

**Capital Aid for Employment of the Poor
Microfinance Institution (Ltd.)**

Financial Statement

For the year ended 31 December 2022



Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of the Board of Management	3
Independent auditors' report	4 - 5
Balance sheet	6 - 7
Income statement	8
Cash flow statement	9
Notes to the financial statements	10 - 37

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

GENERAL INFORMATION

THE ORGANISATION

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.) (short name: CEP) ("the Organisation") is an organisation belonging to the Ho Chi Minh City Labour Confederation.

The organisation's precursor is Capital Aid Fund for Employment of the Poor established under the Establishment Decision No. 610/QD-UB dated 2 November 1991 issued by the People's Committee of Ho Chi Minh City and amended by Decision No. 29/QD-LDLĐ on 2 November 2001 and Decision No. 08/QD-LDLĐ dated 10 March 2008 by Ho Chi Minh City Labour Confederation. According to these Decisions, the operation term of the Capital Aid Fund for Employment of the Poor is until 2018. Capital Aid Fund for Employment of the Poor is transformed into Capital Aid for Employment of the Poor Microfinance Institution under the Establishment and Operation Licence No. 1234/GP-HCM issued by the State Bank of Vietnam ("SBV") on 28 October 2016 and Enterprise Registration Certificate No. 0305140259 issued by the Department of Planning and Investment of Ho Chi Minh City on 1 September 2017 and its amendment dated 26 April 2021. The Operation and Establishment Licence of the Organisation is valid for 50 years from the issuance date. The Organisation inherits and performs all obligations of previous Capital Aid Fund for Employment of the Poor.

The Organisation's principal activities include:

- ▶ Mobilising capital in the form of receiving deposits in Vietnam Dong from compulsory savings deposits, deposits from organisations and individuals, including voluntary deposits from customers, and receiving borrowings from credit institutions, financial institutions and individuals, and other domestic and foreign organisation in accordance with prevailing regulation;
- ▶ Credit activities in the form of loans; open deposit accounts at the SBV and commercial banks; and
- ▶ Entrusting, receiving entrusted loans, providing financial consulting services in the microfinance industry, providing collection and payment on behalf services and remittance services to microfinance clients, and providing insurance agency services.

The Organisation's Head Office is located at 14C Cach Mang Thang Tam Street, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam. As of 31 December 2022, the Organisation has one Head Office and 36 branches in Ho Chi Minh City and in 9 provinces including Long An, Tien Giang, Ben Tre, Dong Thap, Vinh Long, Tay Ninh, Binh Duong, Dong Nai and An Giang. (31/12/2021: one Head Office and 35 branches in Ho Chi Minh City and in 8 provinces including Long An, Tien Giang, Ben Tre, Dong Thap, Vinh Long, Tay Ninh, Binh Duong, Dong Nai).

MEMBERS' COUNCIL

Members of the Members' Council during the year and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Mr. Hoang Van Thanh	Chairman	3 August 2017
Mr. Nguyen Huy Can	Member	3 August 2017
Ms. Nguyen Thi Hoang Van	Member	3 August 2017
Ms. Phan Thi Kim Lan	Member	3 August 2017
Mr. Tran Hoai Phuong	Member	26 April 2019

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Mr. Vo Van Khang	Head of Supervisory Board	18 May 2021
Ms. Cao Nguyen Phuong Anh	Member	1 March 2018
Ms. Phan Thi Hue	Member	15 May 2022

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

GENERAL INFORMATION (continued)

BOARD OF MANAGEMENT

Members of the Board of Management during the year and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Ms. Nguyen Thi Hoang Van	General Director	3 August 2017
Mr. Nguyen Tan Dat	Deputy General Director	25 August 2022
Ms. Phan Thi Kim Lan	Deputy General Director	1 January 2018

LEGAL REPRESENTATIVE

The legal representative of the Organisation during the year and at the date of this report is Ms. Nguyen Thi Hoang Van, General Director.

AUDITORS

The auditor of the Organisation is Ernst & Young Vietnam Limited.

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Capital Aid for Employment of the Poor Microfinance Institution (Ltd.) ("the Organisation") is pleased to present this report and the financial statements of the Organisation for the year ended 31 December 2022.

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

The Board of Management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Organisation and of the results of its operations and its cash flows for the year. In preparing these financial statements, the Board of Management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Organisation will continue its business.

The Board of Management is responsible for ensuring that proper accounting records are kept that disclose, with reasonable accuracy at any time, the financial position of the Organisation and to ensure that the accounting records comply with the applied accounting system. The Board of Management is also responsible for safeguarding the assets of the Organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY THE BOARD OF MANAGEMENT

The Board of Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Organisation as of 31 December 2022, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Microfinance Institutions and the statutory requirements relevant to the preparation and presentation of the financial statements.



Ms. Nguyen Thi Hoang Van
General Director

Ho Chi Minh City, Vietnam

3 March 2023

Reference: 61808192/66780385-BCTC

INDEPENDENT AUDITORS' REPORT

To: The owner of Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

We have audited the accompanying financial statements of Capital Aid for Employment of the Poor Microfinance Institution (Ltd.) ("the Organisation") as prepared on 3 March 2023 and set out on pages 6 to 37, which comprise the balance sheet as of 31 December 2022, and the income statement and the cash flow statement for the year then ended and the notes thereto.

The Board of Management's responsibility

The Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Microfinance Institutions and the statutory requirements relevant to the preparation and presentation of the financial statements, and for such internal control as the Board of Management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from 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 auditors' judgment, 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 Organisation'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 Organisation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Organisation as at 31 December 2022, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Microfinance Institutions and the statutory requirements relevant to the preparation and presentation of the financial statements.

Other matter

The financial statements of the Organisation for the year ended 31 December 2021 were audited by another audit firm which expressed an unmodified opinion on those statements on 2 March 2022.

Ernst & Young Vietnam Limited



Nguyen Thi Hong Nga
Deputy General Director
Audit Practicing Registration
Certificate No. 0763-2019-004-1



Vu Tien Dung
Auditor
Audit Practicing Registration
Certificate No. 3221-2020-004-1

Ho Chi Minh City, Vietnam

3 March 2023

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

BALANCE SHEET
as at 31 December 2022

B01-TCVM

Code	Notes	Ending balance VND'000	Beginning balance VND'000
100	A. CURRENT ASSETS	6,339,896,486	5,229,167,353
110	I. Cash	761,668,474	582,128,436
111	1. Cash on hand	1,051,412	1,077,274
113	2. Due from other credit institutions	760,617,062	581,051,162
130	II. Loans to customers	5,519,122,844	4,600,611,575
131	1. Loans to customers	5,608,417,878	4,727,589,834
139	2. Provision for loans to customers	(89,295,034)	(126,978,259)
140	III. Fixed assets	18,301,707	6,828,922
141	1. Tangible fixed assets	16,284,342	3,577,668
142	a. Cost	35,318,847	21,167,871
143	b. Accumulated depreciation	(19,034,505)	(17,590,203)
147	2. Intangible fixed assets	2,017,365	3,251,254
148	a. Cost	11,601,007	11,601,007
149	b. Accumulated depreciation	(9,583,642)	(8,349,753)
150	IV. Other assets	8,476,104	8,207,061
151	1. Prepaid expenses	8,476,104	8,207,061
160	V. Receivables	26,909,756	28,833,064
162	1. Interest and fees receivable	25,507,324	18,939,385
163	2. Internal receivables	1,150,019	2,079,321
164	3. Other receivables	252,413	7,814,358
170	VI. Inventories	5,417,601	2,558,295
172	1. Materials	5,417,601	2,558,295
TOTAL ASSETS		6,339,896,486	5,229,167,353

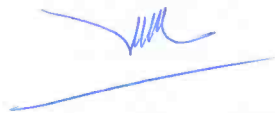
Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

BALANCE SHEET (continued)
as at 31 December 2022

B01-TCVM

Code	Notes	Ending balance VND'000	Beginning balance VND'000
200	B. LIABILITIES	4,617,230,486	3,644,099,643
210	I. Borrowings from individuals, credit institutions, other organisations		
	12	1,136,894,578	871,383,333
220	II. Due to customers	3,332,587,132	2,648,655,031
240	III. Taxes and others payable to State Treasury		
	14	7,190,843	345,465
250	IV. Payables to employees	33,102,739	29,548,241
270	V. Other liabilities	94,710,655	82,902,810
271	1. External payables	20,721,250	18,622,420
272	2. Interest and fees payable	71,749,469	60,180,811
274	3. Other liabilities	2,239,936	4,099,579
290	VI. Fund of microfinance institution	12,744,539	11,264,763
291	1. Bonus and welfare fund	12,744,539	11,264,763
300	C. OWNER'S EQUITY	1,722,666,000	1,585,067,710
310	I. Owner's equity	1,000,000,000	1,000,000,000
	1. Charter capital	907,927,317	907,927,317
	2. Other capital	92,072,683	92,072,683
330	II. Investment and development reserve	192,552,939	148,614,518
340	III. Financial reserve	174,942,830	157,367,462
350	IV. Charter capital supplementary reserve	249,718,022	240,930,338
360	V. Retained earnings	105,452,209	38,155,392
400	TOTAL LIABILITIES AND EQUITY	6,339,896,486	5,229,167,353

Prepared by:



Ms. Tran Thi Anh Thu
Accountant

Reviewed by:



Ms. Tran Thi Thu Ha
Chief Accountant

Approved by:




Ms. Nguyen Thi Hoang Van
General Director

Ho Chi Minh City, Vietnam

3 March 2023

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

INCOME STATEMENT
for the year ended 31 December 2022

B02-TCVM

Code		Notes	Current year VND'000	Previous year VND'000
01	1.	Interest and similar income	706,099,953	694,956,195
02	2.	Interest and similar expenses	(142,357,501)	(126,054,438)
03	I.	Net interest income	563,742,452	568,901,757
08	3.	Losses from other activities	(848,389)	(76,202)
09	II.	Net losses from other activities	(848,389)	(76,202)
10	III.	Operating expenses	(384,233,889)	(359,346,238)
11	4.	Other income	458,530	17,301,143
13	IV.	Net other income	458,530	17,301,143
14	V.	Operating profit before provision for credit losses	179,118,704	226,780,460
15	VI.	Provision reversed/(expenses) for credit losses	34,207,572	(78,300,639)
16	VII.	Profit before tax	213,326,276	148,479,821
17	VIII.	Income tax expense	(37,572,594)	(27,024,430)
18	IX.	Net profit after tax	175,753,682	121,455,391

Prepared by:




Ms. Tran Thi Anh Thu
Accountant

Reviewed by:



Ms. Tran Thi Thu Ha
Chief Accountant

Approved by:

Ms. Nguyen Thi Hoang Van
General Director

Ho Chi Minh City, Vietnam

3 March 2023

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

CASH FLOW STATEMENT
for the year ended 31 December 2022

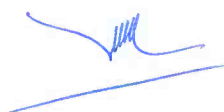
B03-TCVM

Code	Notes	Current year VND'000	Previous year VND'000
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Interest and similar income received	699,532,014	698,305,758
02	2. Interest and similar expenses paid	(130,788,843)	(140,938,952)
05	3. Collections of bad debts previously written off	21 102,577	46,396
06	4. Salaries and administration expenses paid	(375,669,164)	(365,766,508)
07	5. Corporate income tax paid	14 (23,005,392)	(44,312,017)
08	6. Other income received	355,953	17,254,747
09	7. Other expenses paid	(848,389)	(76,202)
Cash flows from operating activities before changes in operating assets and liabilities		169,678,756	164,513,222
Changes in operating assets			
21	8. (Increase)/decrease in deposits and loans	(880,828,044)	180,289,914
22	9. Decrease in provision to compensate for losses	(3,475,653)	(1,636,714)
23	10. Decrease/(increase) in operating assets	5,373,634	(5,182,471)
Changes in operating liabilities			
25	11. Increase in borrowings from individuals, credit institutions, other organisations	265,511,245	114,465,843
26	12. Increase/(decrease) in due to customers	683,932,101	(497,705,838)
28	13. Decrease in operating liabilities	(46,267,819)	(44,232,605)
30	Net cash flows from/(used in) operating activities	193,924,220	(89,488,649)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
31	14. Payments for purchases of fixed assets	(14,384,182)	(493,024)
35	Net cash flows used in investing activities	(14,384,182)	(493,024)
50	Net cash flows during the year	179,540,038	(89,981,673)
60	Cash and cash equivalents at the beginning of the year	582,128,436	672,110,109
70	Cash and cash equivalents at the end of the year	761,668,474	582,128,436

Prepared by:

Reviewed by:

Approved by:



Ms. Tran Thi Anh Thu
Accountant



Ms. Tran Thi Thu Ha
Chief Accountant

Ms. Nguyen Thi Hoang Van
General Director

Ho Chi Minh City, Vietnam

3 March 2023

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2022 and for the year then ended

B09-TCVM

1. CORPORATE INFORMATION

Capital Aid for Employment of The Poor Microfinance Institution (Ltd.) (short name: CEP) ("the Organisation") is an organisation belonging to the Ho Chi Minh City Labour Confederation.

The organisation's precursor is Capital Aid Fund for Employment of the Poor established under Establishment Decision No, 610/QD-UB dated 2 November 1991 issued by the People's Committee of Ho Chi Minh City and amended by Decision No, 29/QD-LDLĐ on 2 November 2001 and Decision No, 08/QD-LDLĐ dated 10 March 2008 by Ho Chi Minh City Labour Confederation. According to these Decisions, the operation term of Capital Aid Fund for Employment of the Poor is until 2018. Capital Aid Fund for Employment of the Poor is transformed into Capital Aid for Employment of The Poor Microfinance Institution under the Establishment and Operation Licence No. 1234/GP-HCM issued by the State Bank of Vietnam ("SBV") on 28 October 2016 and Enterprise Registration Certificate No. 0305140259 issued by the Department of Planning and Investment of Ho Chi Minh City on 1 September 2017 and its amendment dated 26 April 2021. The Operation and Establishment Licence of the Organisation is valid for 50 years from the issuance date. The Organisation inherits and performs all obligations of previous Capital Aid Fund for Employment of the Poor.

The Organisation's principal activities include:

- ▶ Mobilising capital in the form of receiving deposits in Vietnam Dong from compulsory savings deposits, deposits from organisations and individuals, including voluntary deposits from customers and receiving borrowings from credit institutions, financial institutions and individuals, other domestic and foreign organisation in accordance with prevailing regulation;
- ▶ Credit activities in the form of loans; open deposit accounts at the SBV and commercial banks; and
- ▶ Entrusting, receiving entrusted loans, providing financial consulting services in the microfinance industry, providing collection and payment on behalf services and remittance services to microfinance clients, providing insurance agency services.

Charter capital

As at 31 December 2022, the Organisation's charter capital is VND907,927 million (31/12/2021: VND907,927 million).

The Organisation's structure and network

The Organisation's Head Office is located at 14C Cach Mang Thang Tam Street, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam. As of 31 December 2022, the Organisation has one Head Office and 36 branches in Ho Chi Minh City and in 9 provinces including Long An, Tien Giang, Ben Tre, Dong Thap, Vinh Long, Tay Ninh, Binh Duong, Dong Nai, and An Giang (31/12/2021: one Head Office and 35 branches in Ho Chi Minh City and in 8 provinces including Long An, Tien Giang, Ben Tre, Dong Thap, Vinh Long, Tay Ninh, Binh Duong and Dong Nai).

Number of employees

As of 31 December 2022, the Organisation had 699 employees (31/12/2021: 663 employees).

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

2. FISCAL YEAR AND ACCOUNTING CURRENCY

2.1 Fiscal year

The Organisation's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

2.2 Accounting currency

The financial statements are prepared in Vietnam Dong ("VND"), which is also the Organisation's accounting currency. For the purpose of presentation of the financial statements, the figure is rounded to nearest thousand and expressed in thousands of Vietnam Dong ("VND'000"). This presentation does not affect the view of users of financial statements on the financial position, the results of its operations and its cash flows.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The Board of Management of the Organisation confirms that the accompanying financial statements have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Microfinance Institutions and the statutory requirements relevant to the preparation and presentation of the financial statements.

3.2 Accounting standards and system

The financial statements of the Organisation are prepared in accordance with Accounting Instructions for Microfinance Institutions following Circular No. 05/2019/TT-BTC dated 25 January 2019 and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No, 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No, 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No, 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No, 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No, 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

Items or balances required by Circular No. 05/2019/TT-BTC dated 25 January 2019 issued by the Ministry of Finance stipulating the accounting instructions for microfinance institutions that are not shown in these financial statements indicate nil balance.

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

3. BASIS OF PREPARATION (continued)

3.3 *Assumptions, judgments and estimates*

The preparation of the financial statements requires the Organisation's the Board of Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income, expenses and the resultant provisions. Such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty and actual results may differ resulting in future changes in such provision.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 *Changes in accounting policies and disclosures*

The accounting policies adopted by the Organisation in preparation of the financial statements are consistent with those followed in the preparation of the Organisation's financial statements for the year ended 31 December 2021.

4.2 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks and due from other credit institutions with an original maturity of three months or less from the transaction date that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value,

4.3 *Loans*

Loans to customers are presented at the principal amounts outstanding at the end of the financial year.

Short-term loans are loans with term of less than one year from the date of disbursement. Medium-term loans have term of one to five years from the date of disbursement. Long-term loans are loans with term of over 5 years from the date of disbursement.

Loans classification and provision for credit losses for loans to customers are made in accordance with Circular No. 15/2010/TT-NHNN issued by the SBV dated 16 June 2010 regulating the classification of debts, levels and method of making risk provision, and use of provision against credit risks in operation of small-sized financial institutions ("Circular 15"). Accordingly, the Organisation made credit risk classification and provision for credit losses in accordance with accounting policies as described in Note 4.4.

4.4 *Credit risk classification and provision for credit losses applied to loans to customers*

4.4.1 *Classification and provision for credit losses*

Credit risk classification of loans to customers is made in accordance with the quantitative method as stipulated in Article 4 of Circular 15.

General provision for credit losses on loans to customers at 31 December is made at 0.5% of the outstanding principal balance of loans to customers at 30 November, excluding the balances of loans to customers which are classified as Loss debts.

Specific provision for credit losses on loans to customers as at 31 December is made based on the outstanding principal balance less discounted value of collaterals multiplied by provision rates which are determined based on the loan classification results as of 31 November. The basis for value and discounted value determination for each type of collateral is determined as follows:

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Credit risk classification and provision for credit losses applied to loans to customers (continued)

4.4.1 Classification and provision for credit losses (continued)

Types of collateral assets	Maximum allowed ratio
(a) Compulsory saving deposits balance and voluntary saving deposits balance in the Organisation	100%
(b) Par value of Government bonds (Treasury bills, treasury bonds, central government bonds, investment bonds, government bonds for nation construction), bonds guaranteed by the Government	100%

The debt classification and specific provision rate for each loan group are as follows:

Group	Description	Specific provision rate
1	Current debts (a) Debts being in due; or (b) Debts being overdue less than 10 days.	0%
2	Special-mentioned debts (a) Debts being overdue between 10 days to less than 30 days; or (b) Debts having terms of repayments rescheduled for the first time and being overdue less than 30 days according to the first rescheduled terms of repayments; or (c) Debts having interest exempted or reduced as customers are unable to pay fully interest according to the loan contract.	2%
3	Sub-standard debts (a) Debts being overdue between 30 days to less than 90 days; or (b) Debts having rescheduled terms of repayments for the first time.	25%
4	Doubtful debts (a) Debts being overdue between 90 days to less than 180 days; or (b) Debts having terms of repayments rescheduled for the first time and being overdue between 30 days to less than 90 days according to the first rescheduled terms of repayments; or (c) Debts having terms of repayments rescheduled for the second time.	50%
5	Loss debts (a) Debts being overdue from 180 days and above; or (b) Debts having terms of repayments rescheduled for the first time and being overdue from 90 days according to the first rescheduled terms of repayments; or (c) Debts having terms of repayments rescheduled for the second time and being overdue according to the second rescheduled terms of repayments; or (d) Debts having terms of repayments rescheduled for the third time, neither being in due nor overdue.	100%

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Credit risk classification and provision for credit losses applied to loans to customers (continued)

4.4.2 Term restructuring, interest and/or fees exemption or reduction and debt classification retention to assist customers affected by the COVID-19

From 13 March 2020, the Organisation has applied Circular No. 03/2021/TT-NHNN dated 2 April 2021 ("Circular 03") and Circular No. 14/2021/TT-NHNN dated 7 September 2021 ("Circular 14") issued by the SBV amending and supplementing certain articles of Circular No. 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01") regulating credit institutions and foreign bank branches on rescheduling the debt repayment term, exempting, reducing interest and fees, keeping debt group unchanged in order to support customers affected by Covid-19 pandemic. Accordingly, the customers whose loans were disbursed from 23 January 2020 to 30 June 2022; and those customers are unable to pay the principal and/or interest in accordance with the payment schedules specified in signed loan contracts/agreements due to decrease in revenue, income caused by Covid-19 pandemic, the Organisation is allowed to reschedule loan repayment term, exempt or reduce interest and fees, and keep the debt group unchanged as follows:

Payment obligation due	Overdue status	Overdue date	Principle of debt classification retention
Before 01/8/2021	Not past due or overdue up to 10 days	From 30/3/2020 to 30/6/2022	Retain the latest debt classification as before 23 January 2020 or retain the latest debt classification as before the first-time restructuring date.
Before 23/1/2020	Overdue	From 23/1/2020 to 29/3/2020	Retain the latest debt classification as before 23 January 2020
From 23/1/2020 to 10/6/2020		From 23/1/2020 to 17/5/2021	Retain the latest debt classification as before overdue transferring date
From 10/6/2020 to 1/8/2021		From 17/7/2021 to 7/9/2021	

4.4.3 Specific provision for customers having debts that is restructured on term, interest and/or fees exempted or reduced and debt classification retention in accordance with Circular 01, Circular 03 and Circular 14

The Organisation makes specific provision for customers whose debt repayment term is restructured, interest exempted, or reduced under Circular 03 according to the following formula: $C = A - B$

In which:

C: Additional specific provision;

A: Specific provision to be made for all outstanding debt balance of customers according to the results of debt classification according to Circular 15 (Notes 4.4.1);

B: Total specific provision to be made for the outstanding balance of debts retained debt classification according to Circular 01, Circular 03 and Circular 14 (Notes 4.4.2) and specific provision to be made for remaining balance of the customers as debt classification according to Circular 15 (Notes 4.4.1).

Additional specific provision (called as C) is made by the Bank when preparing financial statements, ensuring the provisioning at as follows:

- + By 31 December 2021: At least 30% of the additional specific provision must be made;
- + By 31 December 2022: At least 60% of the additional specific provision must be made;
- + By 31 December 2023: 100% of the additional specific provision must be made.

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The initial cost of a fixed asset comprises of its purchase price and any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

4.6 Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset which are as follows:

Building and structures	10 years
Office equipment	2 - 5 years
Motor vehicles	5 - 10 years
Softwares	2 - 5 years

Land use rights those granted by the State with indefinite term are stated at cost and are not amortised. The initial cost of land use rights with indefinite term comprises any directly attributable costs incurred in conjunction with securing the land use rights.

4.7 Operating lease

Rentals under operating lease are charged in the "Other operating expenses" of the income statement on a straight-line basis over the term of the lease.

4.8 Receivables

Receivables are presented in the financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

Provision for receivables is determined based on the overdue status of debts or expected loss of current debts in case the debts are not due for payment yet, but the corporate debtors have fallen into bankruptcy or are in the process of dissolution, or of individual debtors are missing, escaped, prosecuted, on trial or deceased. Provision expense incurred is recorded in "Other operating expenses" of the income statement.

For overdue debts, the provision level is specified in Circular 48/2019/TT-BTC as follows:

<i>Overdue status</i>	<i>Allowance rate</i>
From six (6) months up to one (1) year	30%
From one (1) to under two (2) years	50%
From two (2) to under three (3) years	70%
From three (3) years and above	100%

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 *Borrowings from individuals, credit institutions, other organisations*

Borrowings from individuals, credit institutions, other organisations are stated and presented at the principal amounts outstanding at the date of the financial statements.

4.10 *Due to customers*

Due to customers are stated and presented at the principal amounts outstanding at the date of the financial statements. Due to customers comprise deposits from organisations, corporations, individuals and compulsory saving deposits and voluntary saving deposits of borrowers.

Compulsory savings represent deposits that borrowers must place with the Organisation in order to be granted loans, where the main purpose is to assist the borrowers to accumulate savings upon the termination of their loans. The compulsory saving deposit amount is equal 1% of the loan granted per month.

Voluntary savings represent deposits placed by borrowers with the Organisation at the borrowers' discretion.

The Organisation pays insurance for due to customers in accordance with the regulations of the SBV from the date of conversion into the microfinance institution.

4.11 *Payables and accruals*

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, regardless of whether the Organisation has received invoices from Suppliers.

4.12 *Provision*

A provision is recognised if the following conditions are met: (i) the Organisation has a present obligation (legal or constructive obligation) as a result of a past event; (ii) it is probable that an outflow of economic benefits will be required to settle the obligation; and (iii) it can be estimated reliably about value of the obligation.

When the Organization believes that part or all of the cost of paying a provision will be reimbursed, for example through an insurance policy, the reimbursement is recognized as a separate asset only when the reimbursement is almost certain. The expenses related to provisions are charged to the income statement after deducting any charges.

If the effect on the time value of money is material, the amount of a provision should be discounted to its present value using a discount rate that is a pre-tax rate and reflects the specific risks of that liability. When the amount of the provision is discounted, the increase over time of the provision is recognized as a financing expense.

4.13 *Capital and reserves*

4.13.1 *Capital*

Charter capital and other capital are recognised on the contribution date at the actual amount contributed less any directly attributable transaction costs.

4.13.2 *Reserves*

In accordance with the Organisation's operational policy, the Organisation's operating objectives are not for profit.

On 17 December 2018, the Ministry of Finance issued Official letter No. 45641/BTC-TCNH guiding the Organisation's appropriation to reserves in accordance with Circular No. 18/2018/TT-BTC ("Circular 18") dated 12 February 2018 on the financial regime for microfinance institutions. Accordingly, after distributing profits under Clause 1 and Clause 2, Article 9 of Circular 18, the remaining profits shall be allocated according to the provisions of Point b, Clause 3, Article 9 of Circular 18.

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Capital and reserves (continued)

4.13.2 Reserves (continued)

The Organisation appropriates to reserves in accordance with Official letter No. 92/LDLĐ dated 24 February 2021 issued by the Ho Chi Minh City Labour Confederation.

The following reserves are made based on the net profit after tax, which are approved by the Ho Chi Minh City Labour Confederation to appropriate to reserves as follows:

- ▶ Appropriate 5% of profit after tax to reserve to supplement charter capital in equity, the maximum level of this reserve shall not exceed the Organisation's charter capital;
- ▶ Appropriate 10% of profit after tax to financial reserve in equity;
- ▶ Appropriate 25% of remaining profit after tax to investment and development fund in equity;
- ▶ Appropriate no more than 1.5 months of basic salary of manager level to bonus fund for manager level in liabilities;
- ▶ Appropriate no more than 3 months of basic salary of employees to bonus and welfare fund in liabilities; and
- ▶ The remaining profit after appropriating the above reserves shall be supplemented to the charter capital in equity.

The purposes of usage of these reserves are set out as follows:

- ▶ Reserve to supplement charter capital is used for supplementing the charter capital.
- ▶ Financial reserve is used for covering the damage, losses in assets incurred during the normal course of business of the Organisation after being compensated by the indemnity of the Organisation and individuals causing the losses, the insurance organisation and utilisation of reserves into expenses; used for other purposes as stipulated in law;
- ▶ Investment and development fund is used for investing in expanding the operation, innovative technology, working conditions and supplementing the charter capital of the Organisation;
- ▶ Bonus fund for manager level is used for rewarding Chairman and Members of Members' Council, General Director, Deputy General Directors, Supervisory Board, Chief Accountant of the Organisation;
- ▶ Bonus fund is used for:
 - Annual bonus or regular bonus for employees of the Organisation;
 - Irregular bonus for individuals, groups of the Organisation who have innovative technology, business process that bring the efficiency in business operation; and
 - Reward to individuals and units who have an economic relationship with the Organisation, have successfully fulfilled the contractual conditions and effectively contributed to the business operation of the Organisation.
- ▶ Welfare fund is used for:
 - Investing in the construction or repair, supplementing of capital for the welfare construction facilities of the Organisation, contributing investment capital for the construction of common welfare constructions in the industry or with other units based on contractual agreement;
 - Payments for sport activities, cultural performances, public welfare of the Organisation's employees;
 - Regular and irregular allowances for employees in need, including employees retired and incapacitated for work of the Organisation; and
 - Payments for other welfare activities.

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 *Transactions in foreign currencies*

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates of commercial banks at transaction dates. At the end of the year, monetary balances denominated in foreign currencies are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Organisation conducts transactions regularly.
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Organisation conducts transactions regularly.

All foreign exchange differences incurred during the year and arisen from the revaluation of monetary accounts denominated in foreign currencies at the end of the year are taken to the income statement.

4.15 *Recognition of income and expenses*

4.15.1 *Interest income*

Interest income is recognized in the income statement on an accrual basis for debts classified as current debts that do not have to make specific provisions. The recognition of accrued interest income is suspended when such debt is classified in groups 2 to 5 as presented at Note 4.4.1 or debts retained classification as group 1 due to the application of Circular 01, Circular 03 and Circular 14 at Note 4.4.2. Suspended interest income is reversed and monitored off-balance sheet and recognized in the separate income statement upon actual receipt.

4.15.2 *Fees and commissions income*

Fees and commissions income are recognized on an amortization of unearned revenue or an accrual basis.

4.15.3 *Interest expenses*

Interest expense is recognised in the statement of income on an accrual basis.

4.16 *Corporate income tax*

4.16.1 *Current corporate income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Organisation to set off current tax assets against current tax liabilities and when the Organisation intends to settle its current tax assets and liabilities on a net basis.

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Corporate income tax (continued)

4.16.2 Deferred corporate tax

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred corporate income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realized, or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred income tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in which case the deferred corporate income tax is also dealt with in the equity account.

4.17 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset financial assets against financial liabilities or vice versa, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.18 Employee benefits

4.18.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Organisation by the Social Insurance Agency which belongs to the Ministry of Labor and Social Affairs. The Organisation is required to contribute to these post-employment benefits at the rate of 17.5% (for period from 1 July 2021 to 30 June 2022, the rate is 17%) of an employee's basic salary on monthly basis, salary allowances and other additional income.

4.18.2 Voluntary resignation benefits

The Organisation has the obligation, under Section 46 of the Vietnam Labor Code 45/2019/QH14 effective from 1 January 2021, to pay allowance arising from voluntary resignation of employees, equal to one-half month's salary for each year of employment up to 31 December 2008 plus salary allowances (if any). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date.

4.18.3 Unemployment insurance

According to current regulation, the Organisation is required to contribute to the unemployment insurance at the rate of 1% of salary (for period from 1 October 2021 to 30 September 2022, the rate is 0%), and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance.

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

5. CASH ON HAND

	<i>Ending balance</i> VND'000	<i>Beginning balance</i> VND'000
In VND	1,044,170	1,044,479
In foreign currencies	7,242	32,795
	1,051,412	1,077,274

6. DUE FROM OTHER CREDIT INSTITUTIONS

	<i>Ending balance</i> VND'000	<i>Beginning balance</i> VND'000
Demand deposits		
- In VND	252,990,482	139,526,965
- In foreign currencies	22,626,580	24,197
Term deposits		
- In VND (*)	485,000,000	441,500,000
	760,617,062	581,051,162

(*) Included in these term deposits were deposits with carrying amount of VND200 billion as at 31 December 2022 (31/12/2021: VND150 billion) which were pledged at other credit institution as security for borrowings from these credit institution (Note 12).

The annual interest rates of due from other credit institutions at the end of the year are as follows:

	<i>31 December 2022</i> % per annum	<i>31 December 2021</i> % per annum
Term deposits in VND	0.20	0.20
Term deposits in foreign currencies	0.00	0.00
Demand deposits in VND	4.80 - 5.50	3.50 - 3.65

7. LOANS TO CUSTOMERS

	<i>Ending balance</i> VND'000	<i>Beginning balance</i> VND'000
Loans to local individuals in VND	5,608,417,878	4,727,589,834

7.1 Analysis of loans by quality

	<i>Ending balance</i> VND'000	<i>Beginning balance</i> VND'000
Current	5,528,009,040	4,643,542,065
Special mention	11,055,569	9,874,168
Substandard	8,575,151	20,018,688
Doubtful	6,125,943	15,869,279
Loss	54,652,175	38,285,634
	5,608,417,878	4,727,589,834

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

7. LOANS TO CUSTOMERS (continued)

7.2 Analysis of loans by original terms

	<i>Ending balance</i> VND'000	<i>Beginning balance</i> VND'000
Short-term loans	3,606,075,964	3,157,475,787
Medium-terms loans	2,002,341,914	1,570,114,047
	5,608,417,878	4,727,589,834

The annual interest rates of loans to customers at the end of the year are as follows:

	<i>31 December 2022</i> % per annum	<i>31 December 2021</i> % per annum
Short-term loans	7.20 - 17,87	3.09 - 17.40
Medium-terms loans	8.91 - 18,01	3.34 - 17.54

7.3 Analysis of loans by type of borrowers

	<i>Ending balance</i> VND'000	<i>Beginning balance</i> VND'000
Labourers	2,895,597,973	2,707,752,379
Workers	2,712,819,905	2,019,837,455
	5,608,417,878	4,727,589,834

8. PROVISION FOR CREDIT LOSSES

Provision for credit losses consist of:

	<i>31 December 2022</i> VND'000	<i>31 December 2021</i> VND'000
General provision	27,223,498	21,580,571
Specific provision	62,071,536	105,397,688
	89,295,034	126,978,259

The results of debt classification as at 30 November 2022 and provisions for loans that need to be setting in accordance with regulations and policies on debt classification and provision for credit risks are as follows:

<i>Group</i>	<i>Balance</i> VND'000	<i>Specific provision (*)</i> VND'000	<i>General provision</i> VND'000	<i>Total</i> VND'000
Current debts	5,414,623,541	1,430,090	27,073,122	28,503,212
Special-mentioned debts	12,358,452	203,894	61,792	265,686
Sub-standard debts	11,029,996	2,491,520	55,150	2,546,670
Doubtful debts	6,686,859	3,359,692	33,434	3,393,126
Loss debts	54,644,745	54,586,340	-	54,586,340
	5,499,343,593	62,071,536	27,223,498	89,295,034

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

8. PROVISION FOR CREDIT LOSSES (continued)

(*) Includes specific provision for additional provision for loan balances which are rescheduled for repayment, exempted or reduced in interest and fees, and kept unchanged in accordance with Circular 01, Circular 03 and Circular 14 as follows: presented in Note 4.4.3.

Changes in provision for credit losses in the year are summarized as follows:

	<i>Specific provision VND'000</i>	<i>General provision VND'000</i>	<i>Total VND'000</i>
Balance as of 1 January 2022	105,397,688	21,580,571	126,978,259
Provision charged	(39,850,499)	5,642,927	(34,207,572)
Provision used to write-off bad debts	(3,475,653)	-	(3,475,653)
Balance as of 31 December 2022	<u>62,071,536</u>	<u>27,223,498</u>	<u>89,295,034</u>

Changes in provision for credit losses in the previous year are summarized as follows:

	<i>Specific provision VND'000</i>	<i>General provision VND'000</i>	<i>Total VND'000</i>
Balance as of 1 January 2021	26,905,274	23,409,060	50,314,334
Provision charged	80,129,128	(1,828,489)	78,300,639
Provision used to write-off bad debts	(1,636,714)	-	(1,636,714)
Balance as of 31 December 2022	<u>105,397,688</u>	<u>21,580,571</u>	<u>126,978,259</u>

9. FIXED ASSETS

9.1 Tangible fixed assets

	<i>Buildings and structures VND'000</i>	<i>Office equipment VND'000</i>	<i>Motor vehicles VND'000</i>	<i>Total VND'000</i>
Cost				
Beginning balance	759,879	16,504,257	3,903,735	21,167,871
Additions	1,967,395	9,525,954	2,890,833	14,384,182
Written off	-	-	(233,206)	(233,206)
Ending balance	<u>2,727,274</u>	<u>26,030,211</u>	<u>6,561,362</u>	<u>35,318,847</u>
Accumulated depreciation				
Beginning balance	759,879	15,545,497	1,284,827	17,590,203
Charge for the year	12,397	1,354,953	310,158	1,677,508
Written off	-	-	(233,206)	(233,206)
Ending balance	<u>772,276</u>	<u>16,900,450</u>	<u>1,361,779</u>	<u>19,034,505</u>
Net book value				
Beginning balance	-	958,760	2,618,908	3,577,668
Ending balance	<u>1,954,998</u>	<u>9,129,761</u>	<u>5,199,583</u>	<u>16,284,342</u>

Cost of tangible fixed which were fully depreciated but are still in use as of 31 December 2022 amounted to VND16,953,141 thousand (31 December 2021: VND12,727,724 thousand).

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

9. FIXED ASSEST (continued)

9.2 Intangible fixed assets

	<i>Land use rights VND'000</i>	<i>Software VND'000</i>	<i>Total VND'000</i>
Cost			
Beginning balance and ending balance	1,773,204	9,827,803	11,601,007
Accumulated amortisation			
Beginning balance	-	8,349,753	8,349,753
Charge for the year	-	1,233,889	1,233,889
Ending balance	-	9,583,642	9,583,642
Net book value			
Beginning balance	1,773,204	1,478,050	3,251,254
Ending balance	1,773,204	244,161	2,017,365

Cost of intangible fixed which were fully depreciated but are still in use as of 31 December 2022 amounted to VND7,996,746 thousand (31/12/2021: VND4,021,451 thousand).

10. PREPAID EXPENSE

	<i>Ending balance VND'000</i>	<i>Beginning balance VND'000</i>
Operating expenses	4,632,013	4,454,331
- Software copyright	1,540,070	457,736
- Office repair and renovation	1,400,092	2,289,560
- Other expenses	1,691,851	1,707,035
Instrument and tools	3,844,091	3,752,730
	8,476,104	8,207,061

11. RECEIVABLES

11.1 Interest and fees receivable

	<i>Ending balance VND'000</i>	<i>Beginning balance VND'000</i>
Interest and fees receivable from loans to customers	23,281,351	18,076,586
Interest and fees receivable from deposit	2,225,973	862,799
	25,507,324	18,939,385

11.2 Internal receivables

	<i>Ending balance VND'000</i>	<i>Beginning balance VND'000</i>
Advances for operations	1,098,097	2,007,400
Salary advances	51,922	71,921
	1,150,019	2,079,321

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

11. RECEIVABLES (continued)

11.3 Other receivables

	<i>Ending balance</i> VND'000	<i>Beginning balance</i> VND'000
Overpaid corporate income tax	-	7,616,596
Other receivables	252,413	197,762
	252,413	7,814,358

12. BORROWINGS FROM INDIVIDUALS, CREDIT INSTITUTIONS, OTHER ORGANISATIONS

	<i>Ending balance</i> VND'000	<i>Beginning balance</i> VND'000
Borrowings from credit institutions (i)		
- In VND	1,050,050,000	762,750,000
Borrowings from other organisations (ii)		
- In VND	86,844,578	108,633,333
	1,136,894,578	871,383,333

- (i) The borrowings have term from 3 months to 36 months, with interest rates ranging from 6.50% p.a. to 10.80% p.a. (31/12/2021: 1.80% p.a. - 6.80% p.a.), excluding interest-free borrowings from Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank).

Included in these borrowings were borrowings with carrying amount of VND200 billion (31/12/2021: VND420 billion) which were secured by term deposits at a credit institution (Note 6).

- (ii) Borrowings from other organisations are as follows:

	<i>Ending balance</i> VND'000	<i>Beginning balance</i> VND'000
Borrowings from domestic organisations	200,000	200,000
Saigon Tobacco Company	200,000	200,000
Borrowings from overseas organisations	86,644,578	108,433,333
Catholic Organisation for Relief and Development Aid ("Cordaid")	49,500,000	66,000,000
Rabo Rural Fund	37,144,578	37,100,000
Stichting Rabo Foundation	-	5,333,333
	86,844,578	108,633,333

The borrowings have term from 12 months to 36 months, with interest rates ranging from 6.50% p.a. to 7.50% p.a. (31/12/2021: 7.50% p.a.), excluding interest-free borrowings from Saigon Tobacco Company.

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

13. DUE TO CUSTOMERS

	Ending balance VND'000	Beginning balance VND'000
Saving deposits in VND		
Compulsory saving deposits (*)	823,892,822	591,405,817
Voluntary saving deposits (*)	448,761,131	355,370,185
Other deposits	2,059,933,179	1,701,879,029
- Term deposits	513,041,491	420,836,072
- Demand deposits	1,546,891,688	1,281,042,957
	3,332,587,132	2,648,655,031

(*) Compulsory savings were deposited together with the repayment schedule of loans. Borrowers are required to deposit 1% of the total original granted loan monthly. Borrowers can withdraw a maximum of 50% of their total outstanding compulsory saving balance upon termination of their loans if they intend to renew their loans; or they can withdraw the whole of total outstanding compulsory saving deposit balance upon termination of their loans and without intention of renewing their loans. In case borrowers have unexpected difficulties or emergency, Head of branches consider allowing borrowers to withdraw a part or the whole of total outstanding compulsory saving deposit balance. Borrowers are also encouraged to contribute voluntary saving deposits. Borrowers can withdraw outstanding voluntary saving deposit balance without restriction upon termination of their loans.

The annual interest rates of due to customers at the end of the year are as follows::

	31 December 2022 % per annum	31 December 2021 % per annum
Compulsory saving deposits	0.9855	0.1825
Voluntary saving deposits	0.9855	0.1825
Demand saving deposits	0.50	0.20
Term saving deposits	3.99 - 7.70	3.50 - 7.30
Term deposits	3.80 - 6.60	3.20 - 6.60

Due to customers by type of customer and type of business are as follows:

	Ending balance VND'000	Beginning balance VND'000
Deposits from individuals	1,785,695,444	1,367,612,074
Deposits from microfinance customers	1,269,044,701	944,407,847
Deposits from other customers	516,650,743	423,204,227
Deposits from other organisations	1,546,891,688	1,281,042,957
	3,332,587,132	2,648,655,031

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

14. TAXES AND OTHERS PAYABLE TO STATE TREASURY

	Beginning balance VND'000	Movements during the year		Ending balance VND'000
		Payables VND'000	Paid VND'000	
Value added tax	289,796	824,782	(907,763)	206,815
Corporate income tax	(7,616,596)	37,572,594	(23,005,392)	6,950,606
Personal income tax	55,669	6,671,277	(6,693,524)	33,422
	(7,271,131)	45,068,653	(30,606,679)	7,190,843
<i>In which:</i>				
- Taxes receivables	7,616,596			-
- Taxes payables	345,465			7,190,843

Current corporate income tax

The Organisation has the obligation to pay corporate income tax ("CIT") at the rate of 17% of taxable profits according to Circular No. 10320/BTC-CST issued by The Ministry of Finance on 03 September 2019 (in 2021: 17%).

The Organisation's tax reports are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amount reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

Current corporate income tax payables are determined based on the taxable income of the period. Taxable income differs from the one reported in the income statement since taxable income excludes incomes that are taxable or expenses that are deducted in prior periods due to the differences between the Organisation's accounting policies and the tax regulations. It also excludes tax exempt income and non-deductible expenses. The current corporate income tax payable by the Organisation is calculated based on the statutory tax rates applicable at the end of the period.

Current CIT expenses for the year are calculated as follows:

	Current year VND'000	Previous year VND'000
Profit before tax	213,326,276	148,479,821
CIT expense at rate of 17%	36,265,467	25,241,570
<i>Add/(less):</i>		
- Non-deductible expenses	1,307,127	1,782,860
Estimated CIT expenses for the year	37,572,594	27,024,430

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09-TCVM

15. OTHER LIABILITIES

	<i>Ending balance</i> <i>VND'000</i>	<i>Beginning balance</i> <i>VND'000</i>
External payables	20,721,250	18,622,420
- Affiliate commission payables	20,721,250	18,622,420
Interest and fees payable	71,749,469	60,180,811
- Interest payable for due to customers	67,483,755	59,134,571
- Interest payable for borrowings from individuals, credit institutions, other organisations	4,265,714	1,046,240
Other liabilities	2,239,936	4,099,579
- Unearned interest income	228,303	392,227
- Other liabilities	2,011,633	3,707,352
	94,710,655	82,902,810

16. BONUS AND WELFARE FUND

Movements of bonus and welfare fund during the year were as follows:

	<i>Current year</i> <i>VND'000</i>	<i>Previous year</i> <i>VND'000</i>
Beginning balance	11,264,763	4,829,743
Attribution during the year	38,155,392	37,928,312
Other additions	371,790	496,402
Utilization during the year	(37,047,406)	(31,989,694)
	12,744,539	11,264,763

Capital Aid for Employment of the Poor Microfinance Institution

B09 - TCVM

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

17. OWNER'S EQUITY

	Charter capital VND'000	Other capital VND'000	Investment and development reserve VND'000	Financial reserve VND'000	Charter capital supplementary reserve VND'000	Retained earnings VND'000	Total VND'000
Balance at 1 January 2021	907,927,317	92,072,683	118,250,670	145,221,923	198,978,429	39,089,609	1,501,540,631
Net profit for the year	-	-	-	-	-	121,455,391	121,455,391
Appropriate to reserves	-	-	30,363,848	12,145,539	41,951,909	(84,461,296)	-
Appropriate to bonus and welfare fund	-	-	-	-	-	(37,928,312)	(37,928,312)
Balance at 31 December 2021	907,927,317	92,072,683	148,614,518	157,367,462	240,930,338	38,155,392	1,585,067,710
Net profit for the year	-	-	43,938,421	-	-	175,753,682	175,753,682
Appropriate to reserves	-	-	-	17,575,368	8,787,684	(70,301,473)	-
Appropriate to bonus and welfare fund	-	-	-	-	-	(38,155,392)	(38,155,392)
Balance at 31 December 2022	907,927,317	92,072,683	192,552,939	174,942,830	249,718,022	105,452,209	1,722,666,000

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09 - TCVM

18. INTEREST AND SIMILAR INCOME

	<i>Current year</i> <i>VND'000</i>	<i>Previous year</i> <i>VND'000</i>
Interest income from loans	685,534,701	681,198,720
Interest income from due from other credit institutions	20,565,252	13,757,475
	706,099,953	694,956,195

19. INTEREST AND SIMILAR EXPENSES

	<i>Current year</i> <i>VND'000</i>	<i>Previous year</i> <i>VND'000</i>
Interest expense for due to customers	93,879,308	104,481,356
Interest expense for borrowings from individuals, credit institutions, other organisations	48,478,193	21,573,082
	142,357,501	126,054,438

20. OPERATING EXPENSES

	<i>Current year</i> <i>VND'000</i>	<i>Previous year</i> <i>VND'000</i>
Salaries and related expenses	207,599,780	185,959,133
- Salaries and allowances	175,045,624	154,098,143
- Salaries based expenses	12,753,711	11,985,757
- Other expenses	19,800,445	19,875,233
Expenses on assets	4,600,965	6,117,140
- Depreciation expenses	2,911,397	3,044,412
- Machinery and equipment repairing expense	1,689,568	3,072,728
Administration expenses	172,033,144	167,269,965
- Affiliate commission expenses	78,396,726	79,355,009
- Promotion expenses	16,893,903	21,058,900
- Community development expenses	14,491,543	22,306,868
- Traveling expenses	11,561,870	9,357,040
- Reception expenses	11,390,021	3,969,856
- Rental and utility expenses	7,236,847	5,359,515
- Tools and supplies expenses	6,901,057	3,753,132
- Information and communication expenses	6,677,552	5,943,061
- Treasury and bank charges	5,327,035	4,366,858
- Workshops and meetings expenses	1,924,054	1,875,507
- Insurance for due to customers	1,346,228	1,323,416
- Training expenses	982,029	833,051
- Others	8,904,279	7,767,752
	384,233,889	359,346,238

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09 - TCVM

21. OTHER INCOME

	<i>Current year</i> <i>VND'000</i>	<i>Previous year</i> <i>VND'000</i>
Collections of bad debts previously written off	102,577	46,396
Income from transfer and disposal of assets	45,248	-
Reversals of Community Development Fund balance	-	11,409,513
Income from non-refundable donations of RPA and BTC projects	-	5,739,656
Other incomes	310,705	105,578
	458,530	17,301,143

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following amounts on the balance sheet:

	<i>Ending balance</i> <i>VND'000</i>	<i>Beginning balance</i> <i>VND'000</i>
Cash on hand	1,051,412	1,077,274
Due from other credit institutions with original term less than 3 months	760,617,062	581,051,162
	761,668,474	582,128,436

23. EMPLOYEE'S INCOME

	<i>Current year</i> <i>VND'000</i>	<i>Previous year</i> <i>VND'000</i>
I. Total average number of employees (persons)	678	650
II. Employees' income		
1. Total salary	171,684,024	151,200,000
2. Bonuses	11,622,420	10,422,840
3. Other allowances	19,814,540	14,918,194
4. Total income (1+2+3)	203,120,984	176,541,034
5. Average monthly salary per capita	21,099	19,385
6. Average monthly income per capita	24,963	22,633

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09 - TCVM

24. RELATED PARTY TRANSACTIONS

Related party transactions include all transactions undertaken with parties to which the Organisation is related. A party is considered to be related if the party has ability to control or to significantly influence other party in making decision of financial policies and operational activities. A party is related to the Organisation if:

- (a) Directly, or indirectly through one or more intermediaries, the party:
- ▶ controls, is controlled by, or is under common control with the Organisation (including parents and subsidiaries);
 - ▶ has an interest (owning 5% or more of the charter capital or voting share capital) in the Organisation that gives it significant influence over the Organisation;
 - ▶ has joint control over the Organisation;
- (b) The party is a joint venture, associate in which the Organisation is a venture or an associate (owning over 11% of the charter capital or voting share capital, but is not a subsidiary of the Organisations);
- (c) The party is a member of the key management personnel of the Organisations;
- (d) The party is a close member of the family of any individual referred to in (a) or (c); or;
- (e) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d).

Significant transactions with related parties during the year are as follows:

	<i>Current year</i> VND'000	<i>Previous year</i> VND'000
Remunerations of the Members' Council	958,482	855,224
Salary and bonus of the Board of Management	2,249,939	1,933,264
Salary and bonus of the Chief Accountant	629,128	546,751
Remunerations of the Supervisory Board	1,322,705	996,408

25. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY GEOGRAPHICAL AREA

	<i>Domestic</i> VND'000	<i>Overseas</i> VND'000	<i>Total</i> VND'000
Due from other credit institutions	760,617,062	-	760,617,062
Loans to customers	5,608,417,878	-	5,608,417,878
Borrowings from individuals, credit institutions, other organisations	1,050,250,000	86,644,578	1,136,894,578
Due to customers	3,332,587,132	-	3,332,587,132

26. FINANCIAL RISK MANAGEMENT POLICIES

Risk is inherent in the Organisations's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Organisations's continuing profitability and individual employees of the Organisation who are accountable for the risk exposures relating to their responsibilities. The Organisation is exposed to credit risk, liquidity risk and market risk (the latter being subdivided into trading and non-trading risks). The Organisation is also subject to operational risk. The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Organisations's policy is to monitor those business risks through the Organisation's strategic planning process.

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09 - TCVM

26. FINANCIAL RISK MANAGEMENT POLICIES (continued)

26.1 Credit risk

Credit risk is the risk of financial loss to the Organisation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and mainly incur from deposits with credit institutions, loans to customers and receivables.

Management of credit risk

The Board of Directors has delegated responsibility for the management of credit risk to the Organisation's Credit Risk Department. This department is responsible for oversight of the Organisation's credit risk, including:

- ▶ Formulating credit policies in consultation with relevant departments and Branches to establish credit policies, including credit assessment, underwriting policies, collection policies and risk reporting;
- ▶ Establishing the credit authorisation process. The Organisation uses one central loan administration system to facilitate loan underwriting;
- ▶ Providing advice, guidance and special skills to relevant departments to promote best practice throughout the Organisation in the management of credit risk.

Credit risk updates are reported by the Organisation's Credit Risk Department to the Board of Directors on a regular basis.

Maximum credit risk excluding collateral or credit risk mitigation measures

The maximum level of credit risk for each group of financial assets is equal to the carrying amount of that group of financial assets in the statement of financial position presented as follows:

	<i>Ending balance</i> VND'000	<i>Beginning balance</i> VND'000
Due from other credit institutions	760,617,062	581,051,162
Loans	5,608,417,878	4,727,489,834
Receivables	25,749,002	21,216,468

Due from other credit institutions

Due from other credit institutions are primarily placed in well-known financial institutions. The Board of Directors does not foresee any significant credit risk from these deposits and does not expect that these financial institutions may default and cause loss to the Organisation.

Loans and other financial assets

The Organisation's exposure to credit risk in relation to loans and other financial assets is mainly influenced by the individual characteristics of each customer. In response to the risk, the Organisation has set a credit risk limit for each borrower that the Organisation can accept. Such risks are monitored on a regular basis and are subjected to a periodical review.

Exposure to credit risk is managed through regular analysis of the ability and potential of borrowers to meet interest and principal repayment obligations and change the credit limits when appropriate.

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09 - TCVM

26. FINANCIAL RISK MANAGEMENT POLICIES (continued)

26.2 Market risk

(a) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect future cash flows or fair value of financial instruments. The Organisation is exposed to interest rate risk as a result of mismatching of interest rate re-pricing of assets and liabilities and off-balance sheet items in certain period. The Organisation manages this risk by matching the dates of interest rate re-pricing of assets and liabilities.

The actual interest rates of due from other credit institutions, loans to customers, borrowings from other credit institutions and due to customers are presented in *Note 6, Note 7, Note 12, and Note 13.*

Analysis of assets and liabilities based on the repricing period of interest rate

The repricing period of interest rate of assets and liabilities is the term calculated from the balance sheet date to the nearest repricing interest rate or remaining contractual term whichever is earlier.

The following assumptions and conditions have been adopted in the analysis of effective interest rate re-pricing term of the Organisation's assets and liabilities:

- ▶ Cash on hand, fixed assets, other assets, and other liabilities are classified as non-interest-bearing items;
- ▶ The effective interest repricing term of due from other credit institutions, loans to customers, borrowings from other credit institutions are determined as follows:
 - Items which bear fixed interest rate for the entire contractual term: the repricing period of interest rate is determined based on the remaining contractual term calculated from the balance sheet date,
 - Items which bear floating interest rate: the repricing period of interest rate is determined from the balance sheet date to the next interest repricing date or the remaining contractual term, whichever is earlier.

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09 - TCVM

26. FINANCIAL RISK MANAGEMENT POLICIES (continued)

26.2 Market risks (continued)

(a) Interest rate risk (continued)

The table below shows an analysis of the interest re-pricing period of assets and liabilities of the Organisation as of 31 December 2022:

	Overdue VND'000	Non-interest bearing VND'000	Interest re-pricing period					Total VND'000
			Up to 1 month VND'000	From over 1 month to 3 months VND'000	From over 3 months to 6 months VND'000	From over 6 months to 12 months VND'000	From over 1 year to 5 years VND'000	
Assets								
Cash	-	-	306,668,474	455,000,000	-	-	-	761,668,474
Loans to customers	80,408,838	-	58,683,058	155,359,741	1,156,836,442	2,921,965,942	1,235,163,857	5,608,417,878
Fixed assets	-	18,301,707	-	-	-	-	-	18,301,707
Other assets	-	8,476,104	-	-	-	-	-	8,476,104
Receivables	-	26,909,756	-	-	-	-	-	26,909,756
Inventories	-	5,417,601	-	-	-	-	-	5,417,601
	80,408,838	59,105,168	365,351,532	610,359,741	1,156,836,442	2,921,965,942	1,235,163,857	6,429,191,520
Liabilities								
Borrowings from individuals, credit institutions, other organisations	-	250,000	-	190,000,000	860,000,000	23,275,000	63,369,578	1,136,894,578
Due to customers	-	-	1,588,953,618	371,475,098	564,278,780	721,078,986	86,800,650	3,332,587,132
Obligations to the State	-	-	-	-	-	-	-	-
Treasury	-	7,190,843	-	-	-	-	-	7,190,843
Payables to employees	-	33,102,739	-	-	-	-	-	33,102,739
Other liabilities	-	94,710,655	-	-	-	-	-	94,710,655
The Organisation's fund	-	12,744,539	-	-	-	-	-	12,744,539
	-	147,998,776	1,588,953,618	561,475,098	1,424,278,780	744,353,986	150,170,228	4,617,230,486
Net interest sensitivity gap	80,408,838	(88,893,608)	(1,223,602,086)	48,884,643	(267,442,338)	2,177,611,956	1,084,993,629	1,811,961,034

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09 - TCVM

26. FINANCIAL RISK MANAGEMENT POLICIES (continued)

26.2 *Market risks* (continued)

(a) *Interest rate risk* (continued)

The Organisation manages interest rate risk by analyzing the competitive situation in the market to get interest rates that are beneficial to the Organisation's purpose and remain within its risk management limits.

(b) *Currency risk*

Currency risk is the risk that values of financial instruments fluctuate due to changes in the foreign exchange rate.

The organization has limited exchange rate risk as the majority of assets and liabilities are raised in VND from organizations and partners, As at 31 December 2022, cash and deposits at credit institutions are equal to USD and EUR are VND22,633,821,334 (31/12/2021: VND56,993,380).

(c) *Liquidity risk*

Liquidity risk is defined as the risk that the Organisation will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Organisation might be unable to meet its payment obligations when they fall due under both normal and stress circumstances. To minimize this risk, management plans to diversify its funding sources. The Organisation also develops flexible policies to manage future asset liquidity, monitor future cash flows and liquidity position on daily basis. The Organisation also assesses cash flow forecast and availability of current collaterals in case of mobilizing additional funds.

The maturity term of assets and liabilities represents the time to contractual maturity date from the balance sheet date to the settlement date in accordance with contractual terms and conditions. The Organisation also analyzes maturity term of assets and liabilities in order to manage liquidity.

The following assumptions and conditions have been adopted in the preparation of the Organisation's maturity analysis:

- ▶ The maturity term of due from other credit institutions, loans to customers are based on the contractual maturity date. The actual maturity sometimes varies from contractual term when the contract is extended.
- ▶ Deposits from customers are recorded upon their characteristic or maturity date in the contract. In practice, these amounts can be revolving and therefore maintained for a longer period than the original maturity.
- ▶ The maturity term of fixed assets is determined as above 5 years based on estimated disposal period of fixed assets.
- ▶ The maturity term of other assets and other liabilities are based on the contractual term of each asset and liability.

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09 - TCVM

26. FINANCIAL RISK MANAGEMENT POLICIES (continued)

26.2 Market risks (continued)

(c) Liquidity risk (continued)

The table below presents the analysis of the remaining maturity of assets and liabilities of the Organisation as at 31 December 2022:

	Overdue		Current					Total VND'000
	Above 3 months VND'000	Within 3 months VND'000	Up to 1 month VND'000	From 1 to 3 months VND'000	From 3 to 12 months VND'000	From 1 to 5 years VND'000	Above 5 years VND'000	
Assets								
Cash	-	-	306,668,474	455,000,000	-	-	-	761,668,474
Loans to customers - gross	19,630,720	60,778,118	58,683,058	155,359,741	4,078,802,384	1,235,163,857	-	5,608,417,878
Fixed assets	-	-	-	38,608	179,572	16,310,324	1,773,203	18,301,707
Other assets	-	-	10,970	142,570	4,745,635	3,576,929	-	8,476,104
Receivables	-	-	6,235,458	3,276,943	17,397,355	-	-	26,909,756
Inventories	-	-	-	5,365,307	52,294	-	-	5,417,601
Total assets	19,630,720	60,778,118	371,597,960	619,183,169	4,101,177,240	1,255,051,110	1,773,203	6,429,191,520
Liabilities								
Borrowings from individuals, credit institutions, other organisations	-	-	250,000	190,000,000	883,275,000	63,369,578	-	1,136,894,578
Deposits from customers	-	-	1,588,953,618	371,475,098	1,285,357,766	86,800,650	-	3,332,587,132
Obligations to the State	-	-	-	-	-	-	-	-
Treasury	-	-	7,190,843	-	-	-	-	7,190,843
Payables to employees	-	-	20,095,241	13,007,498	-	-	-	33,102,739
Other liabilities	-	-	36,906,183	11,286,402	42,401,143	4,116,927	-	94,710,655
The Organisation's fund	-	-	3,232,658	9,511,881	-	-	-	12,744,539
Total liabilities	-	-	1,656,628,543	595,280,879	2,211,033,909	154,287,155	-	4,617,230,486
Net liquidity gap	19,630,720	60,778,118	(1,285,030,583)	23,902,290	1,890,143,331	1,100,763,955	1,773,203	1,811,961,034

Capital Aid for Employment of the Poor Microfinance Institution (Ltd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

B09 - TCVM

27. FINANCIAL ASSETS AND LIABILITIES

The below table presents the carrying amounts and fair value of the Organisation's financial assets and financial liabilities as of 31 December 2022:

	Carrying amount		Fair value	
	Ending balance VND'000	Beginning balance VND'000	Ending balance VND'000	Beginning balance VND'000
Financial assets				
Due from other credit institutions	760,617,062	581,051,162	(*)	(*)
Loans to customers	5,519,122,844	4,600,611,575	(*)	(*)
Other financial assets	25,749,002	21,216,468	(*)	(*)
	6,305,488,908	5,202,879,205	(*)	(*)
Financial liabilities				
Borrowings from individuals, credit institutions, other organisations	1,136,894,578	871,383,333	(*)	(*)
Due to customers	3,332,587,132	2,648,655,031	(*)	(*)
Other financial liabilities	94,710,655	82,902,810	(*)	(*)
	4,564,192,365	3,602,941,174	(*)	(*)

(*) The fair value of those financial assets and liabilities cannot be determined because there is no specific guidance from Vietnamese Accounting Standards and Accounting System on determination of fair value

28. OPERATING LEASE COMMITMENTS

The future payments under the operating lease at the end of the year are as follows:

	Ending balance VND'000	Beginning balance VND'000
Due within one (1) year	436,900	192,450
Due from one (1) to five (5) years	19,000	26,400
	455,900	218,850

29. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements of the Organisation.

Prepared by:



Ms. Tran Thi Anh Thu
Accountant

Reviewed by:



Ms. Tran Thi Thu Ha
Chief Accountant

Approved by:



Ms. Nguyen Thi Hoang Van
General Director



Ho Chi Minh City, Vietnam

3 March 2023