of term deposits with and loans to other CIs and foreign bank branches, purchase of unlisted corporate bonds, loans and advances to customers, entrusted extension of credit, debts already sold but payments not yet collected, debts repurchased (collectively referred to as "debts") is implemented in accordance with Circular 02. Accordingly, SeABank conducts quarterly debt classification based on the outstanding principals of debts at the last working day of each quarter; for the last quarter of the annual accounting period, debt classification is based on the outstanding principal balance of debts at the last working day of the second month of the last quarter of the annual accounting period.



SeABank implements debt classification using the quantitative method as follows:

| <b>Debt group</b> |                   | <b>Overdue status</b>  |
|-------------------|-------------------|--|
| 1                 | Current           | (a) Current debts that being assessed as fully and timely recoverable, both principals and interests; or<br>(b) Debts which are overdue for a period of less than 10 days and being assessed as fully recoverable, both overdue principals and interests, and fully and timely recoverable, both remaining principals and interests.   |
| 2                 | Special mentioned | (a) Debts which are overdue for a period of between 10 days and 90 days; or<br>(b) Debts which are restructured repayment term for the first time.   |
| 3                 | Sub-standard      | (a) Debts which are overdue for a period of between 91 days and 180 days; or<br>(b) Debts which are extended repayment term for the first time and are undue; or<br>(c) Debts which are exempted or reduced interests because customers are not sufficient capability to pay all interests under credit contracts; or<br>(d) Debts 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"> <li>• Debts in breach of clauses 1, 3, 4, 5 or 6 of Article 126 of the Law on CIs;</li> <li>• Debts in breach of clauses 1, 2, 3 or 4 of Article 127 of the Law on CIs;</li> <li>• Debts in breach of clauses 1, 2 or 5 of Article 128 of the Law on Cis.</li> </ul> (e) Debts which are recovered under inspection conclusions; or<br>(f) Debts that need to be recovered under premature debt recovery decisions due to borrowers' breach of agreements, but are not yet recovered within a period of less than 30 days from the effective dates of recovery decisions. |
| 4                 | Doubtful          | (a) Debts which are overdue for a period of between 181 days and 360 days; or<br>(b) Debts which are restructured repayment term for the first time but still overdue for a period of less than 90 days under that restructured repayment term; or<br>(c) Debts which are restructured repayment term for the second time; or<br>(d) Debts which are specified in point (d) of debt Group 3 have not been recoverable for a period of between 30 days and 60 days after decisions on recovery have been issued; or<br>(e) Debts which must be recovered under inspection conclusions but fail to be repaid although recovery term was overdue from 60 days ago.<br>(f) Debts that need to be recovered under premature debt recovery decisions due to borrowers' breach of agreements, but are not yet recovered within a period of 30 to 60 days from the effective dates of recovery decisions.  |
| 5                 | Loss              | (a) Debts which are overdue for a period of more than 360 days; or<br>(b) Debts which are restructured repayment term for the first time but still overdue for a period of 90 days or more than under that first restructured repayment term; or<br>(c) Debts which are restructured repayment term for the second time but still overdue under that second restructured repayment term; or<br>(d) Debts which are restructured repayment term for the third time or more, whether debts are overdue or not; or<br>(e) Debts which are specified in point (d) of debt Group 3 have not been recoverable for a period of more than 60 days after decisions on recovery have been issued; or<br>(f) Debts which must be recovered under inspection conclusions but fail to be repaid although recovery term was overdue for more than 60 days; or<br>(g) Debts of customers being CIs which are announced by SBV to place in special control status, or foreign bank branches of which capital and assets are blockaded.   |

**From 1 October 2021**

Classification of term deposits with and loans to other CIs and foreign banks branches, purchase of unlisted corporate bonds, loans and advances to customers, entrusted extension of credit, debts already sold but not yet collected, debts repurchased, repurchase of Government bonds, purchase of treasury notes, treasury bills, certificates of deposit issued by other credit institutions or foreign banks branches (collectively referred to as "debts") is implemented in accordance with Circular 11. Accordingly, SeABank implements monthly debt classification based on outstanding principal balance of debts at the last working day of the month.

SeABank implements debt classification using the quantitative method as follows:

| <b>Debt group</b> |                   | <b>Overdue status</b>   |
|-------------------|-------------------|---|
| 1                 | Current           | (a) Current debts being assessed as fully and timely recoverable, both principal and interest; or<br>(b) Debts being overdue for less than 10 days and being assessed as fully recoverable, both overdue principal and interest, and fully and timely recoverable, both remaining principal and interest.   |
| 2                 | Special mentioned | (a) Debts being overdue between 10 days and 90 days; or<br>(b) Debts having terms of repayment rescheduled for the first time.  |
| 3                 | Sub-standard      | (a) Debts being overdue between 91 days and 180 days; or<br>(b) Debts having terms of repayment extended for the first time which is undue; or<br>(c) Debts having interest exempt or reduced because customers are not able to pay the interest according to the credit contract; or<br>(d) Debts falling in one of the following cases not yet collected within 30 days since the issuance date of recovery decision: <ul style="list-style-type: none"> <li>▪ Debts having violated regulations specified in Points 1, 3, 4, 5, 6 of Article 126 of Laws on Credit Institutions; or</li> <li>▪ Debts having violated regulations specified in Points 1, 2, 3, 4 of Article 127 of Laws on Credit Institutions; or</li> <li>▪ Debts having violated regulations specified in Points 1, 2, 5 of Article 128 of Laws on Credit Institutions.</li> </ul> (e) Debts in the collection process under inspection conclusions; or<br>(f) Debts in the collection process under decision on early debt collection when customers violate the terms of agreements but have not been collected within a period of less than 30 days from the date of the collection decision. |
| 4                 | Doubtful          | (a) Debts being overdue between 181 days and 360 days; or<br>(b) Debts having terms of repayment rescheduled for the first time and being overdue less than 90 days according to the first rescheduled terms of repayment; or<br>(c) Debts having terms of repayment rescheduled for the second time which is undue; or<br>(d) Debts specified in point (d) of Sub-standard debts not yet collected between 30 days and 60 days since the issuance date of recovery decision; or<br>(e) Debts in the collection process under inspection conclusions but being overdue up to 60 days according to recovery term; or<br>(f) Debts in the collection process under decision on early debt collection when customers violate the terms of agreements but have not been collected within a period between 30 to 60 days from the date of the collection decision.   |



| <i>Debt group</i> |      | <i>Overdue status</i>   |
|-------------------|------|---|
| 5                 | Loss | <p>(a) Debts being overdue more than 360 days; or</p> <p>(b) Debts having terms of repayment rescheduled for the first time and being overdue from 90 days and more according to the first rescheduled terms of repayment; or</p> <p>(c) Debts having terms of repayment rescheduled for the second time and being overdue according to the second reschedule terms of repayment; or</p> <p>(d) Debts having terms of repayment rescheduled for the third time or more, regardless of whether the debts are overdue or not; or</p> <p>(e) Debts specified in point (d) of Sub-standard debts not yet collected over 60 days since the issuance date of recovery decision; or</p> <p>(f) Debts in the collection process under inspection conclusions but being overdue of more than 60 days according to recovery term; or</p> <p>(g) Debts in the collection process under decision on early debt collection when customers violate the terms of agreements but have not been collected for more than 60 days from the date of the collection decision; or</p> <p>(h) Debts to credit institutions being announced under special supervision status by the SBV, or to foreign bank branches of which capital and assets are blockaded.</p> |

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

- Group 3 - Sub-standard debts: overdue below 30 days;
- Group 4 - Doubtful debts: overdue from 30 days to less than 90 days
- Group 5 - Loss debts: overdue from 90 days and above.

Where a customer owes more than one debt to the Group and has any of its debts transferred to a higher risk group, SeABank is obliged to classify the remaining debts of such customer into the group of debts with higher risk corresponding with their level of risk.

SeABank also collects debt classification results of the customers provided by the National Credit Information Center of Vietnam ("CIC") at the date of debt classification to adjust its own classification of debts. If a customer's debts are classified in a debt group that has a lower risk than the debt group provided by CIC, SeABank shall adjust its classification of the debts following the debt group provided by CIC.

#### **Debt classification for the debts with restructured debt repayment periods, exemption/reduction of interest/fees to assist borrowers affected by the Covid-19 pandemic**

##### ***Before 17 May 2021***

SeABank has applied Circular No. 01/2020/TT-NHNN issued by the SBV dated 13 March 2020 ("Circular 01") on rescheduling of debt repayment terms, waiver/reduction of interest/fees and maintaining the debt classifications in order to support customers affected by Covid-19 pandemic. Accordingly, for customers who have the obligation to repay the principals and/or interest being due during the period from 23 January 2020 until 3 months after the date the Prime Minister announces that Covid-19 pandemic is over, and for customers who are unable to repay their principals and/or interest in due time under the signed contract or loan agreement because of declines in revenue and income caused by the impacts of Covid-19 pandemic, SeABank is allowed to reschedule the repayment period for these debts while maintaining the same debt group as previously classified before 23 January 2020.

**From 17 May 2021 to 7 September 2021**

SeABank has applied Circular No. 03/2021/TT-NHNN dated 2 April 2021 ("Circular 03") issued by the SBV amending and supplementing some articles of Circular 01. Accordingly, for customers who have debts incurred before 10 June 2020 and have an obligation to repay principal and/or interest during the period from 23 January 2020 to 31 December 2021, and these customers unable to repay the principals and/or interest in due time under the signed contract or loan agreement because of declines in revenue or income caused by the impacts of Covid-19 pandemic, SeABank are allowed to restructure repayment terms, waiver/reduction of interest/fees and classified debts as follows:

| Time of debt origination             | Arising period of debt repayment obligation | Overdue status                              | Period of overdue                      | Debt classification   |
|--------------------------------------|---|---|--|---|
| Before 23/1/2020                     |   | Either current or overdue for up to 10 days | From 30/3/2020 and prior to 31/12/2021 | Maintain the same debt group as classified at the most recent time before 23 January 2020.  |
|                                      |   | Overdue                                     | From 23/1/2020 to 29/3/2020            |   |
| From 23/01/2020 to before 10/06/2020 |   | Either current or overdue for up to 10 days | From 17/5/2021 and prior to 31/12/2021 | Maintain the same debt group as classified at the most recent time before the date of the first time rescheduling of repayment terms. |
|                                      |   | Overdue                                     | From 23/1/2020 and prior to 17/5/2021  | Maintain the same debt group as classified at the most recent time before the date the debt is overdue.                               |

**From 7 September 2021**

SeABank has adopted Circular No. 14/2021/TT-NHNN dated 7 September 2021 ("Circular 14") amending and supplementing certain articles of the Circular 01. Accordingly, for customers who have debts incurred prior 1 August 2021 and have an obligation to repay principal and/or interest during the period from 23 January 2020 to 30 June 2022, and these customers are unable to repay the principals and/or interest in due time under the signed contract or loan agreement because of declines in revenue or income caused by the impacts of Covid-19 pandemic, SeABank are allowed to restructure repayment terms, waiver/reduction of interest/fees and classified debts as follows:

| Time of debt origination          | Arising period of debt repayment obligation | Overdue status                              | Period of overdue  | Debt classification   |
|-----------------------------------|---|---|--|---|
| Before 23/1/2020                  | From 23/1/2020 to 30/6/2022                 | Either current or overdue for up to 10 days | From 30/3/2020 to 30/6/2022  | Maintain the same debt group as classified at the most recent time before 23 January 2020.  |
| From 23/1/2020 to before 1/8/2021 |   | Either current or overdue for up to 10 days | From 17/05/2021 and prior to 17/7/2021 or from 7/9/2021 and prior to 30/6/2022 | Maintain the same debt group as classified at the most recent time before the date of the first time rescheduling of repayment terms. |



| Time of debt origination           | Arising period of debt repayment obligation | Overdue status | Period of overdue                     | Debt classification   |
|------------------------------------|---|----------------|---------------------------------------|---|
| Before 23/1/2020                   |   | Overdue        | From 23/1/2020 to 29/3/2020           | Maintain the same debt group as classified at the most recent time before 23 January 2020.              |
| From 23/1/2020 to before 10/6/2020 |   | Overdue        | From 23/1/2020 and prior to 17/5/2021 | Maintain the same debt group as classified at the most recent time before the date the debt is overdue. |
| From 10/6/2020 to before 1/8/2021  |   | Overdue        | From 17/7/2021 and prior to 7/9/2021  |   |

Moreover, SeABank determines and records the additional specific allowance amount required for the entire debt balance of borrowers, including the debt balances with repayment period rescheduled, interest exempted or reduced according to the debt classifications in accordance with Circular 11 (if not applying the regulations on maintaining debt group unchanged under the provisions of Circular 01, Circular 03 and Circular 14) as follows:

| Additional allowance by  | Deadline            |
|--|---------------------|
| At least 30% of the additional specific allowance amount shall be made | By 31 December 2021 |
| At least 60% of the additional specific allowance amount shall be made | By 31 December 2022 |
| 100% of the additional specific allowance amount shall be made         | By 31 December 2023 |

(ii) **Specific allowance for credit risks**

**Before 1 October 2021**

In accordance with Circular 02, specific allowance for credit risks for debts at the end of each quarter is determined based on the allowance rates corresponding to debt classification results and debt principals balance as at the end of the last working day of each quarter (for the last quarter of the annual accounting period, specific allowance for credit risks is determined based on the allowance rates corresponding to debt classification results and debt principals balance as at the end of the last working day of the second month of the last quarter of the annual accounting period) less discounted value of collateral assets.

**From 1 October 2021**

In accordance with Circular 11, specific allowance for credit risks at the end of each month is determined based on the allowance rates corresponding to debt classification results and debt principals balance as at the end of the month less discounted value of collateral assets.

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

| Group | Type of debt           | Specific allowance rate |
|-------|------------------------|-------------------------|
| 1     | Current debt           | 0%                      |
| 2     | Special mentioned debt | 5%                      |
| 3     | Sub-standard debt      | 20%                     |
| 4     | Doubtful debt          | 50%                     |
| 5     | Loss debt              | 100%                    |



The value of collateral assets are determined in accordance with Circular 11 and the following principles:

- Collateral assets with value of VND50 billion or more for debts to related parties or other parties subject to credit restriction under Article 127 of Law on Credit Institutions and collateral assets with value of VND200 billion or more must be revalued by a licensed asset valuation organisation; and
- Other than the above, collaterals are revalued in accordance with the Bank's internal policies and procedures.
- Collateral assets that do not satisfy the legal conditions as specified in Point 3, Article 12 of Circular 11 are deemed to have zero allowed value.

Maximum discount rates for collateral assets are determined as follows:

| <b>Types of collateral assets</b>  | <b>Discount rates</b> |
|--|-----------------------|
| (a) Deposits and certificates of deposits from customers in VND at the credit institutions or foreign banks' branches  | 100%                  |
| (b) Government bonds, gold bars, certificates of deposits from customers in foreign currencies at the credit institutions or foreign banks' branches   | 95%                   |
| (c) Municipal bonds, government-guaranteed bonds; transferable instruments, valuable papers issued by the credit institution; deposits, certificates of deposit, bills and notes issued by other credit institutions or foreign bank branches: |                       |
| ▪ With a remaining term of below 1 year  | 95%                   |
| ▪ With a remaining term of between 1 year to 5 years   | 85%                   |
| ▪ With a remaining term of over 5 years  | 80%                   |
| (d) Securities issued by other credit institutions and listed on a stock exchange  | 70%                   |
| (e) Securities issued by other enterprises (except for credit institutions) and listed on a stock exchange   | 65%                   |
| (f) Securities unlisted on the Stock Exchange, valuable papers, except items specified in Point c, issued by other credit institutions which have registered securities listing on the Stock Exchange  | 50%                   |
| Securities unlisted on the Stock Exchange, valuable papers, except items specified in Point (c), issued by other credit institutions which have not registered securities listing on the Stock Exchange  | 30%                   |
| (g) Unlisted securities and valuable papers issued by other enterprises registered for listing on a stock exchange   | 30%                   |
| Unlisted securities and valuable papers issued by enterprises not registered for listing on a stock exchange   | 10%                   |
| (h) Real estates   | 50%                   |
| (i) Other collateral assets  | 30%                   |

(iii) **General allowance for credit risks**

**Before 1 October 2021**

According to Circular 02, general allowance for credit risks is required at the rate of 0.75% of total outstanding principals of debts at the last working day of each quarter (for the last quarter of the annual accounting period, general allowance for credit risks is required at the rate of 0.75% of total outstanding principals of debts at the last working day of the second month of the last quarter of the annual accounting period) for debts classified in Group 1 to Group 4 excluding the balances with and loans to other CIs.

**From 1 October 2021**

According to Circular 11, general allowance is also required at the rate of 0.75% of total outstanding principals of debts at the last working day of each month for debts classified in Group 1 to Group 4 excluding term deposits with and loans to other CIs, purchases of valuable papers issued by other ICs and repurchases of government bonds.

(iv) **Write-off of bad debts**

According to Circular 11, debts are written-off against the allowance when they have been classified to Group 5 or when borrowers have been declared bankrupt or dissolved (for borrowers being organisations and enterprises) or borrowers are deceased or missing (for borrowers being individuals). Debts written-off against allowance are recorded as off-balance sheet items for following up and collection. The amounts collected from the debts previously written-off are recognised in the consolidated statement of income upon receipt.

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

According to Circular 11, the debt classification of off-balance sheet commitments is done solely for risk management, credit quality supervision of credit granting activities. The Group is not required to make provision for off-balance sheet commitments, except where SeABank has been required to make payment under the guarantee contract, in which case the payment on behalf is classified and provision is made in accordance with the accounting policy as described in Note 3(h).

(i) **Derivative financial instruments**

(i) **Currency forward , swap and option contracts**

SeABank involves in derivative contracts including forward and swaps contracts to facilitate customers to transfer, adjust or mitigate foreign exchange risks and also for the business purposes of SeABank.

Currency forward contracts are commitments to buy/sell amount of foreign currency against VND or with another foreign currency at a future date at the forward rate determined on the transaction date. The forward contracts are recorded at nominal value at the date of transaction and are revalued at exchange rate at the reporting date and are stated at net value on the consolidated balance sheet. Differences upon revaluation at the end of the period are recognised as "Foreign exchange differences" on the consolidated balance sheet and are fully transferred to the consolidated statement of income at the end of the annual accounting period. Differences between the amounts in VND of the foreign currency amounts which are committed to buy/sell at forward rate and spot rate are recognised in the consolidated statement of income on a straight-line basis over the term of the contracts.



The currency swap contracts are commitments to buy and sell the same amount of foreign currency with VND or with a different foreign currency with the same party where the settlement dates of two transactions are different and the exchange rate of the two transactions are determined at the transaction date. A currency swap may consist of two spot transactions, two forward transactions or one spot transaction and one forward transaction. Swaps for foreign currencies and VND must have at least one forward transaction. Premiums/discounts arising from the difference of the spot exchange rate at the effective date of the contracts and the forward exchange rate will be recognised immediately on the effective date of the contracts as an asset if they are positive or as a liability if they are negative in the consolidated balance sheet. This difference is amortised to the consolidated statement of income on a straight-line basis over the term of the swap contracts.

Foreign currency option contracts are a transaction where a customer gives SeABank an option purchase price to sell the right to allow the customer to buy or sell an amount of foreign currency in the future at the exchange rate determined at trading date. Accordingly, customers have the right but no obligation to perform the committed purchase and sale transaction. Commitment value are recorded on off- balance sheet account in "Option trading commitment". Fee paid for buying currency option contracts is amortised to expense on a straight-line basis over the term of the contract from effective date to maturity date.

**(ii) Interest rate swap contracts**

The swap contracts are commitments to pay interest at a floating rate or a fixed rate charged on a nominal principal amount. The value of the notional principal amount in interest rate swap contracts per currency is recorded in the off-balance sheet account in item "Interest rate swap commitment". The arising income and expenses are recognised on an accrual basis.

For cross currency interest rate swaps to exchange principals denominated in two different currencies which are exchanged at the effective date, the contract value is recognised on the consolidated balance sheet. Income earned and expenses incurred are recognised on an accrual basis.

For cross currency interest rate swaps to exchange principals denominated in two different currencies which are not exchanged at the effective date, the contract value is recognised on the consolidated balance sheet for in the same manner with the contract value of currency forward contracts. These contracts are accounted for in the same manner with currency forward contracts. Income earned and expenses incurred due to interest rate effects are recognised on an accrual basis.



**(j) Tangible fixed assets**

**(i) Cost**

- (ii)** 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 charged to the consolidated statement of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

**(iii) 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 | 25 years     |
| ▪ machines and equipment   | 5 - 15 years |
| ▪ means of transportation  | 6 - 10 years |
| ▪ office equipment         | 5 - 8 years  |
| ▪ others                   | 4 - 7 years  |

**(k) Intangible fixed assets**

**(i) 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.

**(ii) Land use rights**

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

**(l) Investment property**

*Cost*

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental 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 the management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repairs and maintenance, is charged to the consolidated statement of income in the year in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

*Depreciation*

Depreciation is computed on a straight-line basis from 10 to 20 year.

**(m) Other assets**

Other assets, except receivables from credit activities, are stated at cost less allowance for losses on other on-balance sheet assets.

For other assets that are not classified as credit risk assets and are overdue, allowance is 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 year.

Allowance rates by overdue period are determined 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%           |

**(n) Deposits from customers**

Deposits from customers are stated at cost.

**(o) Other borrowed and entrusted funds**

Other borrowed and entrusted funds include funds received or entrusted to make investments and loans in accordance with a predetermined purpose, and SeABank is responsible for repayment of these funds upon due. SeABank recognises the funds received as "Other borrowed and entrusted funds" and also recognises the investments and loans made from the funds in the financial statements of SeABank.

**(p) Valuable papers issued**

Valuable papers issued are stated at cost less premiums and discounts. Costs of valuable papers issued include the proceeds from issuance minus directly attributable expenses from issuance.

**(q) Other payables**

Other payables are stated at cost.

**(r) 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.

**(s) Reserves and fund**

**(i) Reserves and funds of the Bank**

According to Decree No. 93/2017/ND-CP dated 7 August 2017 issued by the Government of Vietnam promulgating 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 part of equity.

Other equity funds are allocated from (unconsolidated) profit after tax. The allocation 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.

**(ii) 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 by the Company 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          |

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 part of equity.

**(t) Revenue**

**(i) Interest income**

Interest income is recognised in the consolidated statement of income on an accrual basis, except for interest on debts classified in Group 2 to Group 5 as defined in Note 3(h) and debts classified in Current debts as a result of implementation of rulings of the State authorities which are recognised upon receipt. Accrued interest receivable on these loans will be derecognised and recorded as off-balance sheet items. Interest on these debts are recognised in the consolidated statement of income upon receipt.

**(ii) Fee and commission income**

Fee and commissions income is recognised in the consolidated statement of income upon completion of the services rendered.

**(iii) Income from investing activities**

Income from trading of securities is determined based on the differences between selling price and weighted average cost of securities.

Dividend income in the form of cash is recognised in the consolidated statement of income when SeABank'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 statement of income. When share dividends are received, SeABank only recognises an increase in the number of shares in the notes to the consolidated financial statements.

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

**(u) Interest expenses**

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

**(v) Fee and commission expenses**

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

**(w) Operating lease payments**

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

**(x) Taxation**

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of income.

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

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

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

**(y) Related parties**

Related parties of SeABank include:

- Management or members of the Supervisory Board of SeABank;
- Individuals, organisations that hold at least 5% of charter capital or share capital with voting rights of SeABank;
- 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 SeABank;
- Enterprises held directly or indirectly by such individuals hold an important part of voting rights or through this person, this person may significantly influence the enterprises. This case includes businesses owned by the Bank's leaders or key shareholders and those businesses that have a key managing member with the Bank;
- Representatives for SeABank's paid-in capital and shares.



**(z) Basic earnings per share**

SeABank presents basic earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to the ordinary shareholders of SeABank by the weighted average number of ordinary shares outstanding during the year.

Earnings per share are determined by adjusting the common shareholder gains or losses and the average number of ordinary shares outstanding, taking into account the effects of potential ordinary shares arising from convertible bonds and stock options. As at 31 December 2021, and for the year then ended SeABank does not have any potential ordinary shares; therefore, the presentation of diluted earnings per share is not applicable.

**(aa) Segment reporting**

A segment is a separately identifiable component of SeABank involved in the provision of related products or services (business segmenting) or the provision of products or services within one specific economic environment (geographic segmenting). Each of these segments bears different risks and benefits from the others. SeABank's primary format for segment reporting is based on business segments.

**(bb) Commitments and contingent liabilities**

At any point of time, SeABank has outstanding credit commitments. These commitments are approved and unutilised loans and overdraft facilities. SeABank also provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Many of the contingent liabilities and commitments will expire without any advanced payment, in whole or in part. Therefore, these commitments and contingent liabilities do not represent expected future cash flows.

**(cc) Nil balances**

Items or balances required by Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 ("Decision 16") of SBV's Governor promulgating the regulation on financial reporting regime applicable to CIs 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 CIs accompanying Decision 16, Decision No. 479/2004/QĐ-NHNN dated 29 April 2004 and the chart of accounts of CIs accompanying the Decision that are not shown in these consolidated financial statements indicate nil balances.

**(dd) Financial instruments**

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



(i) **Financial assets**

*Financial assets at fair value through profit or loss:*

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

- It is considered by management as held-for-trading. A financial asset is classified as held-for-trading if it meets either of the following conditions:
  - it is acquired principally for the purpose of selling it in the near term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by SeABank 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 a fixed maturity that SeABank has the positive intention and ability to hold to maturity, other than:

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

*Loans and receivables*

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

- that SeABank intends to sell immediately or in the near term, which are classified as held-for-trading, and those that SeABank on initial recognition designates as financial assets at fair value through profit or loss;
- that SeABank, upon initial recognition, designates as available-for-sale; or
- for which SeABank 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.

(ii) **Financial liabilities**

*Financial liabilities at fair value through profit or loss*

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

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

**4. Cash and gold on hand**

|                                    | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|------------------------------------|---------------------------|---------------------------|
| Cash on hand in VND                | 799,608                   | 720,715                   |
| Cash on hand in foreign currencies | 276,213                   | 291,306                   |
| Gold                               | 207                       | 207                       |
|                                    | <u>1,076,028</u>          | <u>1,012,228</u>          |

**5. Balances with the SBV**

|   | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|---|---------------------------|---------------------------|
| Balances with the SBV in VND                | 2,543,854                 | 2,062,314                 |
| Balances with the SBV in foreign currencies | 2,230,506                 | 1,287,045                 |
| Guarantee deposit                           | 25,000                    | 25,000                    |
|   | <u>4,799,360</u>          | <u>3,374,359</u>          |



Under the SBV's regulations relating to the compulsory reserve, banks are permitted to maintain a floating balance for the compulsory reserve requirement ("CRR"). The monthly average balance of the reserves must not be less than CRR rates multiplied by the preceding month's average balances of deposits of individual and corporate customers in scope.

Year-end CRR rates were as follows:

| Deposits in scope  | CRR rates  |            |
|--|------------|------------|
|  | 31/12/2021 | 31/12/2020 |
| ▪ Deposits in foreign currencies other than VND with term of less than 12 months     | 8.00%      | 8.00%      |
| ▪ Deposits in foreign currencies other than VND with term of and more than 12 months | 6.00%      | 6.00%      |
| ▪ Deposits in VND with term of less than 12 months                                   | 3.00%      | 3.00%      |
| ▪ Deposits in VND with term of and more than 12 months                               | 1.00%      | 1.00%      |

## 6. Deposits with and loans to other CIs

|  | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|--|---------------------------|---------------------------|
| <b>Current accounts</b>                  |                           |                           |
| Current accounts in VND                  | 12,264,081                | 50,126                    |
| Current accounts in foreign currencies   | 728,371                   | 679,963                   |
| <b>Term deposits</b>                     |                           |                           |
| Term deposits in VND                     | 18,358,240                | 21,964,690                |
| Term deposits in foreign currencies      | 3,882,800                 | 2,946,400                 |
|  | 22,241,040                | 24,911,090                |
| <b>Loans to other CIs</b>                |                           |                           |
| Loans to other CIs in VND                | 5,083,507                 | 100,000                   |
| Loans to other CIs in foreign currencies | 2,273,478                 |                           |
|  | 42,590,477                | 25,741,179                |

As at 31 December 2021 and 31 December 2020, all term deposits with and loans to other credit institutions were Group 1 - Current debts.

Year-end annual interest rates was as follows:

|                                       | 31/12/2021<br>% per annum | 31/12/2020<br>% per annum |
|---------------------------------------|---------------------------|---------------------------|
| ▪ Term deposits in VND                | 1.10% - 5.00%             | 0.12% - 1.50%             |
| ▪ Term deposits in foreign currencies | 0.10% - 0.50%             | 0.25% - 0.70%             |
| ▪ Loans in VND                        | 0.25% - 2.7%              | 1.50%                     |
| ▪ Loans in foreign currencies         | 0.20% - 1.5%              | Not applicable            |

## 7. Held-for-trading securities

|  | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|--|---------------------------|---------------------------|
| <b>Debt securities</b>   |                           |                           |
| Bonds issued by the Government                                   | 8,544,746                 | 1,296,581                 |
| Bonds issued by local CIs  | 3,045,688                 | 659,570                   |
| Bonds issued by local economic entities                          | 1,503,575                 | 727,508                   |
|  | <hr/> 13,094,009          | <hr/> 2,683,659           |
| <b>Equity securities</b>   |                           |                           |
| Securities issued by local economic entities                     | -                         | 22,261                    |
| <b>Allowance for held-for-trading securities</b>                 |                           |                           |
| General allowance for unlisted corporate bonds                   | (11,277)                  | (4,765)                   |
| Allowance for diminution in value of held-for-trading securities | (102)                     | (7,306)                   |
|  | <hr/> (11,379)            | <hr/> (12,071)            |
|  | <hr/> 13,082,630          | <hr/> 2,693,849           |

Listing status at the end of the year were as follows:

|        | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|--------|---------------------------|---------------------------|
| Listed | 9,076,713                 | 1,619,482                 |



## 8. Loans and advances to customers

|  | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|--|---------------------------|---------------------------|
| Loans to local economic entities and individuals   | 127,202,660               | 108,463,097               |
| Payments on behalf of customers                    | 5,761                     | -                         |
| Loans to foreign economic entities and individuals | 379,738                   | 406,139                   |
|  | <u>127,588,159</u>        | <u>108,869,236</u>        |

Loan portfolio by loan groups was as follows:

|                             | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|-----------------------------|---------------------------|---------------------------|
| Group 1 - Current           | 125,274,231               | 106,725,902               |
| Group 2 - Special mentioned | 209,319                   | 120,861                   |
| Group 3 - Sub-standard      | 345,515                   | 306,776                   |
| Group 4 - Doubtful          | 331,680                   | 380,914                   |
| Group 5 - Loss              | 1,427,414                 | 1,334,783                 |
|                             | <u>127,588,159</u>        | <u>108,869,236</u>        |

Debt classification is performed in accordance with the accounting policy described in Note 3(h)(i).

Loan portfolio by term was as follows:

|                  | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|------------------|---------------------------|---------------------------|
| Short-term loan  | 72,328,675                | 53,146,830                |
| Medium-term loan | 27,424,345                | 30,973,169                |
| Long-term loan   | 27,835,139                | 24,749,237                |
|                  | <u>127,588,159</u>        | <u>108,869,236</u>        |

Loan portfolio by customer type and ownership was as follows:

|  | 31/12/2021<br>VND million | %      | 31/12/2020<br>VND million | %      |
|--|---------------------------|--------|---------------------------|--------|
| <b>Loans to economic entities</b>  |                           |        |                           |        |
| State-owned companies  | 1,447,697                 | 1.13   | 1,517,713                 | 1.39   |
| Limited liability companies  | 42,546,685                | 33.35  | 37,024,433                | 34.01  |
| Joint stock companies in which the State's<br>holding percentage is more than 50%<br>(dominating percentage) | 3,105,530                 | 2.43   | 508,317                   | 0.47   |
| Other joint stock companies  | 50,595,918                | 39.66  | 45,672,113                | 41.95  |
| Partnerships   | 24,154                    | 0.02   | 18,052                    | 0.02   |
| Private companies  | 155,845                   | 0.12   | 118,876                   | 0.11   |
| Foreign invested enterprises   | 437,743                   | 0.34   | 443,275                   | 0.41   |
| Cooperatives, cooperative unions   | 35,714                    | 0.03   | 44,432                    | 0.04   |
| <b>Loans to individuals</b>  |                           |        |                           |        |
| Household business, individuals  | 29,234,563                | 22.92  | 23,366,417                | 21.46  |
| <b>Other loans</b>   |                           |        |                           |        |
| Other economic sectors   | 4,310                     | 0.00   | 155,608                   | 0.14   |
|  | 127,588,159               | 100.00 | 108,869,236               | 100.00 |



Loan portfolio by industry sectors was as follows:

|  | 31/12/2021<br>VND million | %      | 31/12/2020<br>VND million | %      |
|--|---------------------------|--------|---------------------------|--------|
| Agriculture, forestry and aquaculture  | 186,674                   | 0.15   | 386,188                   | 0.35   |
| Mining   | 1,182,702                 | 0.93   | 613,528                   | 0.56   |
| Manufacturing and processing   | 7,857,069                 | 6.16   | 7,679,934                 | 7.05   |
| Electricity, gas, hot water, steam and air-conditioning  | 1,563,952                 | 1.23   | 1,173,278                 | 1.08   |
| Construction   | 4,597,966                 | 3.60   | 4,893,402                 | 4.49   |
| Wholesale and retail trade; repair of motor vehicles, motorcycles  | 21,195,602                | 16.61  | 20,055,213                | 18.42  |
| Transportation and warehousing   | 8,615,412                 | 6.75   | 3,594,541                 | 3.30   |
| Hospitality services   | 10,969,642                | 8.60   | 9,452,275                 | 8.68   |
| Information and communications   | 2,620,737                 | 2.05   | 3,496,134                 | 3.21   |
| Financial and insurance services   | 2,298,678                 | 1.80   | 445,664                   | 0.41   |
| Real estate  | 5,845,064                 | 4.58   | 5,875,123                 | 5.40   |
| Science and technology   | 7,990,560                 | 6.26   | 8,577,045                 | 7.88   |
| Education and training   | 4,190                     | 0.00   | 10,157                    | 0.01   |
| Health care and social work  | 119,426                   | 0.09   | 105,861                   | 0.10   |
| Art, entertainment and recreation  | 7,585,494                 | 5.95   | 6,586,426                 | 6.05   |
| Employment activities in households, production of material products and services for household self-consumption | 29,234,563                | 22.91  | 19,676,065                | 18.07  |
| Other service activities   | 15,720,428                | 12.32  | 16,248,402                | 14.92  |
|  | 127,588,159               | 100.00 | 108,869,236               | 100.00 |

Loan portfolio by currency was as follows:

|                             | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|-----------------------------|---------------------------|---------------------------|
| Loans in VND                | 124,552,865               | 106,438,139               |
| Loans in foreign currencies | 3,035,294                 | 2,431,097                 |
|                             | 127,588,159               | 108,869,236               |

Year-end annual interest rates were as follows:

|                             | 31/12/2021    | 31/12/2020    |
|-----------------------------|---------------|---------------|
| Loans in VND                | 3.5% - 10.35% | 3.7% - 13.24% |
| Loans in foreign currencies | 2.5% - 3.64%  | 2.5% - 4.5%   |

## 9. Allowance for loans to customers

Allowance for loans to customers consists of:

|                         | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|-------------------------|---------------------------|---------------------------|
| General allowance (i)   | 946,205                   | 742,708                   |
| Specific allowance (ii) | 835,412                   | 365,614                   |
|                         | <u>1,781,617</u>          | <u>1,108,322</u>          |

(i) Movements in general allowance for loans to customers were as follows:

|                                | 2021<br>VND million | 2020<br>VND million |
|--------------------------------|---------------------|---------------------|
| Opening balance                | 742,708             | 709,916             |
| Allowance made during the year | 203,497             | 32,792              |
| Closing balance                | <u>946,205</u>      | <u>742,708</u>      |

(ii) Movements in specific allowance for loans to customers were as follows:

|                                | 2021<br>VND million | 2020<br>VND million |
|--------------------------------|---------------------|---------------------|
| Opening balance                | 365,614             | 419,561             |
| Allowance made during the year | 1,034,340           | 644,585             |
| Utilization of allowance       | (564,542)           | (698,532)           |
| Closing balance                | <u>835,412</u>      | <u>365,614</u>      |



## 10. Investment securities

### (a) Available-for-sale investment securities

|   | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|---|---------------------------|---------------------------|
| <b>Debt securities</b>                                |                           |                           |
| ▪ Government bonds                                    | 6,705,572                 | 20,800,896                |
| ▪ Debt securities issued by other local CIs           | 1,829,073                 | 2,532,464                 |
| ▪ Debt securities issued by local economic entities   | 5,457,404                 | 5,032,002                 |
| ▪ Certificates of deposits issued by other local CIs  | 2,125,783                 | 3,453,114                 |
|   | <hr/> 16,117,832          | <hr/> 31,818,476          |
| <b>Equity securities</b>                              |                           |                           |
| ▪ Equity securities issued by local economic entities | 82,054                    | 82,661                    |
|   | <hr/> 16,199,886          | <hr/> 31,901,137          |

The term and annual interest rate of available-for-sale investment debt securities at the end of the accounting period were as follows:

|  | 31/12/2021         |                            | 31/12/2020         |                            |
|--|--------------------|----------------------------|--------------------|----------------------------|
|  | Term               | Interest rate<br>per annum | Term               | Interest rate<br>per annum |
| Government bonds                                   | 5 years - 30 years | 2.2% - 8.8%                | 5 years - 30 years | 2.3% - 8.8%                |
| Debt securities issued by other local CIs          | 1 year - 15 years  | 2.9% - 15%                 | 1 year - 15 years  | 2.7% - 15%                 |
| Debt securities issued by local economic entities  | 3 years - 5 years  | 9% - 11%                   | 3 years - 5 years  | 9% - 10.5%                 |
| Certificates of deposits issued by other local CIs | 1 year - 3 years   | 2.9% - 11.5%               | 1 year - 3 years   | 4.2% - 11.5%               |

Portfolio of unlisted corporate bonds classified as assets exposed to credit risk by loan groups was as follows:

|         | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|---------|---------------------------|---------------------------|
| Current | 5,457,404                 | 5,032,002                 |

### (b) Held-to-maturity investment securities

|   | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|---|---------------------------|---------------------------|
| Bonds issued by local economic entities | 663,222                   | 319,364                   |

The term and annual interest rate of held-to-maturity debt securities at the year-end were as follows:

|   | 31/12/2021        |                            | 31/12/2020 |                            |
|---|-------------------|----------------------------|------------|----------------------------|
|   | Term              | Interest rate<br>per annum | Term       | Interest rate<br>per annum |
| <b>Held-to-maturity investment securities</b> |                   |                            |            |                            |
| Bonds issued by local economic entities       | 1 year - 10 years | 8% - 8.90%                 | 10 years   | 8.90%                      |

## 11. Allowance for investment securities

|                                   | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|-----------------------------------|---------------------------|---------------------------|
| Available-for-sale securities (i) | 40,931                    | 37,802                    |
| Held-to-maturity securities       | 2,395                     | 2,395                     |
|                                   | <u>43,326</u>             | <u>40,197</u>             |

- (i) Movements in allowance for available-for-sale securities in the year were as follows:

### *Year ended 31 December 2021*

|   | General<br>allowance for<br>available-for-<br>sale debt<br>securities<br>VND million | Specific<br>allowance for<br>available-for-<br>sale debt<br>securities<br>VND million | Total<br>VND million |
|---|--|---|----------------------|
| Opening balance                           | 36,066   | 1,736   | 37,802               |
| Allowance made/(reversed) during the year | 4,865  | (1,736)   | 3,129                |
| Closing balance                           | <u>40,931</u>  | <u>-</u>  | <u>40,931</u>        |

### *Year ended 31 December 2020*

|                                | General<br>allowance for<br>available-for-<br>sale debt<br>securities<br>VND million | Specific<br>allowance for<br>available-for-<br>sale debt<br>securities<br>VND million | Total<br>VND million |
|--------------------------------|--|---|----------------------|
| Opening balance                | 32,468   | 836   | 33,304               |
| Allowance made during the year | 3,598  | 900   | 4,498                |
| Closing balance                | <u>36,066</u>  | <u>1,736</u>  | <u>37,802</u>        |



## 12. Long-term investments

|   | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|---|---------------------------|---------------------------|
| Other long-term investments (i)                                 | 86,534                    | 131,666                   |
| Allowance for diminution in value of long-term investments (ii) | (1,443)                   | (28,754)                  |
|   | <u>85,091</u>             | <u>102,912</u>            |

(i) Details of other long-term investments of SeABank at the end of the year were as follows:

| Investees' names  | 31/12/2021          |            | 31/12/2020          |            |
|---|---------------------|------------|---------------------|------------|
|   | Cost<br>VND million | %<br>owned | Cost<br>VND million | %<br>owned |
| Vietnam National Payment Joint Stock Company                                  | 3,300               | 1.06%      | 3,300               | 1.06%      |
| Bao Minh Securities Joint Stock Company                                       | -                   | -          | 15,000              | 3.00%      |
| ASEAN Jewelry Joint Stock Company (AJC)                                       | 24,102              | 10.00%     | 24,102              | 10.00%     |
| PetroVietnam Oil Mien Trung Joint Stock Company                               | 4,800               | 1.59%      | 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%      |
| Global Data Service Joint Stock Company                                       | 2,670               | 2.13%      | 2,670               | 2.13%      |
| Vietnam Human Mind Development<br>Joint Stock Company                         | 436                 | 9.99%      | 500                 | 11.43%     |
| Post Office Investment Consulting and<br>Construction Joint Stock Company     | 256                 | 0.45%      | 256                 | 0.45%      |
| Online Entertainment and Learning Services<br>Development Joint Stock Company | -                   | -          | 5,940               | 6.00%      |
| Phuong Nam Real Estate Investment<br>Joint Stock Company                      | -                   | -          | 20,000              | 7.69%      |
| Saigon Securities Investment Fund A2  | -                   | -          | 4,128               | 1.13%      |
|   | <u>86,534</u>       |            | <u>131,666</u>      |            |

(ii) Movements in allowance for diminution in value of long-term investments:

|                                    | 2021<br>VND million | 2020<br>VND million |
|------------------------------------|---------------------|---------------------|
| Opening balance                    | 28,754              | 27,089              |
| Allowance made during the year     | 1,433               | 1,665               |
| Allowance reversed during the year | (28,754)            | -                   |
| Closing balance                    | <u>1,433</u>        | <u>28,754</u>       |

### 13. Tangible fixed assets

Year ended 31 December 2021

|                                 | Buildings and<br>structures<br>VND million | Machines and<br>equipment<br>VND million | Means of<br>transportation<br>VND million | Office<br>equipment<br>VND million | Other tangible<br>fixed assets<br>VND million | Total<br>VND million |
|---------------------------------|--|--|---|------------------------------------|---|----------------------|
| <b>Cost</b>                     |  |  |   |                                    |   |                      |
| Opening balance                 | 18,127                                     | 339,061                                  | 275,924                                   | 93,393                             | 12,766  | 739,271              |
| Additions                       | -  | 9,111                                    | 41,134                                    | 14,545                             | 1,401   | 66,191               |
| Disposals                       | -  | (89,167)                                 | (26,649)                                  | (8,864)                            | (1,810)                                       | (126,490)            |
| Closing balance                 | 18,127                                     | 259,005                                  | 290,409                                   | 99,074                             | 12,357  | 678,972              |
| <b>Accumulated depreciation</b> |  |  |   |                                    |   |                      |
| Opening balance                 | 4,253                                      | 195,193                                  | 168,569                                   | 77,942                             | 9,818   | 455,775              |
| Charge for the year             | 828  | 20,600                                   | 17,315                                    | 7,617                              | 709   | 47,069               |
| Disposals                       |  | (72,817)                                 | (26,649)                                  | (8,864)                            | (1,810)                                       | (110,140)            |
| Closing balance                 | 5,081                                      | 142,976                                  | 159,235                                   | 76,695                             | 8,717   | 392,704              |
| <b>Net book value</b>           |  |  |   |                                    |   |                      |
| Opening balance                 | 13,874                                     | 143,868                                  | 107,355                                   | 15,451                             | 2,948   | 283,496              |
| Closing balance                 | 13,046                                     | 116,029                                  | 131,174                                   | 22,379                             | 3,640   | 286,268              |

Included in tangible fixed assets were assets costing VND74,523 million which were fully depreciated as of 31 December 2021 (31/12/2020: VND92,659 million), but which are still in active use.



**Southeast Asia Commercial Joint Stock Bank**

No. 198, Tran Quang Khai, Ly Thai To Ward, Hoan Kiem District, Hanoi, Vietnam

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

**Form B05/TCTD**  
(Issued under Circular  
No. 49/2014/TT-NHNN dated 31 December 2014  
of the State Bank of Vietnam)

**Year ended 31 December 2020**

|                                 | <b>Buildings and<br/>structures<br/>VND million</b> | <b>Machines and<br/>equipment<br/>VND million</b> | <b>Means of<br/>transportation<br/>VND million</b> | <b>Office<br/>equipment<br/>VND million</b> | <b>Other tangible<br/>fixed assets<br/>VND million</b> | <b>Total<br/>VND million</b> |
|---------------------------------|---|---|--|---|--|------------------------------|
| <b>Cost</b>                     |   |   |  |   |  |                              |
| Opening balance                 | 18,249  | 289,466   | 217,576  | 93,512                                      | 11,268   | 630,071                      |
| Additions                       | -   | 49,833  | 59,885   | 3,613                                       | 1,498  | 114,829                      |
| Disposals                       | (122)   | (238)   | (1,537)  | (3,732)                                     | -  | (5,629)                      |
| Closing balance                 | 18,127  | 339,061   | 275,924  | 93,393                                      | 12,766   | 739,271                      |
| <b>Accumulated depreciation</b> |   |   |  |   |  |                              |
| Opening balance                 | 3,539   | 174,373   | 156,905  | 74,331                                      | 9,183  | 418,331                      |
| Charge for the year             | 836   | 21,058  | 13,134   | 7,319                                       | 635  | 42,982                       |
| Disposals                       | (122)   | (238)   | (1,470)  | (3,708)                                     | -  | (5,538)                      |
| Closing balance                 | 4,253   | 195,193   | 168,569  | 77,942                                      | 9,818  | 455,775                      |
| <b>Net book value</b>           |   |   |  |   |  |                              |
| Opening balance                 | 14,710  | 115,093   | 60,671   | 19,181                                      | 2,085  | 211,740                      |
| Closing balance                 | 13,874  | 143,868   | 107,355  | 15,451                                      | 2,948  | 283,496                      |

## 14. Intangible fixed assets

### Year ended 31 December 2021

|                                     | Land use rights | Software    | Other intangible<br>fixed assets | Total       |
|-------------------------------------|-----------------|-------------|----------------------------------|-------------|
|                                     | VND million     | VND million | VND million                      | VND million |
| <b>Cost</b>                         |                 |             |                                  |             |
| Opening balance                     | 377,995         | 348,816     | 14,701                           | 741,512     |
| Additions                           | -               | 47,006      | 816                              | 47,822      |
| Disposals                           |                 | (24,315)    | (4,384)                          | (28,699)    |
| Closing balance                     | 377,995         | 371,507     | 11,133                           | 760,635     |
| <b>Accumulated<br/>amortisation</b> |                 |             |                                  |             |
| Opening balance                     | -               | 153,545     | 8,976                            | 162,521     |
| Charge for the year                 | -               | 26,493      | 1,360                            | 27,853      |
| Disposals                           | -               | (21,589)    | (4,385)                          | (25,974)    |
| Closing balance                     | -               | 158,449     | 5,951                            | 164,400     |
| <b>Net book value</b>               |                 |             |                                  |             |
| Opening balance                     | 377,995         | 195,271     | 5,725                            | 578,991     |
| Closing balance                     | 377,995         | 213,058     | 5,182                            | 596,235     |

Included in intangible fixed assets were assets costing VND21,447 million which were fully amortised as of 31 December 2021 (31/12/2020: VND24,204 million), but which are still in active use.

### Year ended 31 December 2020

|                                 | Land use rights | Software    | Software    | Total       |
|---------------------------------|-----------------|-------------|-------------|-------------|
|                                 | VND million     | VND million | VND million | VND million |
| <b>Cost</b>                     |                 |             |             |             |
| Opening balance                 | 396,100         | 290,251     | 10,630      | 696,981     |
| Additions                       | -               | 58,564      | 4,072       | 62,636      |
| Decreases                       | (18,105)        | -           | -           | (18,105)    |
| Closing balance                 | 377,995         | 348,815     | 14,702      | 741,512     |
| <b>Accumulated amortisation</b> |                 |             |             |             |
| Opening balance                 | -               | 130,414     | 7,735       | 138,149     |
| Charge for the year             | -               | 23,131      | 1,241       | 24,372      |
| Closing balance                 | -               | 153,545     | 8,976       | 162,521     |
| <b>Net book value</b>           |                 |             |             |             |
| Opening balance                 | 396,100         | 159,837     | 2,895       | 558,832     |
| Closing balance                 | 377,995         | 195,270     | 5,726       | 578,991     |



## 15. Investment property

*Year ended 31 December 2021*

|                                 | Land use rights<br>VND million | Buildings and<br>structures<br>VND million | Total<br>VND million |
|---------------------------------|--------------------------------|--|----------------------|
| <b>Cost</b>                     |                                |  |                      |
| Opening balance                 | 207,460                        | 41,600                                     | 249,060              |
| Additions                       | 2,222                          | 4,917                                      | 7,139                |
| Decreases                       | (181,400)                      | (3,990)                                    | (185,390)            |
| Closing balance                 | 28,282                         | 42,527                                     | 70,809               |
| <b>Accumulated depreciation</b> |                                |  |                      |
| Opening balance                 | -                              | 8,126                                      | 8,126                |
| Charge for the year             | -                              | 1,109                                      | 1,109                |
| Decreases                       | -                              | (3,990)                                    | (3,990)              |
| Closing balance                 | -                              | 5,245                                      | 5,245                |
| <b>Net book value</b>           |                                |  |                      |
| Opening balance                 | 207,460                        | 33,474                                     | 240,934              |
| Closing balance                 | 28,282                         | 37,282                                     | 65,564               |

*Year ended 31 December 2020*

|                                 | Land use rights<br>VND million | Buildings and<br>structures<br>VND million | Total<br>VND million |
|---------------------------------|--------------------------------|--|----------------------|
| <b>Cost</b>                     |                                |  |                      |
| Opening balance                 | 206,694                        | 41,600                                     | 248,294              |
| Additions                       | 4,864                          | -  | 4,864                |
| Decreases                       | (4,098)                        | -  | (4,098)              |
| Closing balance                 | 207,460                        | 41,600                                     | 249,060              |
| <b>Accumulated depreciation</b> |                                |  |                      |
| Opening balance                 | -                              | 6,777                                      | 6,777                |
| Charge for the year             | -                              | 1,349                                      | 1,349                |
| Decreases                       | -                              | -  | -                    |
| Closing balance                 | -                              | 8,126                                      | 8,126                |
| <b>Net book value</b>           |                                |  |                      |
| Opening balance                 | 206,694                        | 34,823                                     | 241,517              |
| Closing balance                 | 207,460                        | 33,474                                     | 240,934              |

## 16. Other assets

|   | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|---|---------------------------|---------------------------|
| <b>Receivables</b>  |                           |                           |
| Internal receivables  | 410,722                   | 360,036                   |
| External receivables  | 1,581,119                 | 922,791                   |
| <i>In which:</i>  |                           |                           |
| - <i>Receivables from sales of securities</i>                           | -                         | 356,606                   |
| - <i>Receivables from usance payable at sight letters of credit (i)</i> | 1,339,893                 | 235,873                   |
| - <i>Other external receivables</i>                                     | 241,226                   | 330,312                   |
| <b>Interest and fee receivables</b>                                     | 1,679,591                 | 2,598,213                 |
| <b>Other assets</b>   |                           |                           |
| Prepaid expenses  | 1,288,185                 | 540,036                   |
| Assets foreclosed   | 908,982                   | 961,936                   |
| Goodwill  | 480,637                   | 551,843                   |
| Other assets  | 147,396                   | 193,328                   |
|   | 6,496,632                 | 6,128,183                 |
| Allowance for other on-balance sheet assets (ii)                        | (41,094)                  | (34,665)                  |
|   | 6,455,538                 | 6,093,518                 |

- (i) Receivables from UPAS L/C are receivables from commodity buyers (importers) who are the Bank's customers related to the UPAS L/C Usance Payable At Sight Letters of Credit issued by the Bank. Accordingly, the Bank, through a corresponding bank, made payment to the beneficiaries (exporters) of UPAS L/C prior to those letter of credits' matured dates and is entitled to an income from advance payment.

- (ii) Movements in allowance for other on-balance sheet assets were as follows

|                                | 2021<br>VND million | 2020<br>VND million |
|--------------------------------|---------------------|---------------------|
| Opening balance                | 34,665              | 26,983              |
| Allowance made during the year | 6,429               | 7,682               |
| Closing balance                | 41,094              | 34,665              |

## 17. Amounts due to the Government and the SBV

|                         | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|-------------------------|---------------------------|---------------------------|
| Borrowings from the SBV | 2,172,763                 | 205,702                   |

## 18. Deposits and borrowings from other credit institutions

|  | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|--|---------------------------|---------------------------|
| <b>Demand deposits from other CIs</b>                                    |                           |                           |
| In VND   | 12,260,723                | 5,632                     |
| <b>Term deposits from other CIs</b>                                      |                           |                           |
| In VND   | 20,939,489                | 20,719,640                |
| In foreign currencies  | 2,352,520                 | 4,663,200                 |
|  | 35,552,732                | 25,388,472                |
| <b>Borrowings from other CIs</b>   |                           |                           |
| In VND   | 17,889,112                | 16,863,643                |
| In which: - Borrowings on discounted and rediscounted<br>valuable papers | 11,549,130                | 15,381,328                |
| - Borrowings on mortgages and pledges                                    | 2,564,883                 | 290,000                   |
| In foreign currencies  | 4,924,154                 | 264,558                   |
|  | 22,813,266                | 17,128,201                |
|  | 58,365,998                | 42,516,673                |

Year-end annual interest rates were as follows:

|                                     | 31/12/2021   | 31/12/2020    |
|-------------------------------------|--------------|---------------|
| Term deposits in VND                | 1.15% - 3.6% | 0.11% - 1.6%  |
| Term deposits in foreign currencies | 0.2% - 0.45% | 0.1% - 0.75%  |
| Borrowings in VND                   | 0.8% - 4.73% | 0.15% - 5.66% |
| Borrowings in foreign currencies    | 0.53% - 2.9% | 1.01% - 3.26% |



## 19. Deposits from customers

|  | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|--|---------------------------|---------------------------|
| <b>Demand deposits</b>                                   |                           |                           |
| Demand deposits in VND                                   | 7,839,549                 | 9,631,981                 |
| Demand deposits in foreign currencies                    | 660,476                   | 1,462,499                 |
| <b>Savings deposits and term deposits</b>                |                           |                           |
| Savings deposits and term deposits in VND                | 98,931,537                | 100,005,510               |
| Savings deposits and term deposits in foreign currencies | 1,118,662                 | 1,529,638                 |
| <b>Deposits for special purpose</b>                      | 350,626                   | 359,074                   |
| <b>Margin deposits</b>                                   | 883,787                   | 287,895                   |
|  | <b>109,784,637</b>        | <b>113,276,597</b>        |

Deposits from customers by customer type was as follows:

|  | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|--|---------------------------|---------------------------|
| State-owned enterprises  | 10,736,497                | 10,810,173                |
| Limited liability companies  | 7,980,355                 | 9,205,417                 |
| Joint stock companies in which the State's holding percentage is more than 50% | 7,331,166                 | 4,761,087                 |
| Other joint stock companies  | 15,082,426                | 12,733,275                |
| Partnerships   | 13,807                    | 18,698                    |
| Private companies  | 391,654                   | 282,401                   |
| Foreign invested enterprises   | 955,081                   | 290,024                   |
| Cooperatives, cooperative unions   | 145,415                   | 118,010                   |
| Household business, individuals  | 66,614,614                | 74,574,823                |
| Others   | 533,622                   | 482,689                   |
|  | <b>109,784,637</b>        | <b>113,276,597</b>        |

Year-end annual interest rates were as follows:

|                                       | 31/12/2021 | 31/12/2020 |
|---------------------------------------|------------|------------|
| Demand deposits in VND                | 0% - 0.2%  | 0% - 0.2%  |
| Demand deposits in foreign currencies | 0%         | 0%         |
| Term deposits in VND                  | 0.2%-6.25% | 0.2%-7.92% |
| Term deposits in foreign currencies   | 0.2%-0.98% | 0%-0.98%   |

## 20. Derivatives and other financial liabilities

Details of financial derivatives at the end of the year were as follows:

|                                 | At 31 December 2021   |  | At 31 December 2020  |  |
|---------------------------------|---|--|--|--|
|                                 | Total contract<br>nominal value<br>(at exchange rate<br>as of the effective<br>date of the<br>contract) | Total<br>carrying<br>value<br>(at exchange<br>rate as of the<br>reporting<br>date)<br>Assets | Total contract<br>nominal value<br>(at exchange<br>rate as of the<br>effective date<br>of the<br>contract) | Total<br>carrying<br>value<br>(at exchange<br>rate as of the<br>reporting<br>date)<br>Assets |
|                                 | VND million   | VND million  | VND million  | VND million  |
| Currency forward contracts      | 44,384,185  | 4,052  | 33,847,379   | 45,006   |
| Interest rate forward contracts | -   | -  | 6,391  | (11)   |
| Currency swap contracts         | 92,696,124  | (104,126)  | 47,238,782   | 99,584   |
| Interest rate swap contracts    | 3,478,270   | 52,270   | 4,304,914  | 25   |
|                                 | 140,558,579   | (47,804)   | 85,397,466   | 144,604  |

## 21. Valuable papers issued

|  | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|--|---------------------------|---------------------------|
| <b>Term bonds</b>                        |                           |                           |
| - From 12 months up to less than 5 years | 9,900,000                 | 950,000                   |
| - Over 5 years                           | 900,000                   | 1,866,000                 |
| <b>Certificates of deposits</b>          | 8,253,200                 | 4,248,740                 |
|  | 19,053,200                | 7,064,740                 |

Year-end annual interest rates were as follows:

|  | 31/12/2021    | 31/12/2020    |
|--|---------------|---------------|
| <b>Term bonds</b>                        |               |               |
| - From 12 months up to less than 5 years | 3.60% - 4.00% | 7.30%         |
| - Over 5 years                           | 7.80% - 9.00% | 8.50% - 9.00% |
| <b>Certificates of deposits</b>          | 3.60% - 8.60% | 3.50% - 8.60% |

## 22. Other liabilities

|   | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|---|---------------------------|---------------------------|
| Internal payables   | 22,590                    | 8,799                     |
| External payables   | 3,521,362                 | 3,449,752                 |
| In which:   |                           |                           |
| - <i>Accrued interest and fees payable</i>                    | 2,947,979                 | 3,065,150                 |
| - <i>Deferred income</i>                                      | 634                       | 492                       |
| - <i>Taxes and others payable to State Treasury (Note 40)</i> | 302,044                   | 186,013                   |
| - <i>Other payables</i>                                       | 270,705                   | 198,097                   |
| Bonus and welfare fund  | 30,877                    | 13,627                    |
|   | <hr/> 3,574,829           | <hr/> 3,472,178           |



## 23. Capital and reserves

Changes in capital and reserves of SeABank during the year ended 31 December 2021 and 31 December 2020 were as follows:

|  | Charter capital<br>VND million | Share premium<br>VND million | Financial<br>reserve<br>VND million | Reserve to<br>supplement<br>charter capital<br>VND million | Retained<br>earnings<br>VND million | Total<br>VND million |
|--|--------------------------------|------------------------------|-------------------------------------|--|-------------------------------------|----------------------|
| <b>Balance at 1 January 2020</b>           | 9,369,000                      | -                            | 138,275                             | 93,715   | 1,324,852                           | 10,925,842           |
| Increase of capital from shares issued     | 1,406,782                      | -                            | -                                   | -  | -                                   | 1,406,782            |
| Shares issued for payment of dividends     | 1,311,660                      | -                            | -                                   | -  | (1,311,660)                         | -                    |
| Profit for the year                        | -                              | -                            | -                                   | -  | 1,360,465                           | 1,360,465            |
| Appropriation to reserves                  | -                              | -                            | 149,413                             | 74,707   | (224,120)                           | -                    |
| Appropriation to bonus and welfare fund    | -                              | -                            | -                                   | -  | (22,301)                            | (22,301)             |
| Other movements                            | -                              | -                            | -                                   | -  | (410)                               | (410)                |
| <b>Balance at 1 January 2021</b>           | 12,087,442                     | -                            | 287,688                             | 168,422  | 1,126,826                           | 13,670,378           |
| Increase of capital from shares issued (*) | 1,595,000                      | 810,623                      | -                                   | -  | -                                   | 2,405,623            |
| Shares issued for payment of dividends     | 1,102,442                      | -                            | -                                   | -  | (1,102,442)                         | -                    |
| Profit for the year                        | -                              | -                            | -                                   | -  | 2,606,518                           | 2,606,518            |
| Appropriation to reserves                  | -                              | -                            | 266,355                             | 133,176  | (399,531)                           | -                    |
| Appropriation to bonus and welfare fund    | -                              | -                            | -                                   | -  | (18,458)                            | (18,458)             |
| Other decreases                            | -                              | -                            | -                                   | -  | (797)                               | (797)                |
| <b>Balance at 31 December 2021</b>         | 14,784,884                     | 810,623                      | 554,043                             | 301,598  | 2,212,116                           | 18,663,264           |

(\*) On 17 August 2021, the Bank issued 23,500,000 shares to employees on an employee share-based payment plan. On 29 November 2021, the Bank issued 136,000,000 shares to existing shareholders.



## 24. Share capital

|                                    | 31/12/2021       |             | 31/12/2020       |             |
|------------------------------------|------------------|-------------|------------------|-------------|
|                                    | Number of shares | VND million | Number of shares | VND million |
| <b>Shares issued to the public</b> |                  |             |                  |             |
| Ordinary shares                    | 1,478,488,369    | 14,784,884  | 1,208,744,208    | 12,087,442  |
| <b>Shares in circulation</b>       |                  |             |                  |             |
| Ordinary shares                    | 1,478,488,369    | 14,784,884  | 1,208,744,208    | 12,087,442  |

All ordinary shares of the Bank have a par value of VND10,000. Each share is entitled to one vote at shareholders meetings of the Bank. Shareholders are entitled to receive dividends as declared by the Bank from time to time. All ordinary shares are ranked equally with regard to the Bank's residual assets. In respect of shares repurchased by the Bank, all rights are suspended until those shares are reissued.

## 25. Dividends

On 10 June 2021, the Board of Directors of the Bank approved Resolution No. 675/2021/NQ-HDQT on the issuance of shares for payment of dividends to its existing shareholders at the ratio of 9.1206% from profit after tax as at 31 December 2020.

According to the result report on issuance of shares for payment of dividends dated 5 August 2021 submitted to the State Security Commission of Vietnam, the Bank completed the issuance of 110,244,161 shares for payment of dividends.

## 26. Interest income and similar income

|                                       | 2021<br>VND million | 2020<br>VND million |
|---------------------------------------|---------------------|---------------------|
| <b>Interest and similar income</b>    |                     |                     |
| Interest income from deposits         | 165,613             | 129,953             |
| Interest income from loans            | 9,720,976           | 8,940,567           |
| Income from investments in securities | 1,751,934           | 1,484,305           |
| Income from guarantee services        | 72,823              | 45,630              |
| Other income from credit activities   | 93,142              | 95,325              |
|                                       | <b>11,804,488</b>   | <b>10,695,780</b>   |

## 27. Interest expense and similar expense

|   | 2021<br>VND million | 2020<br>VND million |
|---|---------------------|---------------------|
| Interest expense for deposits               | 5,820,082           | 6,478,058           |
| Interest expense for borrowings             | 153,714             | 113,501             |
| Interest expense for valuable papers issued | 538,819             | 965,548             |
| Other expense for credit activities         | 105,780             | 76,957              |
|   | <u>6,618,395</u>    | <u>7,634,064</u>    |

## 28. Net fee and commission income

|  | 2021<br>VND million | 2020<br>VND million |
|--|---------------------|---------------------|
| <b>Fee and commission income from</b>  |                     |                     |
| Settlement and cash services           | 184,938             | 149,658             |
| Treasury services                      | 5,411               | 8,123               |
| Insurance agency services              | 249,392             | 135,267             |
| Consulting services                    | 237,684             | 30,562              |
| Other services                         | 841,694             | 199,069             |
|  | <u>1,519,119</u>    | <u>522,679</u>      |
| <b>Fee and commission expenses for</b> |                     |                     |
| Settlement and cash services           | 59,645              | 55,884              |
| Treasury services                      | 18,290              | 17,364              |
| Other services                         | 295,297             | 93,233              |
|  | <u>373,232</u>      | <u>166,481</u>      |
| <b>Net fee and commission income</b>   | <u>1,145,887</u>    | <u>356,198</u>      |



## 29. Net gain from trading of foreign currencies

|  | 2021<br>VND million | 2020<br>VND million |
|--|---------------------|---------------------|
| <b>Income from trading of foreign currencies</b>   |                     |                     |
| Spot foreign exchange trading                      | 1,182,391           | 692,217             |
| Currency derivatives                               | 486,641             | 534,132             |
| Income from trading of gold                        | 2,606               | 632                 |
|  | <hr/> 1,671,638     | <hr/> 1,226,981     |
| <b>Expenses for trading of foreign currencies</b>  |                     |                     |
| Spot foreign exchange trading                      | 77,748              | 6,828               |
| Currency derivatives                               | 1,444,547           | 1,145,424           |
| Expenses for trading of gold                       | 457                 | -                   |
|  | <hr/> 1,522,752     | <hr/> 1,152,252     |
| <b>Net gain from trading of foreign currencies</b> | <hr/> 148,886       | <hr/> 74,729        |

## 30. Net gain from trading securities

|  | 2021<br>VND million | 2020<br>VND million |
|--|---------------------|---------------------|
| Gain from held-for-trading securities              | 378,640             | 198,846             |
| Loss from held-for-trading securities              | (320,869)           | (67,993)            |
| Allowance reversed for held-for-trading securities | 691                 | 35,921              |
|  | <hr/> 58,462        | <hr/> 166,774       |

## 31. Net gain from sales of investment securities

|  | 2021<br>VND million | 2020<br>VND million |
|--|---------------------|---------------------|
| Gain from investment securities          | 400,540             | 255,836             |
| Loss from investment securities          | (91,214)            | (77,272)            |
| Allowance made for investment securities | (3,129)             | (6,893)             |
|  | <hr/> 306,197       | <hr/> 171,671       |

### 32. Net gain from other activities

|   | 2021<br>VND million | 2020<br>VND million |
|---|---------------------|---------------------|
| <b>Income from other activities</b>     |                     |                     |
| Income from other derivatives           | 294,620             | 267,810             |
| Income from support                     | -                   | 821,517             |
| Other income                            | 142,934             | 63,071              |
| <b>Income from other activities</b>     | <b>437,554</b>      | <b>1,152,398</b>    |
| <b>Expenses for other activities</b>    |                     |                     |
| Expenses for other derivatives          | (197,763)           | (191,832)           |
| Expenses for other activities           | (59,277)            | (212,273)           |
| <b>Expenses for other activities</b>    | <b>(257,040)</b>    | <b>(404,105)</b>    |
| <b>Net income from other activities</b> | <b>180,514</b>      | <b>748,293</b>      |

### 33. Income from capital contribution, share purchase

|  | 2021<br>VND million | 2020<br>VND million |
|--|---------------------|---------------------|
| Dividends received from capital contribution, share purchase | 3,710               | 4,706               |
| Gain from disposal of long-term investments                  | 6,041               | (400)               |
|  | <b>9,751</b>        | <b>4,306</b>        |

### 34. Operating expenses

|   | 2021<br>VND million | 2020<br>VND million |
|---|---------------------|---------------------|
| Tax, duties and fees                              | 78,802              | 24,061              |
| Staff costs:                                      |                     |                     |
| • Salary and allowances                           | 1,232,748           | 1,096,557           |
| • Salary based contribution                       | 61,287              | 55,773              |
| • Allowances                                      | 486                 | 293                 |
| • Other staff expenses                            | 22,096              | 25,283              |
| Expenses on assets                                |                     |                     |
| • Depreciation and amortisation of fixed assets   | 74,921              | 67,355              |
| • Others  | 338,261             | 286,354             |
| Administrative expenses                           |                     |                     |
| • Per diems                                       | 18,321              | 16,350              |
| • Printing materials and papers                   | 37,048              | 44,503              |
| • Postage and telephone expenses                  | 41,315              | 33,325              |
| • Other administrative expenses                   | 312,401             | 233,042             |
| Insurance fees, insurance for customers' deposits | 112,083             | 107,923             |
| Other operating expenses                          | 128,439             | 115,350             |
| Amortisation of goodwill                          | 71,206              | 71,206              |
|   | <hr/> 2,529,414     | <hr/> 2,177,375     |



|  | 31/12/2021                | 31/12/2020                |
|--|---------------------------|---------------------------|
|  | VND million               | VND million               |
|  | Contractual value - gross | Contractual value - gross |
|  | Contractual value - net   | Contractual value - net   |
|  | Marginal deposits         | Marginal deposits         |
| Loan guarantees                                | 94,083                    | (98,155)                  |
| Foreign exchange commitments                   | -                         | -                         |
| ▪ <i>Foreign currency purchase commitments</i> | 1,430,311                 | 541,303                   |
| ▪ <i>Foreign currency sale commitments</i>     | 625,751                   | 447,726                   |
| ▪ <i>Currency swaps - purchase commitments</i> | 47,849,800                | 30,139,120                |
| ▪ <i>Currency swaps - sale commitments</i>     | 44,526,580                | 23,652,400                |
| Letters of credit                              | 1,828,529                 | 683,086                   |
| Other guarantees                               | 4,468,758                 | 2,713,327                 |
| Interest rate swaps                            | 8,089,470                 | 9,805,803                 |

### 36. Corporate income tax

#### (a) Recognition in the statement of income

|                            | 2021<br>VND million | 2020<br>VND million |
|----------------------------|---------------------|---------------------|
| <b>Current tax expense</b> |                     |                     |
| Current year               | 662,020             | 368,471             |

#### (b) Reconciliation of effective tax rate

|  | 2021<br>VND million | 2020<br>VND million |
|--|---------------------|---------------------|
| Accounting profit before tax                                   | 3,268,538           | 1,728,936           |
| Tax at the Bank's tax rate                                     | 653,708             | 345,787             |
| Tax exempt income  | (1,950)             | (941)               |
| Non-deductible expenses  | 462                 | 357                 |
| Adjustment of profit for consolidation of financial statements | (5,291)             | 10,164              |
| Others   | 15,091              | 13,104              |
|  | 662,020             | 368,471             |

#### (c) Applicable tax rate

The Bank has an obligation to pay corporate income tax to the Government at the rate of 20% of taxable profit (2020: 20%). The corporate income tax computation is subject to review and approval by local tax authorities.

### 37. Basic earnings per share

#### (i) Net profit attributable to ordinary shareholders

|  | 2021<br>VND million | 2020<br>VND million |
|--|---------------------|---------------------|
| Net profit attributable to ordinary shareholders | 2,606,518           | 1,360,465           |
| Appropriation to bonus and welfare fund          | (18,419)            | (22,301)            |
|  | 2,588,099           | 1,338,164           |

(ii) *Weighted average number of ordinary shares*

|   | 2021          | 2020<br>(restated) | 2020<br>(as previously<br>stated) |
|---|---------------|--------------------|-----------------------------------|
| Issued ordinary shares at the beginning of the year               | 1,208,744,208 | 936,900,000        | 936,900,000                       |
| Effect of ordinary shares issued in 2022                          | 106,128,585   | 96,200,258         | -                                 |
| Effect of ordinary shares issued in 2021                          | 92,296,000    | 71,271,261         | -                                 |
| Effect of ordinary shares issued for payment of dividends in 2021 | 110,244,161   | 110,244,161        | -                                 |
| Effect of ordinary shares issued for payment of dividends in 2020 | -             | 131,166,000        | 131,166,000                       |
| Effect of ordinary shares issued in 2020                          | -             | 29,677,321         | 29,677,321                        |
| Weighted average number of ordinary shares for the year           | 1,517,412,954 | 1,375,459,001      | 1,097,743,321                     |

(iii) *Basic earnings per share*

|                                      | 2021  | 2020<br>(Restated) | 2020<br>(as previously<br>stated) |
|--------------------------------------|-------|--------------------|-----------------------------------|
| Basic earnings per share (VND/share) | 1,706 | 973                | 1,219                             |

38. **Cash and cash equivalents**

|  | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|--|---------------------------|---------------------------|
| Cash and gold on hand  | 1,076,028                 | 1,012,228                 |
| Balances with the SBV  | 4,799,360                 | 3,374,359                 |
| Demand deposits with other CIs   | 12,992,451                | 730,089                   |
| Deposits with other CIs with original terms not exceeding three months | 22,241,041                | 24,911,090                |
|  | 41,108,880                | 30,027,766                |



### 39. Employee benefits

|                                       | 2021             | 2020             |
|---------------------------------------|------------------|------------------|
| Average number of employees (persons) | 4,595            | 4,338            |
| Employees' income                     | 1,232,748        | 1,096,557        |
| Incentives                            | 17,893           | 16,197           |
|                                       | <u>1,250,641</u> | <u>1,112,754</u> |
| Average monthly income (VND million)  | 22,68            | 21,38            |

### 40. Obligations to the State Treasury

#### Year ended 31 December 2021

|                                   | 1/1/2021<br>VND million | Incurred<br>during year<br>VND million | Paid during<br>the year<br>VND million | 31/12/2021<br>VND million |
|-----------------------------------|-------------------------|--|--|---------------------------|
| <b>Payables to State Treasury</b> |                         |  |  |                           |
| Value added tax                   | 3,923                   | 109,528                                | (92,095)                               | 21,356                    |
| Corporate income tax              | 176,098                 | 662,020                                | (566,024)                              | 272,094                   |
| Personal income tax               | 5,992                   | 97,188                                 | (94,586)                               | 8,594                     |
| Other taxes                       | -                       | 13,056                                 | (13,056)                               | -                         |
|                                   | <u>186,013</u>          | <u>881,792</u>                         | <u>(765,761)</u>                       | <u>302,044</u>            |

#### Year ended 31 December 2020

|                      | 1/1/2020<br>VND million | Incurred<br>during year<br>VND million | Paid during<br>the year<br>VND million | 31/12/2020<br>VND million |
|----------------------|-------------------------|--|--|---------------------------|
| Value added tax      | 3,506                   | 37,358                                 | (36,941)                               | 3,923                     |
| Corporate income tax | 169,414                 | 368,471                                | (361,787)                              | 176,098                   |
| Personal income tax  | 5,710                   | 93,621                                 | (93,339)                               | 5,992                     |
| Other taxes          | -                       | 20,541                                 | (20,541)                               | -                         |
|                      | <u>178,630</u>          | <u>519,991</u>                         | <u>(512,608)</u>                       | <u>186,013</u>            |

#### 41. Significant transactions and balances with related parties

In the normal course of operation, SeABank carries out transactions with related parties.

The following related parties had transactions and/or balances with SeABank during the year:

| Related parties   | Relationship          |
|---|-----------------------|
| Opera Hotel Limited Company                                       | Common members of BOD |
| Espace Big C Thang Long   | Common members of BOD |
| Thang Long GTC Joint Stock Company                                | Common members of BOD |
| Hanoitourist Service Joint Stock Company                          | Common members of BOD |
| Hanoi Trade Joint Stock Corporation                               | Common members of BOD |
| BRG Group Joint Stock Company ("BRG")                             | Common members of BOD |
| North Hanoi Smart City Development Investment Joint Stock Company | Common members of BOD |
| Vietnam Engine and Agricultural Machinery Corporation ("VEAM")    | Common members of BOD |
| Tran Hung Dao Mechanical Co., Ltd.                                | Subsidiary of VEAM    |
| Song Cong Diesel Limited Company                                  | Subsidiary of VEAM    |
| Hoang Vien Quang Ba Co., Ltd                                      | Subsidiary of BRG     |
| Hue Tourism Investment Joint Stock Company                        | Subsidiary of BRG     |
| Board of Directors, Supervisory Board and Board of Management     |                       |

Balances with related parties as at year-end are as follows:

|  | <b>Assets/(Liabilities)</b> |                    |
|--|-----------------------------|--------------------|
|  | <b>31/12/2021</b>           | <b>31/12/2020</b>  |
|  | <b>VND million</b>          | <b>VND million</b> |
| <i>Opera Hotel Limited Company</i>                                       |                             |                    |
| ▪ Demand deposits at SeABank   | (30,836)                    | (34,862)           |
| ▪ Term deposits at SeABank   | (54,915)                    | (77,415)           |
| <i>Espace Big C Thang Long</i>   |                             |                    |
| ▪ Demand deposits at SeABank   | (9,248)                     | (4,949)            |
| ▪ Term deposits at SeABank   | (326,431)                   | (618,106)          |
| <i>Thang Long GTC Joint Stock Company</i>                                |                             |                    |
| ▪ Demand deposits at SeABank   | (60,785)                    | (173,126)          |
| ▪ Term deposits at SeABank   | (370,400)                   | (375,400)          |
| <i>BRG Group Joint Stock Company and Subsidiaries</i>                    |                             |                    |
| ▪ Demand deposits at SeABank   | (152,553)                   | (139,713)          |
| ▪ Term deposits at SeABank   | (631,545)                   | (8,500)            |
| <i>Hanoi Tourist Service Joint Stock Company</i>                         |                             |                    |
| ▪ Demand deposits at SeABank   | (9,473)                     | (5,259)            |
| ▪ Term deposits at SeABank   | (301,228)                   | (312,582)          |
| <i>Vietnam Engine and Agricultural Machinery Corporation</i>             |                             |                    |
| ▪ Demand deposits at SeABank   | (25,704)                    | (23,565)           |
| ▪ Term deposits at SeABank   | (1,679,300)                 | (910,000)          |
| <i>North Hanoi Smart City Development Investment Joint Stock Company</i> |                             |                    |
| ▪ Demand deposits at SeABank   | (163,416)                   | (135,545)          |
| ▪ Term deposits at SeABank   | (3,000,000)                 | (3,100,000)        |



Details of transactions with related parties during the year are as follows:

|  | Income/(Expenses) |                 |
|--|-------------------|-----------------|
|  | 2021              | 2020            |
|  | VND million       | VND million     |
| <i>Opera Hotel Limited Company</i>   |                   |                 |
| ▪ Interest expenses for deposits   | (2,168)           | (3,620)         |
| <i>Espace Big C Thang Long</i>   |                   |                 |
| ▪ Interest expenses for deposits   | (16,048)          | (28,180)        |
| <i>Thang Long GTC Joint Stock Company</i>  |                   |                 |
| ▪ Interest expenses for deposits   | (20,394)          | (22,290)        |
| ▪ Interest income from loans   | -                 | 227             |
| <i>BRG Group Joint Stock Company and its subsidiaries</i>                          |                   |                 |
| ▪ Interest expenses for deposits   | (16,467)          | (1,540)         |
| ▪ Interest income from loans   | 41,407            | 144             |
| <i>Hanoi Tourist Service Joint Stock Company</i>                                   |                   |                 |
| ▪ Interest expenses for deposits   | (12,817)          | (15,526)        |
| <i>Vietnam Engine and Agricultural Machinery Corporation and its subsidiaries</i>  |                   |                 |
| ▪ Interest expenses for deposits   | (74,501)          | (63,431)        |
| <i>North Hanoi Smart City Development Investment Joint Stock Company</i>           |                   |                 |
| ▪ Interest expenses for deposits   | (95,648)          | (100,587)       |
| <b>Remuneration of the Board of Directors, Supervisory Board</b>                   | <b>(12,522)</b>   | <b>(11,200)</b> |
| <b>Salary, bonus and other benefits of the General Director and other managers</b> | <b>(35,511)</b>   | <b>(33,062)</b> |

## **42. Segment reporting**

A segment is a separate identifiable component of SeABank involved in the provision of related products or services (business segmenting) or the provision of products or services within one specific economic environment (geographic segmenting). Each of these segments bears different risks and benefits from the others.

### **(i) Primary segment reporting by business**

For management purposes, the Bank and its subsidiaries are organized into segments based on the following business:

Banking operations:

Products and services provided to customers include:

- Receiving deposit;
- Providing credit;
- Providing payment services via account; and
- Other banking activities.

Finance company:

Consumer loans and other financial activities

Debt management and asset exploitation:

Debt management and asset exploitation

Segment reporting by business segment as at 31 December 2021 and the year then ended are presented in the following table:

(VND million)

|  | Banking<br>operations | Finance<br>companies<br>activities | Debt<br>management<br>and asset<br>exploitation | Elimination<br>for inter-<br>segment<br>transactions | Consolidated<br>figures |
|--|-----------------------|------------------------------------|---|--|-------------------------|
| <b>Revenue</b>                                 |                       |                                    |   |  |                         |
| Interest income                                | 11,653,018            | 133,512                            | 36,190  | (18,232)   | 11,804,488              |
| Fee and commission income                      | 1,287,986             | 27,057                             | 208,336   | (4,260)  | 1,519,119               |
| Income from other activities                   | 2,909,290             | 9,943                              | 387   | (20,807)   | 2,898,813               |
|  | 15,850,294            | 170,512                            | 244,913   | (43,299)   | 16,222,420              |
| <b>Expense</b>                                 |                       |                                    |   |  |                         |
| Interest expense                               | 6,622,912             | 9,377                              | 4,338   | (18,232)   | 6,618,395               |
| Fee and commission expense                     | 175,629               | 4,704                              | 192,899   | -  | 373,232                 |
| Others expense                                 | 2,184,252             | 17,308                             | 225   | (6,782)  | 2,195,003               |
| Operating expense                              | 2,385,726             | 72,031                             | 4,711   | 66,946   | 2,529,414               |
|  | 11,368,519            | 103,420                            | 202,173   | 41,932   | 11,716,044              |
| Operating results before<br>allowance expenses | 4,481,775             | 67,092                             | 42,740  | (85,231)   | 4,506,376               |
| Allowance expenses                             | 1,198,952             | 38,886                             | -   | -  | 1,237,838               |
| Segment outcome                                | 3,282,823             | 28,206                             | 42,740  | (85,231)   | 3,268,538               |
| <b>Asset</b>                                   |                       |                                    |   |  |                         |
| Cash   | 1,075,997             | -                                  | 31  | -  | 1,076,028               |
| Fixed assets                                   | 880,990               | 1,513                              | -   | -  | 882,503                 |
| Other assets                                   | 210,090,429           | 3,082,419                          | 604,691   | (4,072,555)  | 209,704,984             |
| Total assets                                   | 212,047,416           | 3,083,932                          | 604,722   | (4,072,555)  | 211,663,515             |
| <b>Liabilities</b>                             |                       |                                    |   |  |                         |
| Amounts due to the<br>Government and the SBV   | 2,172,763             | -                                  | -   | -  | 2,172,763               |
| Deposits and borrowings<br>from other CIs      | 58,611,446            | 2,100,000                          | -   | (2,345,448)  | 58,365,998              |
| Deposits from customers                        | 109,814,519           | 653                                | -   | (30,535)   | 109,784,637             |
| Grants and entrusted funds                     | -                     | 1,020                              | -   | -  | 1,020                   |
| Valuable papers issued                         | 19,053,200            | 400,000                            | -   | (400,000)  | 19,053,200              |
| Other liabilities                              | 3,565,296             | 41,423                             | 33,123  | (17,209)   | 3,622,633               |
| Total liabilities                              | 193,217,224           | 2,543,096                          | 33,123  | (2,793,192)  | 193,000,251             |



Segment reporting by business segment as at 31 December 2020 and the year then ended are presented in the following table:

(VND million)

|   | Banking<br>operations | Finance<br>companies<br>activities | Debt<br>management<br>and asset<br>exploitation | Elimination<br>for inte-<br>segment<br>transactions | Consolidated<br>figures |
|---|-----------------------|------------------------------------|---|---|-------------------------|
| <b>Revenue</b>  |                       |                                    |   |   |                         |
| Interest income   | 10,684,113            | 17,738                             | 10,165  | (16,236)  | 10,695,780              |
| Fee and commission income                                 | 493,279               | 371                                | 33,038  | (4,009)   | 522,679                 |
| Income from other<br>business activities                  | 2,851,074             | 37,096                             | 472   | (13,725)  | 2,874,917               |
|   | 14,028,466            | 55,205                             | 43,675  | (33,970)  | 14,093,376              |
| <b>Expense</b>  |                       |                                    |   |   |                         |
| Interest expense  | (7,645,430)           | (19)                               | (4,851)   | 16,236  | (7,634,064)             |
| Fee and commission<br>expense                             | (151,430)             | (233)                              | (14,818)  | -   | (166,481)               |
| Others expense  | (1,672,863)           | (35,852)                           | (430)   | -   | (1,709,145)             |
| Operating expense   | (2,042,510)           | (63,670)                           | (3,997)   | (67,197)  | (2,177,374)             |
|   | (11,512,233)          | (99,774)                           | (24,096)  | (50,961)  | (11,687,064)            |
| Operating results before<br>allowance expenses            | 2,516,233             | (44,569)                           | 19,579  | (84,931)  | 2,406,312               |
| Allowance expenses  | (674,644)             | (2,732)                            | -   | -   | (677,376)               |
| Segment outcome   | 1,841,589             | (47,301)                           | 19,579  | (84,931)  | 1,728,936               |
| <b>Asset</b>  |                       |                                    |   |   |                         |
| Cash  | 1,012,074             | -                                  | 154   | -   | 1,012,228               |
| Fixed assets  | 861,142               | 1,345                              | -   | -   | 862,487                 |
| Other assets  | 178,651,522           | 519,844                            | 631,956   | (1,470,749)   | 178,332,573             |
|   | 180,524,738           | 521,189                            | 632,110   | (1,470,749)   | 180,207,288             |
| <b>Liabilities</b>  |                       |                                    |   |   |                         |
| Amounts due to the<br>Government and the SBV              | 205,702               | -                                  | -   | -   | 205,702                 |
| Deposits and borrowings<br>from other credit institutions | 42,699,830            | -                                  | -   | (183,157)   | 42,516,673              |
| Deposits from customers                                   | 113,298,248           | 653                                | -   | (22,304)  | 113,276,597             |
| Grants and entrusted funds                                | -                     | 1,020                              | -   | -   | 1,020                   |
| Valuable papers issued                                    | 7,064,740             | -                                  | -   | -   | 7,064,740               |
| Other liabilities   | 3,442,763             | 6,886                              | 79,659  | (57,130)  | 3,472,178               |
|   | 166,711,283           | 8,559                              | 79,659  | (262,591)   | 166,536,910             |

(ii) **Secondary segment reporting by geographic segment**

The business activities of the Bank and its subsidiaries are mainly performed in the territory of Vietnam. Therefore, SeABank's risk and profitability are not affected mainly by the fact that it operates in different geographic region. As such, the Board of Management of SeABank assessed that SeABank has only one geographical segment and SeABank is not required to present segment reporting by geographical segment accordingly.

**43. Concentration of assets, liabilities and off-balance sheet commitments by geographical regions**

Concentration of assets, liabilities and off-balance sheet items by geographical region of SeABank's partners as at 31 December 2021 are as follows:

|          | <b>Total loans</b> | <b>Total deposits, borrowings</b> | <b>Contingent credit commitments</b> | <b>Derivatives</b> | <b>Trading and investment securities</b> |
|----------|--------------------|-----------------------------------|--------------------------------------|--------------------|--|
|          | <b>VND million</b> | <b>VND million</b>                | <b>VND million</b>                   | <b>VND million</b> | <b>VND million</b>                       |
| Domestic | 134,565,406        | 145,268,268                       | 6,010,566                            | 47,804             | 29,957,117                               |
| Overseas | 379,738            | 69,101                            | -                                    | -                  | -  |
|          | <b>134,945,144</b> | <b>145,337,369</b>                | <b>6,010,566</b>                     | <b>47,804</b>      | <b>29,957,117</b>                        |

Concentration of assets, liabilities and off-balance sheet items by geographical region of SeABank's partners as at 31 December 2020 are as follows:

|          | <b>Total loans</b> | <b>Total deposits, borrowings</b> | <b>Contingent credit commitments</b> | <b>Derivatives</b> | <b>Trading and investment securities</b> |
|----------|--------------------|-----------------------------------|--------------------------------------|--------------------|--|
|          | <b>VND million</b> | <b>VND million</b>                | <b>VND million</b>                   | <b>VND million</b> | <b>VND million</b>                       |
| Domestic | 108,563,097        | 138,655,944                       | 3,225,588                            | 144,604            | 34,926,421                               |
| Overseas | 406,139            | 9,125                             | -                                    | -                  | -  |
|          | <b>108,969,236</b> | <b>138,665,069</b>                | <b>3,225,588</b>                     | <b>144,604</b>     | <b>34,926,421</b>                        |

#### 44. Financial risk management

This section provides information of SeABank 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 SeABank is exposed are credit risk, liquidity risk and market risk.

##### *Risk management policy*

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

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

Risk management strategies and policies are adhered to SeABank's Charter and General Shareholders' Meeting resolution from time to time.

The Risk Management Division is an agency established by SeABank. The agency is responsible for development and management of risk management policies and tools; organising and managing risk management in the Bank's operations.

#### 45. Market risk

##### (a) Interest rate risk

SeABank's operating activities are subject to the risk of interest rate fluctuation since interest-bearing assets and interest-bearing liabilities differ in terms of maturity and amount. Some assets have indefinite maturities or interest rate sensitivities and are not readily matched with specific liabilities.

SeABank adopts a interest risk measurement method for all assets - liabilities items with respect to interest income. SeABank also establishes and applies a limit system and decision authority at each level based on results of risk measurement for each category.

The following tables show SeABank's assets and liabilities categorised by the contractual re-pricing or maturity date and the interest rates at the end of the annual accounting period. 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' deposits.



**Southeast Asia Commercial Joint Stock Bank**

No. 198, Tran Quang Khai, Ly Thai To Ward, Hoan Kiem District, Hanoi, Vietnam

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

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(Issued under Circular  
No. 49/2014/TT-NHNN dated 31 December 2014  
of the State Bank of Vietnam)

| As at 31 December 2021<br>(VND million)      | Overdue   | Non<br>interest-<br>bearing | Up to 1<br>month | From 1 to<br>3 months | From 3 to<br>6 months | From 6 to<br>12 months | From 1 to<br>5 years | Over 5<br>years | Total       |
|--|-----------|-----------------------------|------------------|-----------------------|-----------------------|------------------------|----------------------|-----------------|-------------|
| <b>Assets</b>                                |           |                             |                  |                       |                       |                        |                      |                 |             |
| Cash and gold on hand                        | -         | 1,076,028                   | -                | -                     | -                     | -                      | -                    | -               | 1,076,028   |
| Balances with the SBV                        | -         | -                           | 4,799,360        | -                     | -                     | -                      | -                    | -               | 4,799,360   |
| Deposits with and loans to other CIs - gross | -         | -                           | 34,151,405       | 6,099,769             | 2,339,303             | -                      | -                    | -               | 42,590,477  |
| Securities held for trading - gross          | -         | -                           | 13,094,009       | -                     | -                     | -                      | -                    | -               | 13,094,009  |
| Loans to customers - gross                   | 2,313,928 | -                           | 19,829,146       | 34,081,842            | 38,775,464            | 28,188,869             | 2,990,758            | 1,408,152       | 127,588,159 |
| Investment securities - gross                | -         | 82,054                      | 1,099,999        | 486,866               | 2,810,220             | 4,529,989              | 6,119,601            | 1,734,379       | 16,863,108  |
| Long-term investments - gross                | -         | 86,534                      | -                | -                     | -                     | -                      | -                    | -               | 86,534      |
| Fixed assets and investment property         | -         | 948,067                     | -                | -                     | -                     | -                      | -                    | -               | 948,067     |
| Other assets - gross                         | -         | 6,496,632                   | -                | -                     | -                     | -                      | -                    | -               | 6,496,632   |
| <b>Total assets</b>                          | 2,313,928 | 8,689,315                   | 72,973,919       | 40,668,477            | 43,924,987            | 32,718,858             | 9,110,359            | 3,142,531       | 213,542,374 |
| <b>Liabilities</b>                           |           |                             |                  |                       |                       |                        |                      |                 |             |
| Amounts due to the Government and the SBV    | -         | -                           | 25,240           | 60,967                | 68,086                | 2,018,470              | -                    | -               | 2,172,763   |
| Deposits and borrowings from other CIs       | -         | -                           | 42,837,652       | 10,943,119            | 1,354,080             | 261,947                | 2,969,200            | -               | 58,365,998  |
| Deposits from customers                      | -         | -                           | 28,869,577       | 28,203,150            | 24,042,626            | 17,333,254             | 11,334,030           | 2,000           | 109,784,637 |
| Derivatives and other financial liabilities  | -         | 47,804                      | -                | -                     | -                     | -                      | -                    | -               | 47,804      |
| Grants and entrusted funds                   | -         | 1,020                       | -                | -                     | -                     | -                      | -                    | -               | 1,020       |
| Valuable papers issued                       | -         | -                           | 41,530           | 216,580               | 3,554,690             | 12,840,400             | 2,400,000            | -               | 19,053,200  |
| Other liabilities                            | -         | 3,574,829                   | -                | -                     | -                     | -                      | -                    | -               | 3,574,829   |
| <b>Total liabilities</b>                     | -         | 3,623,653                   | 71,773,999       | 39,423,816            | 29,019,482            | 32,454,071             | 16,703,230           | 2,000           | 193,000,251 |
| <b>Interest sensitivity gap</b>              | 2,313,928 | 5,065,662                   | 1,199,920        | 1,244,661             | 14,905,505            | 264,787                | (7,592,871)          | 3,140,531       | 20,542,123  |

| As at 31 December 2020<br>(VND million)      | Overdue          | Non<br>interest-<br>bearing | Up to 1<br>month   | From 1 to<br>3 months | From 3 to<br>6 months | From 6 to<br>12 months | From 1 to<br>5 years | Over 5<br>years  | Total              |
|--|------------------|-----------------------------|--------------------|-----------------------|-----------------------|------------------------|----------------------|------------------|--------------------|
| <b>Assets</b>                                |                  |                             |                    |                       |                       |                        |                      |                  |                    |
| Cash and gold on hand                        | -                | 1,012,228                   | -                  | -                     | -                     | -                      | -                    | -                | 1,012,228          |
| Balances with the SBV                        | -                | -                           | 3,374,359          | -                     | -                     | -                      | -                    | -                | 3,374,359          |
| Deposits with and loans to other CIs - gross | -                | -                           | 23,152,679         | 2,588,500             | -                     | -                      | -                    | -                | 25,741,179         |
| Securities held for trading - gross          | -                | -                           | 2,705,920          | -                     | -                     | -                      | -                    | -                | 2,705,920          |
| Derivatives and other financial assets       | -                | 144,604                     | -                  | -                     | -                     | -                      | -                    | -                | 144,604            |
| Loans to customers - gross                   | 2,135,684        | -                           | 32,177,709         | 21,403,796            | 40,933,577            | 12,152,628             | 57,772               | 8,070            | 108,869,236        |
| Investment securities - gross                | -                | -                           | 3,084,482          | 3,408,741             | 9,152,124             | 14,670,986             | 1,584,804            | 319,364          | 32,220,501         |
| Long-term investments - gross                | -                | 131,666                     | -                  | -                     | -                     | -                      | -                    | -                | 131,666            |
| Fixed assets and investment property         | -                | 1,103,421                   | -                  | -                     | -                     | -                      | -                    | -                | 1,103,421          |
| Other assets - gross                         | -                | 6,128,183                   | -                  | -                     | -                     | -                      | -                    | -                | 6,128,183          |
| <b>Total assets</b>                          | <b>2,135,684</b> | <b>8,520,102</b>            | <b>64,495,149</b>  | <b>27,401,037</b>     | <b>50,085,701</b>     | <b>26,823,614</b>      | <b>1,642,576</b>     | <b>327,434</b>   | <b>181,431,297</b> |
| <b>Liabilities</b>                           |                  |                             |                    |                       |                       |                        |                      |                  |                    |
| Amounts due to the Government and the SBV    | -                | -                           | 25,240             | 60,968                | 68,086                | 51,408                 | -                    | -                | 205,702            |
| Deposits and borrowings from other CIs       | -                | -                           | 39,779,179         | 2,457,464             | 280,030               | -                      | -                    | -                | 42,516,673         |
| Deposits from customers                      | -                | -                           | 32,262,653         | 18,678,351            | 25,143,734            | 23,314,877             | 13,876,982           | -                | 113,276,597        |
| Grants 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          |
| <b>Total liabilities</b>                     | <b>-</b>         | <b>3,473,198</b>            | <b>72,171,682</b>  | <b>21,654,273</b>     | <b>27,174,980</b>     | <b>25,678,375</b>      | <b>15,418,402</b>    | <b>966,000</b>   | <b>166,536,910</b> |
| <b>Interest sensitivity gap</b>              | <b>2,135,684</b> | <b>5,046,904</b>            | <b>(7,676,533)</b> | <b>5,746,764</b>      | <b>22,910,721</b>     | <b>1,145,239</b>       | <b>(13,775,826)</b>  | <b>(638,566)</b> | <b>14,894,387</b>  |

**(b) Currency risk**

SeABank 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 statement of income.

SeABank has set limits on positions by currency based on its internal risk assessment process and the regulations of the SBV. Currency positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

The following table presents currency status of SeABank's assets and liabilities as at 31 December 2021:

| As at 31 December 2021<br>(VND million)      | USD         | EUR       | Others  | Total       |
|--|-------------|-----------|---------|-------------|
| <b>Assets</b>                                |             |           |         |             |
| Cash and gold on hand                        | 108,912     | 95,065    | 72,237  | 276,214     |
| Balances with the SBV                        | 2,230,506   |           |         | 2,230,506   |
| Deposits with and loans to other CIs - gross | 6,612,325   | 205,438   | 66,886  | 6,884,649   |
| Loans to customers - gross                   | 3,035,294   |           |         | 3,035,294   |
| Other assets - gross                         | 306,586     | 513       | 1,090   | 308,189     |
|  | 12,293,623  | 301,016   | 140,213 | 12,734,852  |
| <b>Liabilities</b>                           |             |           |         |             |
| Deposits and borrowings from other CIs       | 7,275,592   | -         | 1,090   | 7,276,682   |
| Deposits from customers                      | 1,816,233   | 273,578   | 36,724  | 2,126,535   |
| Derivatives and other financial liabilities  | 5,991,912   | 424,789   | 48,568  | 6,465,269   |
| Other liabilities                            | 59,643      | 1,415     | -       | 61,058      |
|  | 15,143,380  | 699,782   | 86,382  | 15,929,544  |
| <b>FX position on balance sheet</b>          | (2,849,757) | (398,766) | 53,831  | (3,194,692) |



| As at 31 December 2020<br>(VND million)      | USD         | EUR      | Others  | Total       |
|--|-------------|----------|---------|-------------|
| <b>Assets</b>                                |             |          |         |             |
| Cash and gold on hand                        | 86,182      | 97,259   | 107,866 | 291,307     |
| Balances with the SBV                        | 1,287,045   | -        | -       | 1,287,045   |
| Deposits with and loans to other CIs - gross | 3,298,459   | 271,710  | 56,203  | 3,626,372   |
| Loans to customers - gross                   | 2,429,101   | 1,996    | -       | 2,431,097   |
| Other assets - gross                         | 289,499     | 824      | -       | 290,323     |
|  | 7,390,286   | 371,789  | 164,069 | 7,926,144   |
| <b>Liabilities</b>                           |             |          |         |             |
| Deposits and borrowings from other CIs       | 4,927,766   | -        | -       | 4,927,766   |
| Deposits from customers                      | 2,996,152   | 310,302  | 41,662  | 3,348,116   |
| Derivatives and other financial liabilities  | 2,016,857   | 71,293   | 130,125 | 2,218,275   |
| Other liabilities                            | 55,072      | 1,138    | -       | 56,210      |
|  | 9,995,847   | 382,733  | 171,787 | 10,550,367  |
| <b>FX position on balance sheet</b>          | (2,605,561) | (10,944) | (7,718) | (2,624,223) |

The followings were the significant foreign exchange rates applied by the Bank:

|     | Exchange rate as at |            |
|-----|---------------------|------------|
|     | 31/12/2021          | 31/12/2020 |
|     | VND                 | VND        |
| AUD | 16,593              | 17,822     |
| CAD | 17,974              | 18,165     |
| CHF | 24,892              | 26,198     |
| KRW | 19                  | 21         |
| EUR | 25,981              | 28,517     |
| GBP | 30,958              | 31,567     |
| HKD | 2,920               | 2,980      |
| JPY | 199                 | 225        |
| SGD | 16,934              | 17,503     |
| THB | 678                 | 769        |
| USD | 22,840              | 23,200     |
| XAU | 6,110,000           | 5,582,500  |

## 46. Credit risk

Credit risk to SeABank mainly derives from loans and advances to customers. The credit risk level is shown on the carrying value of the assets on the consolidated balance sheet. In addition, SeABank also faces credit risk in the form of off-balance sheet commitments to extend credit and guarantees.

The concentration of credit risk (whether on or off-balance sheet) arising from financial instruments accompanies groups of partners in which members have similar economic characteristics that would cause the ability of the groups to fulfil their obligations to be affected if there are fluctuations in economic conditions or other conditions.

The main concentration of credit risk is from various areas and types of customers regarding to investments, loans and advances, credit commitments and guarantees granted by SeABank.

Set out below is the maximum credit exposure of SeABank's on balance sheet, excluding any collateral held or credit enhancements:

### As at 31 December 2021

| (VND million)                                   | Neither past<br>due nor<br>allowance<br>required | Past due but<br>no allowance<br>required | Past due and<br>allowance<br>provided | Total       |
|---|--|--|---------------------------------------|-------------|
| Balances with the SBV                           | 4,799,360  | -  | -                                     | 4,799,360   |
| Deposits with and loans to<br>other CIs – gross | 42,590,477                                       | -  | -                                     | 42,590,477  |
| Loans to customers - gross                      | 124,756,129                                      | 518,102                                  | 2,313,928                             | 127,588,159 |
| Investment securities – gross                   | 16,863,108                                       | -  | -                                     | 16,863,108  |
| Other financial assets – gross                  | 3,630,338  | -  | 41,094                                | 3,671,432   |
|   | 192,639,412                                      | 518,102                                  | 2,355,022                             | 195,512,536 |

### As at 31 December 2020

| (VND million)                                   | Neither past<br>due nor<br>allowance<br>required | Past due but<br>no allowance<br>required | Past due and<br>allowance<br>provided | Total       |
|---|--|--|---------------------------------------|-------------|
| Balances with the SBV                           | 3,374,359  | -  | -                                     | 3,374,359   |
| Deposits with and loans to<br>other CIs – gross | 25,741,179                                       | -  | -                                     | 25,741,179  |
| Loans to customers - gross                      | 106,576,749                                      | 156,803                                  | 2,135,684                             | 108,869,236 |
| Investment securities – gross                   | 32,137,840                                       | -  | -                                     | 32,137,840  |
| Other financial assets – gross                  | 4,465,999  | -  | -                                     | 4,465,999   |
|   | 172,296,126                                      | 156,803                                  | 2,135,684                             | 174,588,613 |

Details of collaterals held by the Bank at the year-end were as follows:

|                   | 31/12/2021<br>VND million | 31/12/2020<br>VND million |
|-------------------|---------------------------|---------------------------|
| Real estates      | 169,909,818               | 140,727,512               |
| Movable assets    | 13,896,766                | 13,510,422                |
| Valuable papers   | 27,380,443                | 28,969,558                |
| Other collaterals | 82,455,931                | 108,944,992               |
|                   | <u>293,642,958</u>        | <u>292,152,484</u>        |

#### 47. Liquidity risk

Liquidity risk arises from SeABank's funding activities in general and in the management of its currency positions. It includes both the risk of being unable to mobilise 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 SeABank according to their maturities as at 31 December 2021 and 31 December 2020.



| As at 31 December 2021<br>(VND million)     | Overdue        |                    | Current       |                    | Total             |                   |
|---|----------------|--------------------|---------------|--------------------|-------------------|-------------------|
|   | Up to 3 months | More than 3 months | Up to 1 month | From 1 to 3 months | From 1 to 5 years | More than 5 years |
| <b>Assets</b>                               |                |                    |               |                    |                   |                   |
| Cash and gold on hand                       | -              | -                  | 1,076,028     | -                  | -                 | 1,076,028         |
| Balances with the SBV                       | -              | -                  | 4,799,360     | -                  | -                 | 4,799,360         |
| Deposits with and loans to other CIs        | -              | -                  | 34,151,405    | 6,099,769          | -                 | 42,590,477        |
| Securities held for trading - gross         | -              | -                  | 13,094,009    | -                  | -                 | 13,094,009        |
| Loans to customers - gross                  | 209,319        | 2,104,609          | 7,136,389     | 8,662,273          | 28,447,238        | 127,588,159       |
| Investment securities - gross               | -              | -                  | 182,054       | 486,865            | 4,269,632         | 16,863,108        |
| Long-term investments - gross               | -              | -                  | -             | -                  | -                 | 86,534            |
| Fixed assets and investment property        | -              | -                  | -             | -                  | 1,513             | 946,067           |
| Other assets - gross                        | -              | -                  | 583,824       | 1,038,350          | 1,375,521         | 6,496,632         |
| <b>Total assets</b>                         | 209,319        | 2,104,609          | 61,023,069    | 16,287,257         | 34,093,904        | 213,542,374       |
| <b>Liabilities</b>                          |                |                    |               |                    |                   |                   |
| Amounts due to the Government and the SBV   | -              | -                  | 25,240        | 60,967             | -                 | 2,172,763         |
| Deposits and borrowings from other CIs      | -              | -                  | 42,837,652    | 10,943,119         | 2,969,200         | 58,365,998        |
| Deposits from customers                     | -              | -                  | 28,869,577    | 28,203,150         | 11,334,030        | 109,784,637       |
| Derivatives and other financial liabilities | -              | -                  | 8,746         | 16,572             | (34,270)          | 47,804            |
| Grants and entrusted funds                  | -              | -                  | -             | -                  | 1,020             | 1,020             |
| Valuable papers issued                      | -              | -                  | 41,530        | 216,580            | 2,400,000         | 19,053,200        |
| Other liabilities                           | -              | -                  | 872,802       | 1,075,489          | 368,046           | 3,574,829         |
| <b>Total liabilities</b>                    | -              | -                  | 72,655,547    | 40,515,877         | 17,038,026        | 193,000,251       |
| <b>Net liquidity gap</b>                    | 209,319        | 2,104,609          | (11,632,478)  | (24,228,620)       | 17,055,878        | 20,542,123        |

| As at 31 December 2020<br>(VND million)   | Overdue | Up to 3 months | More than 3 months | Up to 1 month | From 1 to 3 months | Current    | From 3 to 12 months | From 1 to 5 years | More than 5 years | Total       |
|---|---------|----------------|--------------------|---------------|--------------------|------------|---------------------|-------------------|-------------------|-------------|
| <b>Assets</b>                             |         |                |                    |               |                    |            |                     |                   |                   |             |
| Cash and gold on hand                     | -       | -              | -                  | 1,012,228     | -                  | -          | -                   | -                 | -                 | 1,012,228   |
| Balances with the SBV                     | -       | -              | -                  | 3,374,359     | -                  | -          | -                   | -                 | -                 | 3,374,359   |
| Deposits with and loans to other CIs      | -       | -              | -                  | 23,152,679    | 2,588,500          | -          | -                   | -                 | -                 | 25,741,179  |
| Securities held for trading - gross       | -       | -              | -                  | 2,705,920     | -                  | -          | -                   | -                 | -                 | 2,705,920   |
| Derivatives and other financial assets    | -       | -              | -                  | -             | 121,495            | 23,109     | -                   | -                 | -                 | 144,604     |
| Loans to customers - gross                | 114,722 | 2,020,962      | -                  | 4,202,222     | 5,100,583          | 51,829,478 | -                   | 22,797,120        | 22,804,149        | 108,869,236 |
| Investment securities - gross             | -       | -              | -                  | 20,760,908    | 650,000            | 2,822,629  | -                   | 6,577,611         | 1,409,353         | 32,220,501  |
| Long-term investments - gross             | -       | -              | -                  | -             | -                  | -          | -                   | -                 | 131,666           | 131,666     |
| Fixed assets and investment property      | -       | -              | -                  | -             | -                  | -          | -                   | -                 | 1,103,421         | 1,103,421   |
| Other assets - gross                      | -       | -              | -                  | 375,980       | 1,489,039          | 1,509,583  | -                   | 2,753,581         | -                 | 6,128,183   |
| <b>Total assets</b>                       | 114,722 | 2,020,962      | 55,584,296         | 9,949,617     | 56,184,799         | 32,128,312 | 25,448,589          | 181,431,297       |                   |             |
| <b>Liabilities</b>                        |         |                |                    |               |                    |            |                     |                   |                   |             |
| Amounts due to the Government and the SBV | -       | -              | -                  | 25,240        | 60,968             | 119,494    | -                   | -                 | -                 | 205,702     |
| Deposits and borrowings from other CIs    | -       | -              | -                  | 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 |
| Grants 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   |
| <b>Total liabilities</b>                  | -       | -              | 73,044,623         | 22,348,248    | 54,383,136         | 15,794,903 | 966,000             | 166,536,910       |                   |             |
| <b>Net liquidity gap</b>                  | 114,722 | 2,020,962      | (17,460,327)       | (12,398,631)  | 1,801,663          | 16,333,409 | 24,482,589          | 14,894,387        |                   |             |



#### 48. Post balance sheet event

On 5 January 2022, the Bank announced the public issuance of shares to existing shareholders under Certificate of Registration of Shares Offering to Public No. 328/GCN-UBCK dated 31 December 2021 issued by the Chairman of the State Securities Commission of Vietnam. The number of shares for the issuance is 181,311,631 shares at the offering price of VND15,000 per share and registration period is from 26 January 2022 to 28 February 2022.

#### 49. Other events

In 2021, Vietnam's economy and society were dramatically affected by the Covid-19 pandemic.

The Covid-19 pandemic was initially recognised in Vietnam on 23 January 2020 and has greatly affected people's income and business activities of many enterprises in various sectors. The Vietnamese Government has implemented various control and prevention measures, notably the implementation of social distancing and gradual promotion of universal vaccination. However, the spread and development of the epidemic in Vietnam these days is very complicated. The extent to which the Covid-19 pandemic affects the Bank's business depends on future disease developments, including the timing and extent of the disease's spread, and on unpredictable information at the date of these consolidated financial statements.

During the year ended 31 December 2021, the Bank restructured loan repayment periods, offered exemption/reduction of interest/fees to and kept loan groups unchanged for Covid-19 in accordance with Circular 01 and Circular 03 (Note 3(h)(ii)).

#### 50. Changes in the structure of the Bank

From 1 January 2021 to the issuance date of these consolidated financial statements, there are no significant changes in the structure of the Bank.

15 March 2022

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| Prepared by:  | Approved by:  | Approved by:                                        |
| Nghiem Thi Thu Nga<br>Preparer   | Nguyen Thi Hoai Phuong<br>Chief Accountant   | <br>Nguyen Thi Thu Huong<br>Deputy General Director |

