



**Southeast Asia Commercial Joint Stock Bank**

Consolidated Financial Statements  
for the year ended 31 December 2022



## Southeast Asia Commercial Joint Stock Bank

### Corporate Information

#### Banking Operation

##### Licence No.

0051/QD/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 issuance date. The Banking Operation Licence have been amended several times, the most recent of which is under Decision 177/QĐ-NHNN dated 8 February 2023 of the State Bank of Vietnam.

#### Business Registration

##### Certificate No.

0200253985

14 January 2005

The Business Registration Certificate has been amended several times, the most recent of which is the 36<sup>th</sup> amendment dated 22 February 2023 issued by Hanoi Department of Planning and Investment.

#### Board of Directors

Mr. Le Van Tan

Chairman

Ms. Nguyen Thi Nga

Standing Vice Chairwoman

Ms. Le Thu Thuy

Vice Chairwoman – Full-time Member

Ms. Khuc Thi Quynh Lam

Vice Chairwoman

Mr. Hoang Minh Tan

Member

Mr. Bui Trung Kien

Member

Ms. Ngo Thi Nhai

Independent Member

Mr. Mathew Nevil Welch

Independent Member  
(from 21 April 2022)

Mr. Faussier Loic Michel Marc

Independent Member  
(until 26 May 2022)

#### Board of Management

Mr. Faussier Loic Michel Marc

General Director (from 3 January 2023)  
Senior Deputy General Director in charge  
of managing operation

(from 11 July 2022 to 2 January 2023)

Senior Deputy General Director

(from 3 June 2022 to 10 July 2022)

General Director (until 11 July 2022)

Ms. Le Thu Thuy

Standing Deputy General Director

Mr. Le Quoc Long

Deputy General Director

Ms. Nguyen Thi Thu Huong

Deputy General Director

Mr. Nguyen Tuan Cuong

Deputy General Director

Mr. Vu Dinh Khoan

Deputy General Director

Mr. Nguyen Ngoc Quynh

Deputy General Director

Ms. Tran Thi Thanh Thuy

Deputy General Director

Mr. Hoang Manh Phu

Deputy General Director

Ms. Dang Thu Trang

Deputy General Director

Mr. Vo Long Nhi

Deputy General Director

#### Legal Representative

Mr. Le Van Tan

Chairman of Board of Directors

#### Registered office

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

#### Auditors

KPMG Limited  
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 2022.

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 74 give a true and fair view of the consolidated financial position of SeABank as at 31 December 2022 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



Nguyễn Thị Thu Hương  
Deputy General Director

Hanoi, 27 March 2023





KPMG Limited  
46th Floor, Keangnam Landmark 72  
E6 Pham Hung Street, Me Tri Ward  
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 statement of financial position as at 31 December 2022, 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 27 March 2023, as set out on pages 5 to 74.

### **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 2022 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. 22-02-00133-23-2



Wang Toon Kim  
Practicing Auditor Registration  
Certificate No. 0557-2023-007-1  
*Deputy General Director*

Hanoi, 27 March 2023

Tran Dinh Vinh  
Practicing Auditor Registration  
Certificate No. 0339-2023-007-1

	Note	31/12/2022 VND million	31/12/2021 VND million
<b>A ASSETS</b>			
<b>I Cash and gold on hand</b>	<b>4</b>	<b>1,037,807</b>	<b>1,076,028</b>
<b>II Balances with the State Bank of Vietnam ("SBV")</b>	<b>5</b>	<b>9,826,851</b>	<b>4,799,360</b>
<b>III Deposits with and loans to other credit institutions ("CIs")</b>	<b>6</b>	<b>45,068,410</b>	<b>42,590,477</b>
1 Deposits with other CIs		41,462,465	35,233,492
2 Loans to other CIs		3,605,945	7,356,985
<b>IV Held-for-trading securities</b>	<b>7</b>	<b>3,987,085</b>	<b>13,082,630</b>
1 Held-for-trading securities		3,987,085	13,094,009
2 Allowance for held-for-trading securities		-	(11,379)
<b>VI Loans and advances to customers</b>		<b>151,522,983</b>	<b>125,806,542</b>
1 Loans and advances to customers	8	153,955,992	127,588,159
2 Allowance for loans and advances to customers	9	(2,433,009)	(1,781,617)
<b>VIII Investment securities</b>		<b>8,646,945</b>	<b>16,819,782</b>
1 Available-for-sale investment securities	10(a)	7,951,304	16,199,886
2 Held-to-maturity investment securities	10(b)	715,458	663,222
3 Allowance for investment securities	11	(19,817)	(43,326)
<b>IX Capital contribution, long-term investments</b>	<b>12</b>	<b>61,313</b>	<b>85,091</b>
4 Other long-term investments		62,432	86,534
5 Allowance for diminution in value of long-term investments		(1,119)	(1,443)
<b>X Fixed assets</b>		<b>1,085,692</b>	<b>882,503</b>
1 Tangible fixed assets	13	427,189	286,268
a Cost		877,679	678,972
b Accumulated depreciation		(450,490)	(392,704)
3 Intangible fixed assets	14	658,503	596,235
a Cost		854,399	760,635
b Accumulated amortisation		(195,896)	(164,400)
<b>XI Investment property</b>	<b>15</b>	<b>58,047</b>	<b>65,564</b>
a Cost		64,466	70,809
b Accumulated depreciation		(6,419)	(5,245)
<b>XII Other assets</b>	<b>16</b>	<b>10,127,923</b>	<b>6,455,538</b>
1 Receivables		5,490,462	1,991,841
2 Accrued interest and fees receivable		2,594,093	1,679,591
4 Other assets		2,083,798	2,825,200
In which: Goodwill		409,431	480,637
5 Allowance for other on-balance sheet assets		(40,430)	(41,094)
<b>TOTAL ASSETS</b>		<b>231,423,056</b>	<b>211,663,515</b>

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

		Note	31/12/2022 VND million	31/12/2021 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>3,838,696</b>	<b>2,172,763</b>
1	Deposits and borrowings from the Government and the SBV		3,838,696	2,172,763
<b>II</b>	<b>Deposits and borrowings from other CIs</b>	<b>18</b>	<b>59,719,627</b>	<b>58,365,998</b>
1	Deposits from other CIs		44,265,765	35,552,732
2	Borrowings from other CIs		15,453,862	22,813,266
<b>III</b>	<b>Mobilization from deposits from customers</b>	<b>19</b>	<b>115,547,271</b>	<b>109,784,637</b>
<b>IV</b>	<b>Derivatives and other financial liabilities</b>	<b>20</b>	<b>14,963</b>	<b>47,804</b>
<b>V</b>	<b>Other borrowed and entrusted funds</b>		<b>1,020</b>	<b>1,020</b>
<b>VI</b>	<b>Mobilization from issuing valuable papers to customers</b>	<b>21</b>	<b>21,504,600</b>	<b>19,053,200</b>
<b>VII</b>	<b>Other liabilities</b>	<b>22</b>	<b>4,564,659</b>	<b>3,574,829</b>
1	Accrued interest and fee payables		3,699,830	2,947,979
3	Other liabilities		864,829	626,850
<b>TOTAL LIABILITIES</b>			<b>205,190,836</b>	<b>193,000,251</b>
<b>OWNERS' EQUITY</b>				
<b>VIII</b>	<b>Capital and reserves</b>	<b>23</b>	<b>26,232,220</b>	<b>18,663,264</b>
1	Capital		21,607,167	15,595,507
a	Charter capital		20,402,983	14,784,884
c	Share premium		1,204,184	810,623
2	Reserves		1,155,967	855,641
5	Retained earnings		3,469,086	2,212,116
6	Non-controlling interest		-	-
<b>TOTAL OWNERS' EQUITY</b>			<b>26,232,220</b>	<b>18,663,264</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>			<b>231,423,056</b>	<b>211,663,515</b>

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



	Note	31/12/2022 VND million	31/12/2021 VND million
<b>OFF-BALANCE SHEET ITEMS</b>			
2 Foreign exchange commitments	35(a)	89,722,996	94,432,442
<i>Foreign currency purchase commitments</i>	35(a)	705,900	1,430,311
<i>Foreign currency sale commitments</i>	35(a)	705,900	625,751
<i>Swap commitments</i>	35(a)	88,311,196	92,376,380
4 Letters of credit	35(a)	5,493,687	1,782,559
5 Other guarantees	35(a)	6,109,202	4,228,007
6 Interest rate swaps	35(a)	7,759,570	8,089,470
7 Uncollected loan interest and fees	35(b)	2,021,913	2,234,445
8 Written-off principal of bad debts	35(c)	4,783,138	4,365,253
9 Other assets and documents in custody	35(d)	1,534,181	1,524,891

27 March 2023

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*

Southeast Asia Commercial Joint Stock Bank  
No. 198, Tran Quang Khai, Ly Thai To Ward  
Hoan Kiem District, Hanoi, Vietnam  
Consolidated statement of income  
for the year ended 31 December 2022

Form B03/TCTD-HN  
(Issued under Circular No.  
49/2014/TT-NHNN dated 31 December 2014  
of the State Bank of Vietnam)

	Note	2022 VND million	2021 VND million
1 Interest and similar income	26	15,149,800	11,804,488
2 Interest and similar expenses	27	(8,143,873)	(6,618,395)
<b>I Net interest income</b>		<b>7,005,927</b>	<b>5,186,093</b>
3 Fee and commission income		1,642,698	1,519,119
4 Fee and commission expenses		(275,381)	(373,232)
<b>II Net fee and commission income</b>	<b>28</b>	<b>1,367,317</b>	<b>1,145,887</b>
<b>III Net gain from trading of foreign currencies</b>	<b>29</b>	<b>223,886</b>	<b>148,886</b>
<b>IV Net gain from held-for-trading securities</b>	<b>30</b>	<b>228,111</b>	<b>58,462</b>
<b>V Net gain from investment securities</b>	<b>31</b>	<b>621,173</b>	<b>306,197</b>
5 Other income		415,516	437,554
6 Other expenses		(222,620)	(257,040)
<b>VI Net other income</b>	<b>32</b>	<b>192,896</b>	<b>180,514</b>
<b>VII Gains from capital contribution, shares purchase</b>	<b>33</b>	<b>7,937</b>	<b>9,751</b>
<b>VIII Operating expenses</b>	<b>34</b>	<b>(3,403,523)</b>	<b>(2,529,414)</b>
<b>IX Net operating profit before allowance expenses for credit losses</b>		<b>6,243,724</b>	<b>4,506,376</b>
<b>X Allowance expenses for credit losses</b>		<b>(1,174,738)</b>	<b>(1,237,838)</b>
<b>XI Profit before tax</b>		<b>5,068,986</b>	<b>3,268,538</b>
7 Corporate income tax expenses – current		(1,016,058)	(662,020)
<b>XII Income tax expense</b>	<b>36</b>	<b>(1,016,058)</b>	<b>(662,020)</b>
<b>XIII Profit after tax</b>		<b>4,052,928</b>	<b>2,606,518</b>
<b>XIV Non-controlling interest</b>		-	-
			(restated)
<b>XV Basic earnings per share (VND/share)</b>	<b>37</b>	<b>1,889</b>	<b>1,408</b>

27 March 2023

Prepared by:

Approved by:

Approved by:

Nghiêm Thị Thu Nga  
Preparer

Nguyễn Thị Hoài Phương  
Chief Accountant

Nguyễn Thị Thu Hương  
Deputy General Director

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

	2022 VND million	2021 VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
01 Interest and similar income received	14,235,298	12,723,110
02 Interest and similar expenses paid	(7,392,022)	(6,735,566)
03 Net fees and commission income received	1,366,943	1,145,264
04 Net receipts from trading activities (foreign currencies, gold and securities)	1,038,282	515,983
05 Other income	99,133	107,111
06 Collection of bad debts previously written off	93,796	102,746
07 Payments for salary and operating expenses	(3,310,317)	(2,474,267)
08 Corporate income tax paid during the year	(877,938)	(566,024)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>5,253,175</b>	<b>4,818,357</b>
<b>Changes in operating assets</b>		
09 Decrease/(increase) in balances with and loans to other CIs	3,751,040	(7,256,985)
10 Decrease in held-for-trading securities	17,303,270	4,969,304
11 (Increase)/decrease in derivatives and other financial assets	(32,841)	192,408
12 Increase in loans and advances to customers	(26,367,833)	(18,718,923)
13 Utilisation of allowance	(523,346)	(564,542)
14 Increase in other operating assets	(2,778,762)	(1,306,331)
<b>Changes in operating liabilities</b>		
15 Increase in amounts due to the Government and the SBV	1,665,933	1,967,061
16 Increase in deposits and borrowings from other CIs	1,353,629	15,849,325
17 Increase/(decrease) in deposits from customers	5,762,634	(3,491,960)
18 Increase in valuable papers issued	2,451,400	11,988,460
21 Increase in other operating liabilities	26,758	123,831
<b>I NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>7,865,057</b>	<b>8,570,005</b>

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



	2022 VND million	2021 VND million
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
01 Purchase of fixed assets	(296,243)	(114,013)
04 Purchase of investment property	(27)	(7,139)
05 Proceeds from sales, disposals of investment property	6,744	182,023
08 Collections on investments in other entities	24,102	40,905
09 Receipt of dividends and profit from long-term investments	7,937	3,710
<b>II NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(257,487)</b>	<b>105,486</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
01 Proceeds from issuing shares	3,610,673	2,405,623
<b>III NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>3,610,673</b>	<b>2,405,623</b>
<b>IV NET CASH FLOWS DURING THE YEAR</b>	<b>11,218,243</b>	<b>11,081,114</b>
<b>V CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>41,108,880</b>	<b>30,027,766</b>
<b>VII CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 38)</b>	<b>52,327,123</b>	<b>41,108,880</b>

27 March 2023

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 2022, the Bank’s charter capital was VND20,402,983 million (31/12/2021: VND14,784,884 million). The Bank issued 2,040,298,268 ordinary shares (31/12/2021: 1,478,488,369 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 Street, Ly Thai To Ward, Hoan Kiem District, Hanoi, Vietnam. As at 31 December 2022, the Bank had one (01) Head Office, one (01) representative office, forty nine (49) branches, one hundred and thirty two (132) transaction offices nationwide and two (02) subsidiaries (31/12/2021: 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 (02) subsidiaries).

At the reporting date, the Bank has two (02) subsidiaries (31/12/2021: two (02) subsidiaries) as follows:

Company name	Operation License No.	Business sector	% owned by the Bank
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 No.1656/QD-NHNN dated 20 October 2021 of the Governor of the State Bank of Vietnam.	Consumer finance	100%



**(d) Total number of employees**

As at 31 December 2022, SeABank had 5,648 employees (31/12/2021: 4,972 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").

**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 (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 buying and selling exchange rates of the last working day of the annual accounting period is less than 1% (refer to Note 46(b) for details of foreign exchange rates as at 31 December 2022). If the difference between the average buying and selling spot exchange rate 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 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 of 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 cost less allowance for credit risks.

Credit risk classification of balances with and loans to other CIs and allowance thereof is made in accordance with Circular No.11/2021/TT-NHNN dated 30 July 2021 ("Circular 11") of the SBV on the classification of assets, credit loss allowance level, allowance calculation method and utilisation of allowance in operations of credit institutions and foreign bank branches. 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, the SeABank is not required to make general allowance for balances with and loans to other CIs.

**(e) Held-for-trading securities and investment securities**

**(i) Classification**

Held-for-trading securities 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 the 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 held-for-trading securities 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 held-for-trading securities, 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, local government 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 accounting policy applicable to loans and advances to customers 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. An 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 securities, the actual market price of securities is the closing bid price at the latest trading date prior to the end of the 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 are determined as those for other investments specified in accordance with 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 held-for-trading securities 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 the value of the Bank's original investment, except when there is evidence that the value of the investment has not been diminished. Allowance for diminution in value is determined as the total actual contributed capital of parties to the investee less (-) the actual owner's equity multiplied (x) by the SeABank's ownership percentage in the investee.

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

**(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 between 1 year and 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 making allowance for credit losses**

**(i) Debt classification**

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 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 bank 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 day of the month.

SeABank implements debt classification using the quantitative method as follows:

<i>Debt group</i>		<i>Overdue status</i>
1	Current	(a) Current debts being assessed as fully and timely recoverable, both principal and interest; or (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 up to 90 days; or (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 (b) Debts having terms of repayment extended for the first time which is undue; or (c) Debts having interest exempt or reduced because customers are not able to pay the interest according to the credit contract; or (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



<i>Debt group</i>		<i>Overdue status</i>
		(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 (b) Debts having terms of repayment rescheduled for the first time and being overdue up to 90 days according to the first rescheduled terms of repayment; or (c) Debts having terms of repayment rescheduled for the second time which is undue; or (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 (e) Debts in the collection process under inspection conclusions but being overdue up to 60 days according to recovery term; or (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.
5	Loss	(a) Debts being overdue more than 360 days; or (b) Debts having terms of repayment rescheduled for the first time and being overdue from 91 days and more according to the first rescheduled terms of repayment; or (c) Debts having terms of repayment rescheduled for the second time and being overdue according to the second reschedule terms of repayment; or (d) Debts having terms of repayment rescheduled for the third time or more, regardless of whether the debts are overdue or not; or (e) Debts specified in point (d) of Sub-standard debts not yet collected over 60 days since the issuance date of recovery decision; or (f) Debts in the collection process under inspection conclusions but being overdue of more than 60 days according to recovery term; or (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 (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.

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 schedule, waiver/reduction of interest/fees to assist customers affected by the Covid-19 pandemic**

SeABank has adopted Circular No. 14/2021/TT-NHNN dated 7 September 2021 ("Circular 14") and Circular No. 03/2021/TT-NHNN dated 2 April 2021 ("Circular 03") issued by the SBV amending and supplementing some articles Circular No. 01/2020/TT-NHNN issued by the SBV dated 13 March 2020 ("Circular 01") on restructuring debt repayment schedule, waiving/reducing interest/fees and maintaining the debt classifications in order to support customers affected by Covid-19 pandemic. Accordingly, for customers whose debts originated prior 1 August 2021 and having an obligation to repay principal and/or interest during the period from 23 January 2020 to 31 December 2022 but being unable to repay the principal and/or interest in due time under the signed contract or loan agreement due to declines in revenue or income caused by the impacts of Covid-19 pandemic, SeABank is allowed to restructure the debts repayment schedule, waive/reduce interest/fees and maintain the debts classification as follows:

Time of debt origination	Overdue status	Period of overdue	Debt classification
Prior to 23/1/2020	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 and prior to 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 restructuring of repayment schedule
Prior to 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 and prior to 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 that the debt became overdue.
From 10/6/2020 and prior to 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 restructured repayment schedule, interest waived or reduced according to the debt classifications specified under 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**

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 principal balance as at the last day 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 and maximum discount rates for collateral assets are determined in accordance with Circular 11, according to which, each type of collateral assets has a specific maximum discount rate for the purpose of calculating allowance for credit risks.

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

According to Circular 11, general allowance is also required at the rate of 0.75% of total outstanding principal balance at the last 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 CIs 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) **Classification and allowance for 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 statement of financial position. Differences upon revaluation at the end of the period are recognised as "Foreign exchange differences" on the consolidated statement of financial position and are fully transferred to the 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 statement of financial position. 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 an off-balance sheet account under item "Interest rate swap commitment". The arising income and expenses are recognised in the consolidated statement of income 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 statement of financial position. 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 statement of financial position 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**

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.

**(ii) Depreciation**

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

▪ buildings and structures	8 - 50 years
▪ machines and equipment	6 - 15 years
▪ means of transportation	6 - 10 years
▪ office equipment	5 - 8 years
▪ others	<u>5 years</u>

**(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 over 10 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 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 over the estimated useful lives of the investment property.

The estimated time of investment property held to earn rental that is building or construction is 10 - 50 years. Investment property that is land use-right is not amortized.

**(m) Other assets**

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

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 appropriation rate	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 appropriation of 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:

	<b>Annual allocation</b>	<b>Maximum balance</b>
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 is 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 statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred 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 2022 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 the 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 the 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**

	<b>31/12/2022</b> <b>VND million</b>	<b>31/12/2021</b> <b>VND million</b>
Cash on hand in VND	864,245	799,608
Cash on hand in foreign currencies	172,741	276,213
Gold	821	207
	<b>1,037,807</b>	<b>1,076,028</b>

#### **5. Balances with the SBV**

	<b>31/12/2022</b> <b>VND million</b>	<b>31/12/2021</b> <b>VND million</b>
Balances with the SBV in VND	8,156,513	2,543,854
Balances with the SBV in foreign currencies	1,170,338	2,230,506
Guarantee deposit	500,000	25,000
	<b>9,826,851</b>	<b>4,799,360</b>



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	
	31/12/2022	31/12/2021
▪ 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

	31/12/2022 VND million	31/12/2021 VND million
<b>Current accounts</b>		
Current accounts in VND	7,260,204	12,264,081
Current accounts in foreign currencies	450,981	728,371
<b>Term deposits</b>		
Term deposits in VND	31,304,160	18,358,240
Term deposits in foreign currencies	2,447,120	3,882,800
	41,462,465	35,233,492
<b>Loans to other CIs</b>		
Loans to other CIs in VND	3,605,945	5,083,507
Loans to other CIs in foreign currencies	-	2,273,478
	3,605,945	7,356,985
	45,068,410	42,590,477

As at 31 December 2022 and 31 December 2021, all term deposits with and loans to other credit institutions were Group 1 - Current debts.

Year-end annual interest rates was as follows:

	31/12/2022 % per annum	31/12/2021 % per annum
▪ Term deposits in VND	2.80% - 10.5%	1.10% - 5.00%
▪ Term deposits in foreign currencies	4.60% - 4.75%	0.10% - 0.50%
▪ Loans in VND	4.04% - 10.96%	0.25% - 2.70%
▪ Loans in foreign currencies	Not applicable	0.20% - 1.54%

## 7. Held-for-trading securities

	31/12/2022 VND million	31/12/2021 VND million
<b>Debt securities</b>		
Bonds issued by the Government	3,070,752	8,544,746
Bonds issued by local CIs	916,333	3,045,688
Bonds issued by local economic entities	-	1,503,575
	<u>3,987,085</u>	<u>13,094,009</u>
<b>Allowance for held-for-trading securities</b>		
General allowance for unlisted corporate bonds (i)	-	(11,277)
Allowance for diminution in value of held-for-trading securities (ii)	-	(102)
	<u>-</u>	<u>(11,379)</u>
	<u>3,987,085</u>	<u>13,082,630</u>

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

	31/12/2022 VND million	31/12/2021 VND million
Listed	3,070,752	9,076,713

(i) Movements in general allowance for held-for-trading securities during the year were as follows:

	2022 VND million	2021 VND million
Opening balance	11,277	4,765
Allowance (reversed)/made during the year (Note 30)	(11,277)	6,512
Closing balance	<u>-</u>	<u>11,277</u>

(ii) Movements in allowance for diminution in value of held-for-trading securities during the year were as follows:

	2022 VND million	2021 VND million
Opening balance	102	7,306
Allowance reversed during the year (Note 30)	(102)	(7,204)
Closing balance	<u>-</u>	<u>102</u>



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

	31/12/2022		31/12/2021	
	Term	Interest rate per annum	Term	Interest rate per annum
Government bonds	15 years - 30 years	2.50% - 8.00%	10 years - 30 years	2.20% - 8.70%
Bonds issued by local credit institutions (in VND)	Not applicable		2 years - 15 years	2.70% - 7.60%
Bonds issued by local economic entities (in VND)	Not applicable		1 years - 10 years	7.50% - 10.00%
Certificates of deposits issued by other local CIs	0.6 year - 1 year	6.40% - 13.50%	1 year - 3 years	6.50% - 11.50%

## 8. Loans to customers

	31/12/2022 VND million	31/12/2021 VND million
Loans to local economic entities and individuals	153,583,375	127,202,660
Payments on behalf of customers	5,761	5,761
Loans to foreign economic entities and individuals	366,856	379,738
	153,955,992	127,588,159

Loans portfolio by debt classification was as follows:

	31/12/2022 VND million	31/12/2021 VND million
Group 1 - Current debt	150,926,694	125,274,231
Group 2 - Special mentioned debt	569,193	209,319
Group 3 - Sub-standard debt	453,553	345,515
Group 4 - Doubtful debt	219,567	331,680
Group 5 - Loss debt	1,786,985	1,427,414
	153,955,992	127,588,159

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

Loan portfolio by term was as follows:

	31/12/2022 VND million	31/12/2021 VND million
Short-term loan	75,809,545	72,328,675
Medium-term loan	45,686,603	27,424,345
Long-term loan	32,459,844	27,835,139
	153,955,992	127,588,159

Loan portfolio by customer type and ownership was as follows:

	31/12/2022 VND million	%	31/12/2021 VND million	%
<b>Loans to economic entities</b>				
State-owned companies	1,343,195	0.87	1,447,697	1.13
Limited liability companies	55,910,221	36.32	42,546,685	33.35
Joint stock companies in which the State's holding percentage is more than 50% (dominating percentage)	3,001,502	1.95	3,105,530	2.43
Other joint stock companies	55,911,304	36.32	50,595,918	39.66
Partnerships	44,775	0.03	24,154	0.02
Private companies	179,560	0.12	155,845	0.12
Foreign invested enterprises	493,395	0.32	437,743	0.34
Cooperatives, cooperative unions	4,382	0.00	35,714	0.03
<b>Loans to individuals</b>				
Household business, individuals	37,065,183	24.07	29,234,563	22.92
<b>Other loans</b>				
Other economic sectors	2,475	0.00	4,310	0.00
	<u>153,955,992</u>	<u>100.00</u>	<u>127,588,159</u>	<u>100.00</u>



Loan portfolio by industry sectors was as follows:

	31/12/2022	%	31/12/2021	%
	VND million		VND million	
Agriculture, forestry and aquaculture	141,735	0.09	186,674	0.15
Mining	1,284,768	0.83	1,182,702	0.93
Manufacturing and processing	11,390,000	7.40	7,857,069	6.16
Electricity, gas, hot water, steam and air-conditioning	1,326,144	0.86	1,563,952	1.23
Construction	6,340,235	4.12	4,597,966	3.60
Wholesale and retail trade; repair of motor	22,605,524	14.68	21,195,602	16.61
Transportation and warehouse	9,871,501	6.41	8,615,412	6.75
Hospitality services	12,035,540	7.82	10,969,642	8.60
Information and communications	4,298,000	2.79	2,620,737	2.05
Financial and insurance services	3,308,279	2.15	2,298,678	1.80
Real estate	7,332,956	4.76	5,845,064	4.58
Science and technology	9,809,000	6.37	7,990,560	6.26
Health care and social work	104,328	0.07	119,426	0.09
Art, entertainment and recreation	9,874,313	6.41	7,585,494	5.95
Employment activities in households, production of material products and services for household self-consumption	37,065,184	24.09	29,234,563	22.91
Other service activities	17,168,485	11.15	15,724,618	12.32
	153,955,992	100.00	127,588,159	100.00

Loan portfolio by currency

	31/12/2022	31/12/2021
	VND million	VND million
Loans in VND	151,601,437	124,552,865
Loans in foreign currencies	2,354,555	3,035,294
	153,955,992	127,588,159

Year-end annual interest rates were as follows:

	31/12/2022	31/12/2021
Loans in VND	3.50% - 13.50%	3.50% - 10.35%
Loans in foreign currencies	2.50% - 5.84%	2.50% - 3.64%

## 9. Allowance for loans to customers

Allowance for loans to customers consists of:

	31/12/2022 VND million	31/12/2021 VND million
General allowance (i)	1,141,268	946,205
Specific allowance (ii)	1,291,741	835,412
	<u>2,433,009</u>	<u>1,781,617</u>

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

	2022 VND million	2021 VND million
Opening balance	946,205	742,708
Allowance made during the year	195,063	203,497
Closing balance	<u>1,141,268</u>	<u>946,205</u>

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

	2022 VND million	2021 VND million
Opening balance	835,412	365,614
Allowance made during the year	979,675	1,034,340
Utilisation of allowance	(523,346)	(564,542)
Closing balance	<u>1,291,741</u>	<u>835,412</u>



## 10. Investment securities

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

	31/12/2022 VND million	31/12/2021 VND million
<b>Debt securities</b>		
▪ Bonds issued by the Government	3,168,253	6,705,572
▪ Debt securities issued by other local CIs	2,351,512	1,829,073
▪ Debt securities issued by local economic entities	250,000	5,457,404
▪ Certificates of deposits issued by other local CIs	2,099,485	2,125,783
	<hr/> 7,869,250	<hr/> 16,117,832
<b>Equity securities</b>		
▪ Equity securities issued by local economic entities	82,054	82,054
	<hr/> 7,951,304	<hr/> 16,199,886

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

	31/12/2022		31/12/2021	
	Term	Interest rate per annum	Term	Interest rate per annum
Bonds issued by the Government	7 years - 30 years	2.10% - 6.60%	5 years - 30 years	2.20% - 8.80%
Debt securities issued by other local CIs	1 year - 15 years	2.5% - 15.00%	1 year - 15 years	2.90% - 15.00%
Debt securities issued by local economic entities	4 years	9.53%	3 years - 5 years	9.00% - 10.00%
Certificates of deposits issued by other local CIs	1 year - 3 years	2.43% - 9.09%	1 year - 3 years	2.90% - 11.50%

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

	31/12/2022 VND million	31/12/2021 VND million
Current debt	250,000	5,457,404

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

	31/12/2022 VND million	31/12/2021 VND million
Bonds issued by local economic entities	715,458	663,222

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

	31/12/2022		31/12/2021	
	Term	Interest rate per annum	Term	Interest rate per annum
<b>Held-to-maturity securities</b>				
Bonds issued by local economic entities	1 year - 10 years	8.00% - 8.90%	1 year - 10 years	8.00% - 8.90%

## 11. Allowance for investment securities

	31/12/2022 VND million	31/12/2021 VND million
Available-for-sale securities (i)	1,875	40,931
Held-to-maturity securities (ii)	17,942	2,395
	<u>19,817</u>	<u>43,326</u>

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

### *Year ended 31 December 2022*

	General allowance for available-for- sale debt securities VND million	Specific allowance for available-for- sale debt securities VND million	Total VND million
Opening balance	40,931	-	40,931
Allowance reversed during the year (Note 31)	(39,056)	-	(39,056)
Closing balance	<u>1,875</u>	<u>-</u>	<u>1,875</u>

### *Year ended 31 December 2021*

	General allowance for available-for- sale debt securities VND million	Specific allowance for available-for- sale debt securities VND million	Total VND million
Opening balance	36,066	1,736	37,802
Allowance made/(reversed) during the year (Note 31)	4,865	(1,736)	3,129
Closing balance	<u>40,931</u>	<u>-</u>	<u>40,931</u>



(ii) Movements in allowance for held-to-maturity investments:

*Year ended 31 December 2022*

	General allowance for held-to-maturity investments VND million	Specific allowance for available-for-sale debt securities VND million	Total VND million
Opening balance	2,395	-	2,395
Allowance made during the year (Note 31)	-	15,547	15,547
Closing balance	2,395	15,547	17,942

*Year ended 31 December 2021*

	General allowance for available-for-sale debt securities VND million	Specific allowance for available-for- sale debt securities VND million	Total VND million
Opening balance and closing balance	2,395	-	2,395

**12. Long-term investments**

	31/12/2022 VND million	31/12/2021 VND million
Other long-term investments (i)	62,432	86,534
Allowance for diminution in value of long-term investments (ii)	(1,119)	(1,443)
	61,313	85,091

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

Investees' names	31/12/2022		31/12/2021	
	Cost VND million	% owned	Cost VND million	% owned
Vietnam National Payment Joint Stock Company	3,300	1.06%	3,300	1.06%
ASEAN Jewellery Joint Stock Company (AJC)	-	0.00%	24,102	10.00%
PetroVietnam Oil Mien Trung Joint Stock Company	4,800	1.59%	4,800	1.59%
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	2.83%	7,500	3.00%
Global Data Service Joint Stock Company	2,670	2.13%	2,670	2.13%
Vietnam Human Mind Development Joint Stock Company	436	9.99%	436	9.99%
Post Office Investment Consulting and Construction Joint Stock Company	256	0.45%	256	0.45%
	<u>62,432</u>		<u>86,534</u>	

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

	2022 VND million	2021 VND million
Opening balance	1,443	28,754
Allowance reversed during the year (Note 34)	(324)	(27,311)
Closing balance	<u>1,119</u>	<u>1,443</u>



### 13. Tangible fixed assets

Year ended 31 December 2022

Cost	Buildings and structures VND million	Machines and equipment VND million	Means of transportation VND million	Office equipment VND million	Other tangible fixed assets VND million	Total VND million
Opening balance	18,127	259,005	290,409	99,074	12,357	678,972
Additions	1,153	62,194	106,719	20,462	10,880	201,408
Disposals	(206)	-	(1,108)	(502)	(885)	(2,701)
Closing balance	19,074	321,199	396,020	119,034	22,352	877,679
<b>Accumulated depreciation</b>						
Opening balance	5,081	142,976	159,235	76,695	8,717	392,704
Charge for the year	967	19,749	28,133	9,804	1,800	60,453
Disposals	(206)	-	(1,074)	(502)	(885)	(2,667)
Closing balance	5,842	162,725	186,294	85,997	9,632	450,490
<b>Net book value</b>						
Opening balance	13,046	116,029	131,174	22,379	3,640	286,268
Closing balance	13,232	158,474	209,726	33,037	12,720	427,189

Included in tangible fixed assets were assets costing VND75,133 million which were fully depreciated as of 31 December 2022 (31/12/2021: VND74,523 million), but which are still in active use.

*Year ended 31 December 2021*

	Buildings and structures VND million	Machines and equipment VND million	Means of transportation VND million	Office equipment VND million	Other tangible fixed assets VND million	Total 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



## 14. Intangible fixed assets

Year ended 31 December 2022

	Land use rights VND million	Software VND million	Other intangible fixed assets VND million	Total VND million
<b>Cost</b>				
Opening balance	377,995	371,507	11,133	760,635
Additions	6,378	86,144	2,313	94,835
Disposals	-	(1,071)	-	(1,071)
Closing balance	384,373	456,580	13,446	854,399
<b>Accumulated amortisation</b>				
Opening balance	-	158,449	5,951	164,400
Charge for the year	-	31,164	1,403	32,567
Disposals	-	(1,071)	-	(1,071)
Closing balance	-	188,542	7,354	195,896
<b>Net book value</b>				
Opening balance	377,995	213,058	5,182	596,235
Closing balance	384,373	268,038	6,092	658,503

Included in intangible fixed assets were assets costing VND36,215 million which were fully amortised as of 31 December 2022 (31/12/2021: VND21,447 million), but which are still in active use.

Year ended 31 December 2021

	Land use rights VND million	Software VND million	Other intangible fixed assets VND million	Total 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 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

## 15. Investment property

*Year ended 31 December 2022*

	Land use rights VND million	Buildings and structures VND million	Total VND million
<b>Cost</b>			
Opening balance	28,282	42,527	70,809
Increases	-	27	27
Decreases	(6,370)	-	(6,370)
Closing balance	21,912	42,554	64,466
<b>Accumulated depreciation</b>			
Opening balance	-	5,245	5,245
Charge for the year	-	1,174	1,174
Closing balance	-	6,419	6,419
<b>Net book value</b>			
Opening balance	28,282	37,282	65,564
Closing balance	21,912	36,135	58,047

*Year ended 31 December 2021*

	Land use rights VND million	Buildings and structures VND million	Total VND million
<b>Cost</b>			
Opening balance	207,460	41,600	249,060
Increases	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

## 16. Other assets

	31/12/2022 VND million	31/12/2021 VND million
<b>Receivables</b>		
Internal receivables	433,134	410,722
External receivables	5,057,328	1,581,119
In which:		
- Receivables from usance payable at sight letters of credit (i)	4,783,266	1,339,893
- Other external receivables	274,062	241,226
	5,490,462	1,991,841
<b>Interest and fee receivables</b>	2,594,093	1,679,591
<b>Other assets</b>		
Prepaid expenses	1,505,438	1,288,185
Assets foreclosed	140,359	908,982
Goodwill	409,431	480,637
Other assets	28,570	147,396
	2,083,798	2,825,200
	10,168,353	6,496,632
Allowance for other on-balance sheet assets (ii)	(40,430)	(41,094)
	10,127,923	6,455,538

(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:

	2022 VND million	2021 VND million
Opening balance	41,094	34,665
Allowance (reversed)/made during the year (Note 34)	(664)	6,429
Closing balance	40,430	41,094



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

	31/12/2022 VND million	31/12/2021 VND million
Borrowings on discounted and rediscounted valuable papers	1,700,330	-
Borrowings from the SBV	2,138,366	2,172,763
	<u>3,838,696</u>	<u>2,172,763</u>

## 18. Deposits and borrowings from other credit institutions

	31/12/2022 VND million	31/12/2021 VND million
<b>Demand deposits from other CIs</b>		
In VND	7,229,595	12,260,723
<b>Term deposits from other CIs</b>		
In VND	33,671,380	20,939,489
In foreign currencies	3,364,790	2,352,520
	<u>44,265,765</u>	<u>35,552,732</u>
<b>Borrowings from other CIs</b>		
In VND	6,033,185	17,889,112
In which: - Borrowings on discounted and rediscounted valuable papers	1,646,841	11,549,130
- Borrowings on mortgages and pledges	-	2,564,883
- Other borrowings	4,386,344	3,775,099
In foreign currencies	9,420,677	4,924,154
In which: - Borrowings on mortgages and pledges	82,355	1,575,960
- Other borrowings(*)	9,338,322	3,348,194
	<u>15,453,862</u>	<u>22,813,266</u>
	<u>59,719,627</u>	<u>58,365,998</u>

(\*) In which, the amount as at 31 December 2022 includes a convertible loan from the International Finance Corporation ("IFC") amounting to USD 75 million. IFC may convert this loan into shares of SeAbank during the term of the loan.

Year-end annual interest rates were as follows:

	31/12/2022	31/12/2021
Term deposits in VND	2.85% - 8.80%	1.15% - 3.60%
Term deposits in foreign currencies	4.30% - 4.75%	0.20% - 0.45%
Borrowings in VND	3.51% - 10.63%	0.80% - 4.73%
Borrowings in foreign currencies	1.00% - 7.86%	0.53% - 2.90%

## 19. Mobilization from deposits from customers

	31/12/2022 VND million	31/12/2021 VND million
<b>Demand deposits</b>		
Demand deposits in VND	10,022,310	7,839,549
Demand deposits in foreign currencies	733,004	660,476
<b>Savings deposits and term deposits</b>		
Savings deposits and term deposits in VND	103,134,487	98,931,537
Savings deposits and term deposits in foreign currencies	820,657	1,118,662
<b>Deposits for special purpose</b>	410,512	350,626
<b>Margin deposits</b>	426,301	883,787
	<b>115,547,271</b>	<b>109,784,637</b>

Deposits from customers by customer type and ownership was as follows:

	31/12/2022 VND million	31/12/2021 VND million
State-owned enterprises	13,712,535	10,736,497
Limited liability companies	8,066,951	7,980,355
Joint stock companies in which the State's holding percentage is more than 50%	8,141,264	7,331,166
Other joint stock companies	12,891,411	15,082,426
Partnerships	22,842	13,807
Private companies	344,397	391,654
Foreign invested enterprises	783,568	955,081
Cooperatives, cooperative unions	129,949	145,415
Household business, individuals	70,742,334	66,614,614
Others	712,020	533,622
	<b>115,547,271</b>	<b>109,784,637</b>

Year-end annual interest rates were as follows:

	31/12/2022	31/12/2021
Demand deposits in VND	0.00% - 1.00%	0.00% - 0.20%
Demand deposits in foreign currencies	0.00%	0.00%
Term deposits in VND	1.00% - 9.50%	0.20% - 6.25%
Term deposits in foreign currencies	0.00% - 0.98%	0.20% - 0.98%

## 20. Derivatives and other financial liabilities

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

	As at 31 December 2022		As at 31 December 2021	
	Total contract nominal value (at exchange rate as of the effective date of the contract)	Total carrying value (at exchange rate as of the reporting date)	Total contract nominal value (at exchange rate as of the effective date of the contract)	Total carrying value (at exchange rate as of the reporting date)
	VND million	Assets VND million	VND million	Assets VND million
Currency forward contracts	30,349,361	(42,203)	44,384,185	4,052
Interest rate forward contracts	597,258	9,205	-	-
Currency swap contracts	82,465,401	52,765	92,696,124	(104,126)
Interest rate swap contracts	2,318,270	(34,730)	3,478,270	52,270
	115,730,290	(14,963)	140,558,579	(47,804)



## 21. Mobilization from issuing valuable papers to customers

	31/12/2022 VND million	31/12/2021 VND million
<b>Term bonds</b>		
▪ From 12 months up to less than 5 years	10,899,000	9,900,000
▪ Over 5 years	1,650,000	900,000
<b>Certificates of deposits</b>	8,955,600	8,253,200
	<hr/> 21,504,600	<hr/> 19,053,200

Year-end annual interest rates were as follows:

	31/12/2022	31/12/2021
<b>Term bonds</b>		
▪ From 12 months and less than 5 years	3.20% - 4.70%	3.60% - 4.00%
▪ Over 5 years	6.60% - 9.00%	7.80% - 9.00%
<b>Certificates of deposit</b>	3.70% - 9.50%	3.60% - 8.60%

## 22. Other liabilities

	31/12/2022 VND million	31/12/2021 VND million
Internal payables	22,980	22,590
External payables	4,475,371	3,521,362
In which:		
▪ <i>Accrued interest and fee payables</i>	3,699,830	2,947,979
▪ <i>Deferred income</i>	517	634
▪ <i>Taxes and others payable to State Treasury (Note 41)</i>	434,315	302,044
▪ <i>Other payables</i>	340,709	270,705
Bonus and welfare fund	66,308	30,877
	<hr/> 4,564,659	<hr/> 3,574,829

## 23. Capital and reserves

Changes in capital and reserves of the SeABank during the year ended 31 December 2022 and 31 December 2021 were as follows:

	Charter capital VND million	Share premium VND million	Financial reserve VND million	Reserve to supplement charter capital VND million	Retained earnings VND million	Total VND million
<b>Balance at 1 January 2021</b>	12,087,442	-	287,688	168,422	1,126,826	13,670,378
Profit for the year	-	-	-	-	2,606,518	2,606,518
Increase of capital from shares issued	1,595,000	810,623	-	-	-	2,405,623
Shares issued for payment of dividends (Note 25)	1,102,442	-	-	-	(1,102,442)	-
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
<b>Balance at 1 January 2022</b>	14,784,884	810,623	554,043	301,598	2,212,116	18,663,264
Profit for the year	-	-	-	-	4,052,928	4,052,928
Increase of capital from shares issued to existing shareholders	1,813,116	906,557	-	-	-	2,719,673
Increase of capital from share premium	809,996	(809,996)	-	-	-	-
Increase of capital from reserve to supplement charter capital	286,999	-	-	(286,999)	-	-
Share issued for payment of dividends (Note 25)	2,113,988	-	-	-	(2,113,988)	-
Share issued under the Employee Stock Ownership Plan	594,000	297,000	-	-	-	891,000
Appropriation to reserves	-	-	391,551	195,774	(587,325)	-
Appropriation to bonus and welfare fund	-	-	-	-	(92,001)	(92,001)
Other decreases	-	-	-	-	(2,644)	(2,644)
<b>Balance at 31 December 2022</b>	20,402,983	1,204,184	945,594	210,373	3,469,086	26,232,220

## 24. Share capital

	31/12/2022		31/12/2021	
	Number of shares	VND million	Number of shares	VND million
<b>Shares issued to the public</b>				
Ordinary shares	2,040,298,268	20,402,983	1,478,488,369	14,784,884
<b>Shares in circulation</b>				
Ordinary shares	2,040,298,268	20,402,983	1,478,488,369	14,784,884

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 dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Bank's residual assets. In respect of shares bought back by the Bank, all rights are suspended until those shares are reissued.

## 25. Dividends

On 16 May 2022, the Board of Directors of the Bank approved Resolution No. 425/2022/NQ-HDQT on the issuance of shares for payment of dividends for 2021 to existing shareholders from profit after tax as at 31 December 2021.

According to the result report on issuance of shares for payment of dividends on 14 July 2022 submitted to the State Security Commission of Vietnam, the Bank completed the issuance of 211,398,767 shares for payment of dividends.

## 26. Interest and similar income

	2022 VND million	2021 VND million
Interest income from deposits	760,564	165,613
Interest income from loans	13,426,778	9,720,976
Income from investments in securities	746,306	1,751,934
Income from guarantee services	102,285	72,823
Other income from credit activities	113,867	93,142
	<b>15,149,800</b>	<b>11,804,488</b>

## 27. Interest and similar expenses

	2022 VND million	2021 VND million
Interest expenses for deposits	6,494,356	5,820,082
Interest expenses for borrowings	556,747	153,714
Interest expenses for valuable papers issued	972,850	538,819
Other expenses for credit activities	119,920	105,780
	<b>8,143,873</b>	<b>6,618,395</b>



## 28. Net fee and commission income

	2022 VND million	2021 VND million
<b>Fee and commission income from</b>		
Settlement and cash services	325,607	184,938
Treasury services	6,971	5,411
Insurance agency services	533,564	249,392
Consulting services	272,561	237,684
Other services	503,995	841,694
	<hr/> 1,642,698	<hr/> 1,519,119
<b>Fee and commission expenses for</b>		
Settlement and cash services	(83,524)	(59,645)
Treasury services	(21,384)	(18,290)
Other services	(170,473)	(295,297)
	<hr/> (275,381)	<hr/> (373,232)
<b>Net fee and commission income</b>	<hr/> 1,367,317	<hr/> 1,145,887

## 29. Net gain from trading of foreign currencies

	2022 VND million	2021 VND million
<b>Income from trading of foreign currencies</b>		
Spot foreign exchange trading	1,399,358	1,182,391
Income from trading of gold	4,774	2,606
Currency derivatives	950,759	486,641
	<hr/> 2,354,891	<hr/> 1,671,638
<b>Expenses for trading of foreign currencies</b>		
Spot foreign exchange trading	(38,655)	(77,748)
Expenses for trading of gold	(5,179)	(457)
Currency derivatives	(2,087,171)	(1,444,547)
	<hr/> (2,131,005)	<hr/> (1,522,752)
<b>Net gain from trading of foreign currencies</b>	<hr/> 223,886	<hr/> 148,886

### 30. Net gain from held-for-trading securities

	2022 VND million	2021 VND million
Gain from held-for-trading securities	371,161	378,640
Loss from held-for-trading securities	(154,429)	(320,870)
General allowance reversed/(made) for held-for-trading securities (Note 7)	11,277	(6,512)
Allowance reversed for diminution in value of held-for-trading securities (Note 7)	102	7,204
	<u>228,111</u>	<u>58,462</u>

### 31. Net gain from investment securities

	2022 VND million	2021 VND million
Gain from sales of investment securities	813,819	400,540
Loss from sales of investment securities	(216,155)	(91,214)
Allowance reversed/(made) for available-for-sale investment securities (Note 11)	39,056	(3,129)
Allowance reversed/(made) for held-to-maturity investment securities (Note 11)	(15,547)	-
	<u>621,173</u>	<u>306,197</u>

### 32. Net gain from other activities

	2022 VND million	2021 VND million
<b>Income from other activities</b>		
Income from other derivatives	295,649	294,620
Income from other activities	119,867	142,934
	<u>415,516</u>	<u>437,554</u>
<b>Expenses for other activities</b>		
Expenses for other derivatives	(201,012)	(197,763)
Expenses for other activities	(21,608)	(59,277)
	<u>(222,620)</u>	<u>(257,040)</u>
<b>Net income from other activities</b>	<u>192,896</u>	<u>180,514</u>

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

	2022 VND million	2021 VND million
Dividends received from capital contribution, share purchase	7,937	3,710
Gain from disposal of long-term investments	-	6,041
	<u>7,937</u>	<u>9,751</u>

### 34. Operating expenses

	2022 VND million	2021 VND million
Tax, duties and fees	36,804	78,802
Staff costs:		
- <i>Salary and allowances</i>	1,661,091	1,232,748
- <i>Salary based contribution</i>	90,619	61,287
- <i>Allowances</i>	166	486
- <i>Other staff expenses</i>	48,223	22,096
Expenses on assets		
- <i>Depreciation and amortisation of fixed assets</i>	93,021	74,921
- <i>Others</i>	475,162	338,261
Administrative expenses		
- <i>Per diems</i>	27,528	18,321
- <i>Printing materials and papers</i>	41,939	37,048
- <i>Postage and telephone expenses</i>	58,384	41,315
- <i>Others</i>	515,786	312,401
Insurance fee for customers' deposits	100,038	112,083
Amortisation of goodwill	71,206	71,206
Other operating expenses	184,544	149,321
Allowance for diminution in value of long-term investments reversed (Note 12)	(324)	(27,311)
Allowance for other on-balance sheet assets (reversed)/made (Note 16)	(664)	6,429
	<u>3,403,523</u>	<u>2,529,414</u>



### 35. Off-balance sheet items

#### (a) Contingent liabilities and commitments issued

	31/12/2022 VND million			31/12/2021 VND million		
	Contractual value - gross	Margin deposits	Contractual value - net	Contractual value - gross	Margin deposits	Contractual value - net
Loan guarantees	-	-	-	94,083	(94,083)	-
Foreign exchange commitments	89,722,996	-	89,722,996	94,432,442	-	94,432,442
▪ Foreign currency purchase commitments	705,900	-	705,900	1,430,311	-	1,430,311
▪ Foreign currency sale commitments	705,900	-	705,900	625,751	-	625,751
▪ Currency swap commitments	88,311,196	-	88,311,196	92,376,380	-	92,376,380
Letters of credit	5,518,179	(24,492)	5,493,687	1,828,529	(45,970)	1,782,559
Other guarantees	6,389,488	(280,286)	6,109,202	4,468,758	(240,751)	4,228,007
Interest rate swaps	7,759,570	-	7,759,570	8,089,470	-	8,089,470

#### (b) Uncollected loan interest and fees

	31/12/2022 VND million	31/12/2021 VND million
Loan interest not yet collected	2,021,913	2,234,445

#### (c) Written-off principal of bad debts

	31/12/2022 VND million	31/12/2021 VND million
Principle balance of bad debt written-off under monitoring	4,783,138	4,365,253

(d) Other assets and documents in custody

	31/12/2022 VND million	31/12/2021 VND million
Precious metals, precious stones kept under custody	125,751	68,799
Outsourced assets	1,408,430	1,456,092
	<u>1,534,181</u>	<u>1,524,891</u>

36. Corporate income tax

(a) Recognition in the statement of income

	2022 VND million	2021 VND million
Current tax expense		
Current year	<u>1,016,058</u>	<u>662,020</u>

(b) Reconciliation of effective tax rate

	2022 VND million	2021 VND million
Accounting profit before tax	5,068,986	3,268,538
Tax at the Bank's tax rate	1,013,797	653,708
Tax exempt income	(1,587)	(1,950)
Non-deductible expenses	551	462
Adjustment of profit for consolidation of financial statements	14,241	14,241
Others	(10,944)	(4,441)
	<u>1,016,058</u>	<u>662,020</u>

(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 (2021: 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

	2022 VND million	2021 VND million
Net profit attributable to ordinary shareholders	4,052,928	2,606,518
Appropriation to bonus and welfare fund	(92,001)	(18,419)
	<u>3,960,927</u>	<u>2,588,099</u>

#### (ii) Weighted average number of ordinary shares

	2022	2021 (Restated)	2021 (as previously stated)
Issued ordinary shares at the beginning of the period	1,478,488,369	1,208,744,208	1,208,744,208
Effect of ordinary shares issued in 2022	287,547,232	106,128,585	106,128,585
Effect of ordinary shares issued for dividend payment in 2022	211,398,767	211,398,767	-
Effect of ordinary shares issued under ESOP in 2022	9,764,384	-	-
Effect of ordinary shares issued from reserves	109,699,501	109,699,501	-
Effect of ordinary shares issued in 2021	-	92,296,000	92,296,000
Effect of ordinary shares issued for dividend payment in 2021	-	110,244,161	110,244,161
Weighted average number of ordinary shares for the year	<u>2,096,898,253</u>	<u>1,838,511,222</u>	<u>1,517,412,954</u>

#### (iii) Basic earnings per share

	2022	2021 (Restated)	2021 (as previously stated)
Basic earnings per share (VND/share)	<u>1,889</u>	<u>1,408</u>	<u>1,706</u>



### 38. Cash and cash equivalents

	31/12/2022 VND million	31/12/2021 VND million
Cash and gold on hand	1,037,807	1,076,028
Balances with the SBV	9,826,851	4,799,360
Demand deposits at other CIs	7,711,185	12,992,451
Term deposits with other CIs with original terms not exceeding three months	33,751,280	22,241,041
	<u>52,327,123</u>	<u>41,108,880</u>

### 39. Assets and valuable papers pledged/mortgaged or discounted/re-discounted

#### (a) Pledged/mortgaged or discounted/re-discounted assets and valuable papers held as collaterals

	31/12/2022 VND million	31/12/2021 VND million
Real estates	145,460,512	169,909,818
Movable assets	11,534,630	13,896,766
Valuable papers	18,139,552	26,390,943
Other collaterals	93,916,445	82,455,931
	<u>269,051,139</u>	<u>292,653,458</u>

#### (b) Assets and valuable papers being pledged/mortgaged or discounted/re-discounted

	31/12/2022 VND million	31/12/2021 VND million
Held-for-sale investment securities		
▪ Bonds issued by the Government	2,479,610	5,448,000
▪ Securities issued by other local CIs	865,000	1,317,000
	<u>3,344,610</u>	<u>6,765,000</u>

#### 40. Employee benefits

	2022	2021
Average number of employees (persons)	5,345	4,595
Employees' income	1,661,091	1,232,748
Bonus and incentives	27,785	17,893
	<u>1,688,876</u>	<u>1,250,641</u>
Average monthly income (VND million)	26.33	22.68

#### 41. Obligations to the State Treasury

*Year ended 31 December 2022*

	1/1/2022 VND million	Incurred during the year VND million	Paid during the year VND million	31/12/2022 VND million
<b>Payables to State Treasury</b>				
Value added tax	21,357	123,297	(130,710)	13,944
Corporate income tax	272,094	1,016,058	(877,938)	410,214
Personal income tax	8,594	177,498	(175,935)	10,157
Other taxes	-	36,174	(36,174)	-
	<u>302,045</u>	<u>1,353,027</u>	<u>(1,220,757)</u>	<u>434,315</u>

*Year ended 31 December 2021*

	1/1/2021 VND million	Incurred during the year VND million	Paid during the year VND million	31/12/2021 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>

## 42. Significant transactions and balances with related parties

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

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

Related parties	Relationship	
Thang Long GTC Joint Stock Company	Common members of BOD	
BRG Group Joint Stock Company ("BRG") and its subsidiaries	Common members of BOD	
Hanoitourist Service Joint Stock Company	Common members of BOD	
Vietnam Engine and Agricultural Machinery Corporation and its subsidiaries	Common members of BOD	
North Hanoi Smart City Development Investment Joint Stock Company	Common members of BOD	
Members of the Board of Directors, Supervisory Board and Board of Management		

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

	Assets/(Liabilities)	
	31/12/2022 VND million	31/12/2021 VND million
<i>Thang Long GTC Joint Stock Company</i>		
▪ Demand deposits at SeABank	(9,182)	(60,785)
▪ Term deposits at SeABank	(314,900)	(370,400)
<i>BRG Group Joint Stock Company and its subsidiaries</i>		
▪ Demand deposits at SeABank	(345,320)	(152,553)
▪ Term deposits at SeABank	(268,094)	(631,545)
▪ Borrowings from SeABank	302	-
▪ Guarantees at SeABank	942,967	3,425
<i>Hanoitourist Service Joint Stock Company</i>		
▪ Demand deposits at SeABank	(21,069)	(9,473)
▪ Term deposits at SeABank	(295,782)	(301,228)
▪ Guarantees at SeABank	5,191	5,103
<i>Vietnam Engine and Agricultural Machinery Corporation</i>		
▪ Demand deposits at the Bank	(11,518)	(25,704)
▪ Term deposits at SeABank	(1,470,631)	(1,679,300)
▪ Guarantees at SeABank	582	-
<i>North Hanoi Smart City Development Investment Joint Stock Company</i>		
▪ Demand deposits at SeABank	(84,865)	(163,416)
▪ Term deposits at SeABank	(2,350,000)	(3,000,000)



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

	<b>Revenue/(Expenses)</b>	
	<b>2022</b>	<b>2021</b>
	<b>VND million</b>	<b>VND million</b>
<i>Thang Long GTC Joint Stock Company</i>		
▪ Interest expenses on deposits	(17,703)	(20,394)
<i>BRG Group Joint Stock Company and its subsidiaries</i>		
▪ Interest expenses on deposits	(15,539)	(16,467)
▪ Interest income from loans	-	41,407
▪ Guarantee fee income	11,641	71
<i>Hanoitourist Service Joint Stock Company</i>		
▪ Interest expenses on deposits	(12,373)	(12,817)
▪ Guarantee fee income	25	19
<i>Vietnam Engine and Agricultural Machinery Corporation and its subsidiaries</i>		
▪ Interest expenses on deposits	(105,525)	(74,501)
▪ Interest income from loans	51	-
▪ Guarantee fee income	10	-
<i>North Hanoi Smart City Development Investment Joint Stock Company</i>		
▪ Interest expenses on deposits	(82,472)	(95,648)
<b>Remuneration of the Board of Directors</b>	<b>(17,323)</b>	<b>(12,522)</b>
▪ Chairman	(4,390)	(3,240)
▪ Standing Vice Chairwoman	(3,510)	(2,160)
▪ Vice Chairwoman - Full-time Member	(2,620)	(1,000)
▪ Vice Chairwoman	(1,080)	(1,080)
▪ 02 Members of Board of Directors	(1,080)	(1,080)
▪ Independent Members of Board of Directors	(2,483)	(1,790)
<b>Remuneration of the Supervisory Board</b>	<b>(2,160)</b>	<b>(2,172)</b>
<b>Salary of the General Director and other managers</b>	<b>(29,083)</b>	<b>(24,198)</b>

### 43. Segment reporting

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

#### a) Primary segment reporting by business segment

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

Banking operations:

Products and services provided to customers include:

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

Finance company activities:  
Debt management and asset  
exploitation:

Consumer loans and other financial activities  
Debt management and asset exploitation

Segment reporting by business segment as at 31 December 2022 and the year then ended are presented in the following table:

(VND million)	Banking operations	Finance companies activities	Debt management and asset exploitation	Elimination for inter- segment transactions	Consolidated figures
<b>Revenue</b>					
Interest income	14,501,659	749,038	29,153	(130,050)	15,149,800
Fee and commission income	1,468,636	148,905	29,424	(4,267)	1,642,698
Income from other business activities	4,003,561	3,959	6,239	(15,547)	3,998,212
	19,973,856	901,902	64,816	(149,864)	20,790,710
<b>Expense</b>					
Interest expense	8,089,906	184,017	-	(130,050)	8,143,873
Fee and commission expense	227,637	36,578	11,166	-	275,381
Other direct business expense	2,717,299	2	22,455	(15,547)	2,724,209
Operating expense	3,057,088	274,834	4,662	66,939	3,403,523
	14,091,930	495,431	38,283	(78,658)	14,546,986
Operating results before allowance expenses for credit losses	5,881,926	406,471	26,533	(71,206)	6,243,724
Allowance expense for credit losses	1,015,271	159,467	-	-	1,174,738
Segment outcome	4,866,655	247,004	26,533	(71,206)	5,068,986
<b>Asset</b>					
Cash	1,037,776	-	31	-	1,037,807
Fixed assets	1,080,992	4,700	-	-	1,085,692
Other assets	230,049,700	6,336,979	620,274	(7,707,396)	229,299,557
Total assets	232,168,468	6,341,679	620,305	(7,707,396)	231,423,056
<b>Liabilities</b>					
Amounts due to the Government and the State Bank of Vietnam	3,838,696	-	-	-	3,838,696
Deposits and borrowings from other credit institutions	60,609,321	3,525,000	-	(4,414,694)	59,719,627
Deposits from customers	115,550,779	253	-	(3,761)	115,547,271
Other borrowed and entrusted funds	-	1,020	-	-	1,020
Valuable papers issued	21,504,600	1,420,000	-	(1,420,000)	21,504,600
Other liabilities	4,424,365	645,930	27,699	(518,372)	4,579,622
Total liabilities	205,927,761	5,592,203	27,699	(6,356,827)	205,190,836



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

(VND million)	Banking operations	Finance companies activities	Debt management and asset exploitation	Elimination for inter- segment transactions	Consolidated 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 business 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
Other direct business 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 allowance expenses for credit losses	4,481,775	67,092	42,740	(85,231)	4,506,376
Allowance expense for credit losses	1,198,952	38,886	-	-	1,237,838
Segment outcome	3,282,823	28,206	42,740	(85,231)	3,268,538
<b>Assets</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 Government and the State Bank of Vietnam	2,172,763	-	-	-	2,172,763
Deposits and borrowings from other credit institutions	58,611,446	2,100,000	-	(2,345,448)	58,365,998
Deposits from customers	109,814,519	653	-	(30,535)	109,784,637
Other borrowed 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

**b) 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 differences. Therefore, the Board of Management of SeABank assessed that SeABank has only one geographical segment. Accordingly, SeABank is not required to present segment reporting by geographical segment.

**44. 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 2022 are as follows:

	<b>Domestic VND million</b>	<b>Overseas VND million</b>	<b>Total VND million</b>
Total loans	157,195,081	366,856	157,561,937
Total deposits	159,796,947	16,089	159,813,036
Contingent credit commitments	11,602,889	-	11,602,889
Derivative financial instruments	14,963	-	14,963
Trading and investment securities	12,653,847	-	12,653,847

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

## 45. Financial risk management

This note provides information of SeABank's exposure to risk and describes the policies, the methods used by SeABank'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 SeABank's operations.

## 46. Market risk

### (a) Interest rate risk

SeABank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature at different times or in differing amounts. 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' desposits.



As at 31 December 2022 (VND million)	Overdue	Non- interest sensitive	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years	Total
<b>Assets</b>									
Cash and gold on hand	-	1,037,807	-	-	-	-	-	-	1,037,807
Balances with the SBV	-	9,826,851	-	-	-	-	-	-	9,826,851
Deposits with and loans to other CIs - gross	-	7,711,185	23,667,000	10,390,225	150,000	3,150,000	-	-	45,068,410
Held-for-trading securities - gross	-	-	3,987,085	-	-	-	-	-	3,987,085
Loans to customers - gross	3,029,298	-	33,233,192	51,839,207	38,134,267	20,761,648	6,682,891	275,489	153,955,992
Investment securities - gross	-	82,054	15,000	1,025,485	324,000	1,850,917	1,232,487	4,136,819	8,666,762
Long-term investments - gross	-	62,432	-	-	-	-	-	-	62,432
Fixed assets and investment property	-	1,143,739	-	-	-	-	-	-	1,143,739
Other assets - gross	-	10,168,353	-	-	-	-	-	-	10,168,353
<b>Total assets</b>	<b>3,029,298</b>	<b>30,032,421</b>	<b>60,902,277</b>	<b>63,254,917</b>	<b>38,608,267</b>	<b>25,762,565</b>	<b>7,915,378</b>	<b>4,412,308</b>	<b>233,917,431</b>
<b>Liabilities</b>									
Amounts due to the Government and the SBV	-	-	1,700,330	53,201	68,086	2,017,079	-	-	3,838,696
Deposits and borrowings from other CIs	-	7,229,595	25,815,863	13,816,634	533,192	3,500,593	6,470,750	2,353,000	59,719,627
Deposits from customers	-	-	29,720,093	21,353,798	40,006,568	17,443,011	7,023,781	20	115,547,271
Derivatives and other financial liabilities	-	14,963	-	-	-	-	-	-	14,963
Other borrowed and entrusted funds	-	1,020	-	-	-	-	-	-	1,020
Valuable papers issued	-	-	-	-	3,200,000	2,800,000	15,504,600	-	21,504,600
Other liabilities	-	4,564,659	-	-	-	-	-	-	4,564,659
<b>Total liabilities</b>	<b>-</b>	<b>11,810,237</b>	<b>57,236,286</b>	<b>35,223,633</b>	<b>43,807,846</b>	<b>25,760,683</b>	<b>28,999,131</b>	<b>2,353,020</b>	<b>205,190,836</b>
<b>Interest sensitivity gap</b>	<b>3,029,298</b>	<b>18,222,184</b>	<b>3,665,991</b>	<b>28,031,284</b>	<b>(5,199,579)</b>	<b>1,882</b>	<b>(21,083,753)</b>	<b>2,059,288</b>	<b>28,726,595</b>

As at 31 December 2021 (VND million)	Overdue	Non- interest sensitive	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years	Total
<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	-	12,992,452	21,158,953	6,099,769	2,339,303	-	-	-	42,590,477
Held-for-trading securities - 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	26,481,127	55,182,107	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	-	12,506,171	30,331,481	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
Other borrowed and entrusted funds	-	1,020	-	-	-	-	-	-	1,020
Valuable papers issued	-	-	17,930	225,630	1,365,940	143,700	17,300,000	-	19,053,200
Other liabilities	-	3,574,829	-	-	-	-	-	-	3,574,829
<b>Total liabilities</b>	-	16,129,824	59,244,228	39,432,866	26,830,732	19,757,371	31,603,230	2,000	193,000,251
<b>Interest sensitivity gap</b>	2,313,928	10,351,303	(4,062,121)	1,235,611	17,094,255	12,961,487	(22,492,871)	3,140,531	20,542,123

**(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 at the end of the annual accounting period:

As at 31 December 2022 (VND million)	USD	EUR	Others	Total
<b>Assets</b>				
Cash and gold on hand	121,607	38,137	13,818	173,562
Balances with the SBV	1,170,338	-	-	1,170,338
Deposits with and loans to other CIs - gross	2,793,441	58,318	46,342	2,898,101
Derivatives and other financial assets	7,859,683	-	(2,971)	7,856,712
Loans to customers - gross	2,354,555	-	-	2,354,555
Other assets - gross	492,802	379	2,967	496,148
	14,792,426	96,834	60,156	14,949,416
<b>Liabilities</b>				
Deposits and borrowings from other CIs	12,782,509	-	2,967	12,785,476
Deposits from customers	1,826,265	96,289	38,620	1,961,174
Other liabilities	216,953	992	521	218,466
	14,825,727	97,281	42,108	14,965,116
<b>FX position on balance sheet</b>	(33,301)	(447)	18,048	(15,700)



As at 31 December 2021 (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)

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

	Exchange rate as at 31/12/2022 VND	31/12/2021 VND
AUD	16,068.00	16,593.00
CAD	17,452.00	17,974.00
CHF	25,450.00	24,892.00
KRW	18.81	19.28
EUR	25,284.00	25,981.00
GBP	28,582.00	30,958.00
HKD	3,018.00	2,920.00
JPY	179.00	198.50
SGD	17,617.00	16,934.00
THB	681.00	678.00
USD	23,530.00	22,840.00
XAU	6,615,000.00	6,110,000.00

## 47. 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 in the consolidated statement of financial position. 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) rising 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 2022

(VND million)	Neither past due nor allowance required	Past due but no allowance required	Past due and allowance made	Total
Balances with the SBV	9,826,851	-	-	9,826,851
Deposits with and loans to other CIs - gross	45,068,410	-	-	45,068,410
Loans to customers - gross	150,235,160	691,534	3,029,298	153,955,992
Investment securities - gross	8,666,762	-	-	8,666,762
Other financial assets - gross	8,044,126	-	40,430	8,084,556
	221,841,309	691,534	3,069,728	225,602,571

### As at 31 December 2021

(VND million)	Neither past due nor allowance required	Past due but no allowance required	Past due and allowance made	Total
Balances with the SBV	4,799,360	-	-	4,799,360
Deposits with and loans to 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

#### **48. 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 fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The following table shows the analysis of assets and liabilities of SeABank according to their maturities as at 31 December 2022 and 31 December 2021:



As at 31 December 2022 (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	-	-	1,037,807	-	-	1,037,807
Balances with the SBV	-	-	9,826,851	-	-	9,826,851
Deposits with and loans to other CIs	-	-	31,378,185	10,390,225	-	45,068,410
Held-for-trading securities - gross	-	-	3,987,085	-	-	3,987,085
Loans to customers - gross	569,193	2,460,105	10,254,253	15,829,437	33,797,222	153,955,992
Investment securities - gross	-	-	97,054	1,025,485	1,232,487	8,666,762
Long-term investments - gross	-	-	-	-	-	62,432
Fixed assets and investment property	-	-	-	-	2,533	1,143,739
Other assets - gross	-	-	1,154,603	1,776,795	981,135	10,168,353
<b>Total assets</b>	569,193	2,460,105	57,735,838	29,021,942	36,013,377	233,917,431
<b>Liabilities</b>						
Amounts due to the Government and the SBV	-	-	1,700,330	53,201	-	3,838,696
Deposits and borrowings from other CIs	-	-	33,045,458	13,816,634	6,470,750	59,719,627
Deposits from customers	-	-	29,720,093	21,353,798	7,023,781	115,547,271
Derivatives and other financial liabilities	-	-	(342,057)	46,016	-	14,963
Other borrowed and entrusted funds	-	-	-	-	1,020	1,020
Valuable papers issued	-	-	-	-	15,504,600	21,504,600
Other liabilities	-	-	913,612	877,395	387,419	4,564,659
<b>Total liabilities</b>	-	-	65,037,436	36,147,044	29,387,570	205,190,836
<b>Net liquidity gap</b>	569,193	2,460,105	(7,301,598)	(7,125,102)	6,625,807	28,726,595

As at 31 December 2021 (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
Held-for-trading securities - 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	14,916,111
Investment securities - gross	-	-	182,054	486,865	4,269,632	7,595,787
Long-term investments - gross	-	-	-	-	-	86,534
Fixed assets and investment property	-	-	-	-	1,513	946,554
Other assets - gross	-	-	583,824	1,038,350	1,375,521	1,978,775
<b>Total assets</b>	209,319	2,104,609	61,023,069	16,287,257	34,093,904	25,523,761
<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
Other borrowed and entrusted funds	-	-	-	-	1,020	1,020
Valuable papers issued	-	-	17,930	225,630	17,300,000	19,053,200
Other liabilities	-	-	872,802	1,075,489	368,046	3,574,829
<b>Total liabilities</b>	-	-	72,631,947	40,524,927	31,938,026	193,000,251
<b>Net liquidity gap</b>	209,319	2,104,609	(11,608,878)	(24,237,670)	2,155,878	20,542,123

#### 49. Subsequent event

On 3 January 2023, the Board of Directors of the Bank issued Decision No.06/2023/QĐ-HĐQT on appointment of Mr. Faussier Loic Michel Marc as General Director from 3 January 2023.

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

From 1 January 2022 to the issuance date of these consolidated financial statements, there are no significant changes in the structure of SeAbank.

27 March 2023

Prepared by:



Nghiem Thi Thu Nga  
*Preparer*

Approved by:



Nguyen Thi Hoai Phuong  
*Chief Accountant*

Approved by:



Nguyen Thi Thu Huong  
*Deputy General Director*

