**VBB: Explanation on the Financial Statements 2023**

On March 29, 2024, Viet Nam Thuong Tin Commercial Joint Stock Bank announced Official Dispatch No. 1196/2024/CV-TGD on explaining the fluctuations in profit after tax according to the Audited Separate Financial Statements 2023 as follows:

|  |  |  |
| --- | --- | --- |
| Item with fluctuations | Figures | Increase/Decrease |
| 2023 | 2022 | Absolute (million VND) | Comparative (%) |
| Increase in net interest margin | 1,999,834 | 1,810,864 | 188,970 | 10.44 |
| Decrease in income from service activities | 93,939 | 118,237 | (24,298) | (20.55) |
| Increase in income from foreign exchange trading activities | 65,295 | 55,610 | 9,685 | 17.42 |
| Increase in income from purchasing and selling investment securities | 77,648 | 61,667 | 15,981 | 25.91 |
| Decrease in income from other activities | 150,647 | 274,700 | (124,053) | (45.16) |
| Increase in operating expenses | 1,460,250 | 1,363,299 | 96,951 | 7.11 |
| Decrease in expenses of credit risk provision | 115,168 | 300,921 | (185,753) | (61.73) |
| Decrease in expenses of current corporate income tax | 165,079 | 133,485 | 31,594 | 23.67 |
| Decrease in profit after tax | 646,866 | 523,373 | 123,493 | 23.60 |

The Bank's profit after tax in 2023 compared to 2022 increases by VND 123,493 million (equivalent to 23.60%). It is mainly due to the following items:

Net interest margin increases by 10.44% due to the recovery and handling of bad debts and off-balance sheet debt implemented by Vietbank and achieved high efficiency.

* While expenses of service activities increase (mainly from digital banking services), income from service activities decreases by 20.55% mainly due to a decrease in income from a number of services (mainly decrease in income from insurance agents and income from account management),
* Foreign exchange business activities increase by 17.42% due to favorable exchange rate developments in the market compared to the bank's foreign currency status.
* By utilizing the opportunities in the government bond market, Vietbank's investment securities trading activities in 2023 have brought a profit of VND 77,648 million (an increase of 25.91% over the same period last year).
* Operating expenses increase by 7.11% mainly due to increased deposit insurance expenses.
* Expenses of credit risk provision decrease because Vietbank well controls the quality of loans and handled overdue debt and bad debt effectively.

On March 29, 2024, Viet Nam Thuong Tin Commercial Joint Stock Bank announced Official Dispatch No. 1197/2024/CV-TGD on explaining the fluctuations in profit after tax according to the Audited Consolidated Financial Statements 2023 as follows:

|  |  |  |
| --- | --- | --- |
| Item with differences | Figures | Increase/Decrease |
| 2023 | 2022 | Absolute (million VND) | Comparative (%) |
| Increase in income from net interest | 1,999,898 | 1,810,880 | 189,018 | 10.44 |
| Decrease in income from service activities | 103,348 | 121,714 | (18,366) | (15.09) |
| Increase in income from foreign exchange trading activities | 65,295 | 55,610 | 9,685 | 17.42 |
| Increase in income from purchasing and selling investment securities | 77,648 | 61,667 | 15,981 | 25.91 |
| Decrease in income from other activities | 150,647 | 274,699 | (124,052) | (45.16) |
| Increase in operating expenses | 1,469,723 | 1,367,537 | 102,186 | 7.47 |
| Decrease in expenses of credit risk provision | 115,168 | 300,921 | (185,753) | (61.73) |
| Decrease in expenses of current corporate income tax | 165,079 | 133,485 | 31,594 | 23.67 |
| Increase in profit after tax | 646,866 | 522,627 | 124,239 | 23.77 |

The Bank's profit after tax in 2023 compared to 2022 increases by VND 124,239 million (equivalent to 23.77%). It is mainly due to the following items:

* Net interest margin increases by 10.44% due to the recovery and handling of bad debts and off-balance sheet debt implemented by Vietbank and achieved high efficiency.
* While expenses of service activities increase (mainly from digital banking services), income from service activities decreases by 15.09% mainly due to a decrease in income from a number of services (mainly decrease in income from insurance agents and income from account management),
* Foreign exchange business activities increase by 17.42% due to favorable exchange rate developments in the market compared to the bank's foreign currency status.
* By utilizing the opportunities in the government bond market, Vietbank's investment securities trading activities in 2023 have brought a profit of VND 77,648 million (an increase of 25.91% over the same period last year).
* Operating expenses increase by 7.47% mainly due to increased deposit insurance expenses.
* Expenses of credit risk provision decrease because Vietbank well controls the quality of loans and handled overdue debt and bad debt effectively.