

NGÂN HÀNG TMCP HÀNG HẢI
VIỆT NAM
VIETNAM MARITIME COMMERCIAL
JOINT STOCK BANK

Số/No.: 893 /2025/CV-TGD5

CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc
THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hà Nội, ngày 24 tháng 1 năm 2025
Hanoi, day month 1 year 2025

CÔNG BỐ THÔNG TIN INFORMATION DISCLOSURE

Kính gửi: Sở Giao dịch Chứng khoán Việt Nam/ Sở Giao dịch Chứng khoán Hà Nội/
Sở Giao dịch Chứng khoán thành phố Hồ Chí Minh
To: Vietnam Exchange/ Hanoi Stock Exchange/ Hochiminh Stock Exchange

1. Tên tổ chức / Organization name: Ngân hàng TMCP Hàng Hải Việt Nam/ Vietnam Maritime Commercial Joint Stock Bank
 - Mã chứng khoán/ Securities Symbol: MSB
 - Địa chỉ trụ sở chính/ Address: Số 54A Nguyễn Chí Thanh, Phường Láng Thượng, Quận Đống Đa, Thành phố Hà Nội, Việt Nam/ No. 54A Nguyen Chi Thanh, Lang Thuong Ward, Dong Da district, Hanoi, Vietnam
 - Điện thoại/ Telephone: 024-37718989
 - Fax: 024-37718899

2. Nội dung công bố thông tin/ Content of Information disclosure:

Công bố Báo cáo tài chính Quý 4/2024/ Information disclosure on 4Q/2024 Finance Statement.

(Đối với trường hợp đính chính hoặc thay thế thông tin đã công bố cần giải trình rõ nguyên nhân đính chính hoặc thay thế)/In case of correction or replacement of previously disclosed information, explanation is needed)

3. Thông tin này đã được công bố trên trang thông tin điện tử của công ty vào ngày 24/1/2025 tại đường dẫn <https://www.msb.com.vn/vi/nha-dau-tu.html> This information was published on the company's website on 24/1/2025, as in the link <https://www.msb.com.vn/vi/nha-dau-tu.html>

Chúng tôi xin cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung các thông tin đã công bố/We hereby certify that the information provided is true and correct and we bear the full responsibility to the law.

Tài liệu đính kèm/
Attachment: 1.2

Đại diện tổ chức

Organization representative

Người đại diện theo pháp luật/Người UQ CBTT

Legal representative/Party authorized to disclose information



**TỔNG GIÁM ĐỐC
NGUYỄN HOÀNG LINH**

Số/No: 885/2025/CV-TGD5

Hà Nội, ngày 24 tháng 01 năm 2025

Hanoi, January 2025

V/v: *Bổ sung giải trình nguyên nhân lợi nhuận sau thuế thay đổi từ 10% so với năm trước/cùng kỳ năm trước/*
Additional explanation of the reason for profit after tax change by more than 10% compared to previous year/same period of previous year

Kính gửi: Ủy ban Chứng khoán Nhà nước

To: State Securities Commission of Vietnam

Thực hiện Thông tư 96/2020/TT-BTC ngày 16/11/2020 của Bộ Tài chính về việc hướng dẫn công bố thông tin trên thị trường chứng khoán:

Pursuant to Circular 96/2020/TT-BTC dated 16 November 2020 of the Ministry of Finance on guidance on information disclosure on the stock market:

Ngân hàng TMCP Hàng Hải Việt Nam (MSB) xin giải trình nguyên nhân lợi nhuận sau thuế thu nhập doanh nghiệp tại Báo cáo kết quả hoạt động kinh doanh Quý 4 năm 2024 thay đổi trên 10% so với cùng kỳ năm 2023 và nguyên nhân lợi nhuận sau thuế năm 2024 thay đổi trên 10% so với năm 2023 như sau:

Vietnam Maritime Commercial Joint Stock Bank (MSB) would like to explain the reason why the profit after tax in the statement of profit or loss for the fourth quarter of 2024 changed by more than 10% compared to the same period in 2023 and the reason why the profit after tax in 2024 changed by more than 10% compared to 2023 as follows:

1. Lợi nhuận sau thuế tại Báo cáo kết quả hoạt động kinh doanh **riêng** Quý 4 năm 2024 tăng 1.096.398 triệu đồng (218,83%) so với cùng kỳ năm 2023, chủ yếu do thu nhập lãi thuần tăng 721.455 triệu đồng (30,97%) và lãi/(lỗ) thuần từ hoạt động khác tăng 733.032 triệu đồng (241,89%).

Profit after tax in the separate statement of profit or loss for the fourth quarter of 2024 increased by VND 1,096,398 million (218.83%) compared to the same period in 2023, mainly due to an increase in net interest and similar income of VND 721,455 million (30.97%) and net gains/(losses) from other operating activities of VND 733,032 million (30.97%).

2. Lợi nhuận sau thuế tại Báo cáo kết quả hoạt động kinh doanh **riêng** năm 2024 tăng 873.606 triệu đồng (18,78%) so với năm 2023, chủ yếu do thu nhập lãi thuần tăng 975.133 triệu đồng (10,85%) và lãi/(lỗ) thuần từ hoạt động khác tăng 1.345.749 triệu đồng (1.094,98%), trong khi lãi/lỗ thuần từ mua bán chứng khoán đầu tư giảm 238.321



triệu đồng (46,56%), lãi/(lỗ) thuần từ hoạt động dịch vụ giảm 243.613 triệu đồng (15,36%) so với năm 2023. Ngoài ra, chi phí hoạt động tăng 348.444 triệu đồng (7,45%) và chi phí dự phòng tăng 412.812 triệu đồng (27,31%) so với năm 2023.

Profit after tax in the separate statement of profit or loss for 2024 increased by VND 873,606 million (18.78%) compared to 2023, mainly due to an increase in net interest and similar income of VND 975,133 million (10.85%) and net gains/(losses) from other operating activities increased by VND 1,345,749 million (1,094.98%), net gains from investment securities decreased by VND 238,321 million (46.56%), net fee and commission income decreased by VND 243,613 million (15.36%) compared to 2023. In addition, operating expenses increased by VND 348,444 million (7.45%) and credit loss expenses increased by VND 412,812 million (27.31%) compared to 2023.

3. Lợi nhuận sau thuế tại Báo cáo kết quả hoạt động kinh doanh **hợp nhất** Quý 4 năm 2024 tăng 1.133.268 triệu đồng (234,29%) so với cùng kỳ năm 2023, chủ yếu do thu nhập lãi thuần tăng 756.439 triệu đồng (31,75%) và lãi/(lỗ) thuần từ hoạt động khác tăng 736.560 triệu đồng (277,45%).

Profit after tax in the consolidated statement of profit or loss for the fourth quarter of 2024 increased by VND 1,133,268 million (234.29%) compared to the same period in 2023, mainly due to an increase in net interest and similar income of VND 756,439 million (31.75%) and net gains/(losses) from other operating activities of VND 736,560 million (277.45%).

4. Lợi nhuận sau thuế tại Báo cáo kết quả hoạt động kinh doanh **hợp nhất** năm 2024 tăng 875.163 triệu đồng (18,84%) so với năm 2023, chủ yếu do thu nhập lãi thuần tăng 1.054.549 triệu đồng (11,48%) và lãi/(lỗ) thuần từ hoạt động khác tăng 1.391.762 triệu đồng (1.398,36%), trong khi lãi/lỗ thuần từ mua bán chứng khoán đầu tư giảm 238.321 triệu đồng (46,56%), lãi/(lỗ) thuần từ hoạt động dịch vụ giảm 242.970 triệu đồng (15,21%) so với năm 2023. Ngoài ra, chi phí hoạt động tăng 417.604 triệu đồng (8,68%) và chi phí dự phòng tăng 467.717 triệu đồng (28,93%) so với năm 2023.

Profit after tax in the consolidated statement of profit or loss for 2024 increased by VND 875,163 million (18.84%) compared to 2023, mainly due to an increase in net interest and similar income of VND 1,054,549 million (11.48%) and net gains/(losses) from other operating activities increased by VND 1,391,762 million (1,398.36%), net gains from investment securities decreased by VND 238,321 million (46.56%), net fee and commission income decreased by VND 242,970 million (15.21%) compared to 2023. In addition, operating expenses increased by VND 417,604 million (8.68%) and credit loss expenses increased by VND 467,717 million (28.93%) compared to 2023.

Trên đây là giải trình của MSB

Above is MSB's explanation.

Trân trọng.

Sincerely!

Nơi nhận/ Recipients:

- Như kính gửi/ As directed;
- Chủ tịch HĐQT; BKS/
Chairman, Board of Supervision;
- Tổng Giám đốc/
Chief Executive Officer;
- Lưu BCTC; Văn thư/
Stored in the FRD; Documents.

TL. TỔNG GIÁM ĐỐC
Authorized of Chief Executive Officer



GIÁM ĐỐC
KHOẢN QUẢN LÝ TÀI CHÍNH
NGUYỄN THỊ THU HẰNG





Vietnam Maritime Commercial Joint Stock Bank

Consolidated financial statements
For the year ended 31 December 2024

January 2025

Vietnam Maritime Commercial Joint Stock Bank

GENERAL INFORMATION

THE BANK INFORMATION

Vietnam Maritime Commercial Joint Stock Bank ("the Bank") is a joint stock commercial bank incorporated and registered in the Socialist Republic of Vietnam.

The Bank was established in accordance with Banking Operating License No. 0001/NH-GP issued by the State Bank of Vietnam ("SBV") on 08 June 1991 which was supplemented in accordance with Decision No. 2238/QĐ-NHNN dated 08 October 2024 with the operating duration of 99 years. The Bank is operating under Business Registration Certificate No. 0200124891 with the 26th amended Business Registration dated 13 January 2023.

The current principal activities of the Bank are to perform banking services including mobilizing and receiving short, medium and long-term deposits from organizations and individuals; making short, medium and long-term loans to organizations and individuals based on the nature and capability of the Bank's capital; conducting foreign exchange transactions; international trade finance services; discounting of commercial papers, bonds and other valuable papers; conducting payments and treasury services; performing capital contributions, share purchases, securities investments and other banking services as approved by the SBV.

Charter capital

As at 31 December 2024, charter capital of the Bank was VND 26,000,000 million (31 December 2023: VND 20,000,000 million).

Location and operational network

The Bank's Head Office is located at 54A Nguyen Chi Thanh Street, Lang Thuong Ward, Dong Da District, Hanoi, Vietnam.

As at 31 December 2024, the Bank has one (01) Head Office, sixty-two (62) branches, one hundred and ninety eight (198) transaction offices nationwide (as at 31 December 2023, the Bank has one (01) Head Office, sixty-two (62) branches, two hundred and one (201) transaction offices nationwide).

BOARD OF DIRECTORS

Members of the Board of Directors of the Bank as at 31 December 2024 are as follows:

<i>Name</i>	<i>Position</i>
Mr. Tran Anh Tuan	Chairman
Mr. Tran Xuan Quang	Vice - Chairman
Mr. Nguyen Hoang An	Vice - Chairman
Mr. Nguyen Hoang Linh	Member
Ms. Le Thi Lien	Member
Mr. Vo Tan Long	Member
Mr. Ta Ngoc Da	Independent Member

BOARD OF SUPERVISION

Members of the Board of Supervision of the Bank as at 31 December 2024 are as follows:

<i>Name</i>	<i>Position</i>
Ms. Pham Thi Thanh	Head of the Board of Supervision
Ms. Chu Thi Dam	Member
Ms. Le Thanh Ha	Member

Vietnam Maritime Commercial Joint Stock Bank

GENERAL INFORMATION (continued)

EXECUTIVE COUNCIL

Members of the Executive Council of the Bank as at 31 December 2024 are as follows:

<i>Name</i>	<i>Position</i>
Mr. Nguyen Hoang Linh	Chief Executive Officer
Mr. Nguyen Phi Hung	Deputy Chief Executive Officer
Ms. Nguyen Huong Loan	Deputy Chief Executive Officer - Head of Financial Institution Banking Division
Mr. Nguyen The Minh	Deputy Chief Executive Officer - Head of Corporate Banking Division
Ms. Nguyen Thi My Hanh	Deputy Chief Executive Officer - Head of Retail Banking Division
Ms. Dinh Thi To Uyen	Deputy Chief Executive Officer - Head of Strategy Division
Mr. Bui Duc Quang	Head of Credit Management Banking Division
Ms. Nguyen Thi Thu Hang	Head of Financial Management
Mr. Nguyen Quoc Khanh	Chief Technology Officer
Mr. Nguyen Ngoc Cuong	Chief Human Resources Officer
Ms. Lai Thanh Mai	Head of Legal and Compliance Division
Mr. Duong Ngoc Dung	Chief Marketing Officer
Ms. Nguyen Ha Thanh	Chief Operating Officer
Mr. Nguyen Tien Duc	Chief Risk Officer
Mr. Nguyen Viet Son	Head of Strategic Corporate Banking Division
Ms. Nguyen Thu Trang	Head of Office and Internal Services Division

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

	<i>Notes</i>	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
ASSETS			
Cash, gold and gemstones	5	1,203,088	939,629
Balances with the State Bank of Vietnam ("SBV")	6	5,494,784	4,589,199
Due from banks	7	60,965,204	61,149,694
Placements with other credit institutions ("CIs")		54,279,040	51,384,709
Loans to other CIs		6,686,164	9,764,985
Loans to customers		175,238,795	146,782,639
Loans to customers	9	178,278,251	149,145,386
Provision for credit losses of loans to customers	10	(3,039,456)	(2,362,747)
Investment securities	11	65,569,856	37,880,373
Available-for-sale securities		65,604,781	37,897,490
Provision for investment securities		(34,925)	(17,117)
Long-term investments	12	12,030	10,036
Other long-term investments		17,049	10,036
Provision for long-term investments		(5,019)	-
Fixed assets		432,744	402,736
Tangible fixed assets	13	232,437	202,533
Cost		746,188	661,129
Accumulated depreciation		(513,751)	(458,596)
Intangible fixed assets	14	200,307	200,203
Cost		666,076	630,943
Accumulated amortization		(465,769)	(430,740)
Other assets	15	11,260,642	15,251,532
Receivables		5,696,276	8,480,027
Interest and fee receivables		4,897,832	5,065,400
Other assets		710,611	1,749,755
- In which: Goodwill	16	5,142	15,124
Provision for other assets		(44,077)	(43,650)
TOTAL ASSETS		320,177,143	267,005,838

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2024

	<i>Notes</i>	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
LIABILITIES			
Borrowings from the Government and the SBV	17	9,203,519	1,012,533
Deposits and borrowings from the Government and the SBV		9,203,519	1,012,533
Due to banks	18	92,218,519	85,553,514
Deposits from other CIs		59,798,190	54,484,312
Borrowings from other CIs		32,420,329	31,069,202
Customer deposits	19	154,612,451	132,350,131
Derivative financial instruments	8	730,128	263,356
Valuable papers issued	20	21,210,596	8,991,415
Other liabilities		5,384,373	7,536,677
Interest and fee payables		2,831,095	3,813,157
Other payables and liabilities	21	2,553,278	3,723,520
TOTAL LIABILITIES		283,359,586	235,707,626
OWNERS' EQUITY			
Capital		26,034,068	20,034,068
- Charter capital		26,000,000	20,000,000
- Capital expenditure fund		608	608
- Share premium		33,460	33,460
Reserves		3,288,026	2,589,959
Retained earnings		7,495,463	8,674,185
TOTAL OWNERS' EQUITY	23	36,817,557	31,298,212
TOTAL LIABILITIES AND OWNERS' EQUITY		320,177,143	267,005,838

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2024

OFF-STATEMENT OF FINANCIAL POSITION ITEMS

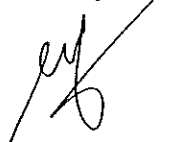
	Notes	31 December 2024 VND million	31 December 2023 VND million
1. Credit guarantees	38	183,030	31,980
2. Foreign exchange commitments	38	479,800,332	343,840,786
2.1 Foreign exchange commitments - buy		11,749,712	11,263,221
2.2 Foreign exchange commitments - sell		11,751,127	11,255,288
2.3 Swap contracts		456,299,493	321,322,277
3. Letters of credit	38	3,135,897	7,555,360
4. Other guarantees	38	24,893,161	21,686,263
5. Other commitments	38	20,300,893	11,326,397
6. Uncollected interests and fee receivables	39	1,544,919	2,089,139
7. Bad debts written off	40	15,570,648	15,649,464
8. Other assets and documents	41	94,502,930	83,676,862

Prepared by:



Ms. Nguyen Bao Ngoc
Financial Reporting Manager

Reviewed by:



Ms. Phung Thuy Nhung
Chief Accountant

Approved by:



Ms. Nguyen Thi Thu Hang
Head of Financial Management

Hanoi, Vietnam

24 January 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2024

	Notes	2024 VND million	2023 VND million
Interest and similar income	24	18,681,257	18,951,085
Interest and similar expenses	25	(8,438,193)	(9,762,570)
Net interest and similar income		10,243,064	9,188,515
Fee and commission income		1,834,793	2,017,973
Fee and commission expenses		(480,738)	(420,948)
Net fee and commission income	26	1,354,055	1,597,025
Net gains from trading of foreign currencies	27	1,055,874	1,072,237
Net losses from trading securities	28	(478)	(12,705)
Net gains from investment securities	29	273,491	511,812
Other operating income		1,869,859	610,169
Other operating expenses		(577,625)	(709,697)
Net gains/(losses) from other operating activities	30	1,292,234	(99,528)
Income from capital contribution, share purchase	31	-	1,631
Operating expenses	32	(5,229,935)	(4,812,331)
Net profit before provision for credit losses		8,988,305	7,446,656
Credit loss expenses		(2,084,463)	(1,616,746)
PROFIT BEFORE TAX		6,903,842	5,829,910
Current corporate income tax ("CIT") expenses	33	(1,384,465)	(1,185,646)
Deferred CIT expenses		-	(50)
Total CIT expenses		(1,384,465)	(1,185,696)
PROFIT AFTER TAX		5,519,377	4,644,214
Basic earnings per share (VND/share)	34	2,123	1,786

Prepared by:



Ms. Nguyen Bao Ngoc
Financial Reporting Manager

Reviewed by:



Ms. Phung Thuy Nhung
Chief Accountant

Approved by:



Ms. Nguyen Thi Thu Hang
Head of Financial Management

Hanoi, Vietnam

24 January 2025

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2024

	<i>Notes</i>	<i>2024</i> <i>VND million</i>	<i>2023</i> <i>VND million</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar receipts		18,910,323	16,726,536
Interest and similar payments		(9,420,255)	(8,202,883)
Net fee and commission receipts		1,292,558	1,564,653
Net receipts from trading of foreign currencies, gold and securities		1,346,695	1,551,505
Other operating expenses		(977,759)	(962,895)
Recoveries from bad debts previously written-off		1,341,826	169,516
Payments of operating and personnel expenses		(4,362,140)	(3,819,039)
Corporate income tax paid	33	(1,224,944)	(1,396,341)
Net cash flows from operating activities before changes in operating assets and liabilities		6,906,304	5,631,052
Changes in operating assets		(51,345,762)	(31,720,103)
Decrease in due from banks		3,078,821	114,974
Increase in trading securities		(27,707,292)	(6,903,477)
Decrease in derivative financial instruments		-	446,344
Increase in loans to customers		(29,133,105)	(28,504,837)
Utilization of provision to write off (loans to customers, securities, long-term investments and other receivables)		(1,407,413)	(738,829)
Decrease in other assets		3,823,227	3,865,722
Changes in operating liabilities		48,617,704	48,074,233
Increase/(Decrease) in borrowings from the Government and the SBV		8,190,986	(2,027)
Increase in due to banks		6,665,006	35,179,354
Increase in customer deposits		22,262,320	15,229,350
Increase/(Decrease) in valuable papers issued (excluding valuable papers issued for financing activities)		12,219,181	(2,608,098)
Increase in derivative financial instruments		466,772	263,356
(Decrease)/Increase in other liabilities		(1,186,529)	12,298
Utilization of reserves		(32)	-
Net cash flows from operating activities		4,178,246	21,985,182

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2024

	Notes	2024 VND million	2023 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(149,963)	(120,062)
Proceeds from disposal of fixed assets		42,107	503
Payments for disposal of fixed assets		(1)	-
Dividends distributed from long-term investments and capital contributions		-	1,631
Proceeds from investment, capital contribution in other units		(7,014)	-
Net cash flows used in investing activities		(114,871)	(117,928)
Net cash flows during the year		4,063,375	21,867,254
Cash and cash equivalents at the beginning of the year		56,913,537	35,046,283
Cash and cash equivalents at the end of the year	35	60,976,912	56,913,537

Prepared by:



Ms. Nguyen Bao Ngoc
Financial Reporting Manager

Reviewed by:



Ms. Phung Thuy Nhung
Chief Accountant

Approved by:



Ms. Nguyen Thi Thu Hang
Head of Financial Management

Hanoi, Vietnam

24 January 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2024 and for the year then ended

1. THE BANK INFORMATION

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Location and operational network

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Subsidiaries

As at 31 December 2024, the Bank had one (01) subsidiary as follows:

No.	Company name	Enterprise Registration Certificate	Business sector	% owned by the Bank
1	TNEX Finance Company Limited ("TNEX FINANCE")	No. 0301516782 initially issued on 01 December 2010 and amended for the 8 th time on 01 February 2024 by the Hanoi Department of Planning and Investments	Other financial activities	100%

Employees

Total number of employees of the Bank as at 31 December 2024 was 6,678 persons (as at 31 December 2023: 6,308 persons).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

2.1 Fiscal year

The Bank's fiscal year starts on 01 January and ends on 31 December.

2.2 Accounting currency

The currency used in the preparation of the consolidated financial statements of the Bank is Vietnam dong ("VND"). For purpose of preparing the consolidated financial statements as at 31 December 2024, all amounts are rounded to the nearest million and presented in VND million. The presentation makes no impact on readers' view of the consolidated financial position, consolidated operational results and consolidated cash flows of the Bank and its subsidiaries.

3. ACCOUNTING STANDARDS AND SYSTEM

3.1 Statement of compliance

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

3.2 Basis of preparation

The consolidated financial statements of the Bank are prepared in accordance with the Accounting System applicable to Credit Institutions required under Decision No. 479/2004/QĐ-NHNN issued on 29 April 2004; Circular No. 10/2014/TT-NHNN dated 20 March 2014; Circular No. 22/2017/TT-NHNN dated 29 December 2017 and Circular No. 27/2021/TT-NHNN dated 31 December 2021 amending and supplementing Decision No. 479/2004/QĐ-NHNN; the financial reporting regime applicable to credit institutions required under Decision No. 16/2007/QĐ-NHNN dated 18 April 2007; Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of Decision No. 16/2007/QĐ-NHNN and the chart of account system for Credit Institutions issued in connection with Decision No. 479/2004/QĐ-NHNN by the Governor of the State Bank of Vietnam; Decree No. 93/2017/NĐ-CP dated 07 August 2017; Circular No. 16/2018/TT-BTC dated 07 February 2018 on guidelines for financial regulations applied to credit institutions and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

The accompanying consolidated financial statements have been prepared using accounting principles, procedures and reporting practices generally accepted in Vietnam. Accordingly, the accompanying consolidated financial statements and their utilization 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 consolidated financial position, results of consolidated operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. ACCOUNTING STANDARDS AND SYSTEM (continued)

3.2 Basis of preparation (continued)

Items that are not presented in these consolidated financial statements regarding the financial reporting regime for credit institutions as required by Decision No. 16/2007/QĐ-NHNN dated 18 April 2007, Circular No. 49/2014/TT-NHNN dated 31 December 2014 and Circular No. 27/2021/TT-NHNN dated 31 December 2021 issued by the SBV indicate nil balance.

3.3 Basis of assumptions and uses of estimates

The preparation of the consolidated financial statements requires Management of the Bank 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 provision. 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 estimates and assumptions.

3.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the year ended 31 December 2024.

Subsidiaries are fully consolidated from the acquisition date, on which the Bank obtains control and continue to be consolidated until the Bank terminates the control.

The financial statements of the Bank and its subsidiaries are prepared for the same reporting period, using consistent accounting policies.

All intra-company balances, income and expenses and unrealized gains or losses resulting from intra-company transactions are eliminated in full. Non-controlling interest represents the portion of net results of operations and net assets are not owned, by the Bank and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Changes in accounting policies and disclosures

The accounting policies adopted by the Bank in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Bank's consolidated financial statements for the year ended 31 December 2023, except for:

Law on Credit Institutions (Law No. 32/2024/QH15) and Circular No. 21/2024/TT-NHNN ("Circular 21") regulates about letter of credit operations and other business activities related to letters of credit.

According to the Law on Credit Institutions and Circular 21 that come into force since 01 July 2024, letters of credit operation is a form of credit extension through issuance, confirmation, negotiation of payment or reimbursement of L/C to serve the purchase and sale of goods and services. According to transitional regulations of the Law on Credit Institutions and Circular 21: "Other contracts, agreements, commitments, and transactions related to letter of credit operations signed and agreed before the effective date of Circular 21, banks and customers can continue to implement, monitor until the validity period expires and the obligations of related parties have been fulfilled. Amendments, supplements, and extensions to contracts, agreements, commitments, and other transactions are made only if the content of the amendments, supplements, extensions comply with the regulations of Circular 21".

The Bank has made accounting recognition in accordance with this transitional condition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 *Changes in accounting policies and disclosures* (continued)

Circular No. 31/2024/TT-NHNN ("Circular 31") guiding classifications of assets in operations of commercial banks, non-bank credit institutions and foreign bank branches.

SBV issues Circular 31 that comes into force since 01 July 2024, replacing the contents related to debt classification in Circular No. 11/2021/TT-NHNN ("Circular 11") prescribing classification of assets, levels and methods of risk provisioning, use of risk provisions for management of risks arising from operations of credit institutions and foreign bank branches. Based on Circular 31, the Bank classified assets in operations.

Decree No. 86/2024/ND-CP ("Decree 86") guiding the level and method of risk provisioning and the use of provisions against credit risks in the operations of credit institutions and foreign bank branches and cases where credit institutions allocate interest receivables that must be written off.

The Government issued Decree 86 that comes into force since 11 July 2024, replacing the risk provisioning guidelines in Circular 11. Based on Decree 86, the Bank made risk provisions and use provisions to handle risks during the year.

4.2 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, gold, balances with the SBV, demand deposits and placements with other credit institutions with an original maturity of three months or less from the transaction date, securities with recovery or maturity of three months or less from date of purchase which can be converted into a known amount of cash and do not bear the liquidity risk as at the date of these consolidated financial statements.

4.3 *Due from banks*

Due from banks are presented at the principal amounts outstanding at the end of the year.

The classification of credit risk for due from banks is made in accordance with Circular 31.

The provision for credit losses for due from banks is made in accordance with Decree 86. Accordingly, the Bank makes a specific provision for placements with (except for current accounts at other CIs, foreign bank's branches in Vietnam) and loans to other CIs according to the method as described in Note 4.5. According to Decree 86, the Bank is not required to make a general provision for due from banks.

4.4 *Loans to customers and debts purchased*

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

Provision for credit losses of loans to customers is accounted and presented in a separate line in the consolidated statement of financial position.

Short-term loans have maturity of less than or equal to one year from disbursement date. Medium-term loans have maturity from one to five years from disbursement date. Long-term loans have maturity of more than five years from disbursement date.

Debts purchased are disclosed at cost which is the purchase price of the debts.

Loan classification is made according to Circular 31 and provision for credit losses is made according to Decree 86 as presented in Note 4.5.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Classification, level and method for making provision for credit losses

Debt classification

The classification of placements with and loans to other CIs (except for current accounts), direct and entrusted investments in unlisted corporate bonds, loans to customers, debts purchased, Usance Payable At Sight Letter of Credit and entrustments for credit granting (collectively called "debts") is made in compliance with Article 10 of Circular 31.

Specific provision

Specific provision as at 31 December is made based on the principal balance less discounted value of collaterals as at 31 December multiplied by provision rates which are determined based on the debt classification results. The specific provision rates for each group are presented as follows:

Group		Description	Provision rate
1	Current	(a) Current debts are assessed as fully and timely recoverable for both principals and interests; or (b) Debts are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.	0%
2	Special mention	(a) Debts are overdue for a period of 90 days or less, other than those specified in Point (b) of Loan Group 1; or (b) Undue debts whose repayment terms are restructured for the first time.	5%
3	Sub-standard	(a) Debts are overdue for a period of between 91 days and 180 days; or (b) Undue debts whose repayment terms are extended for the first time; or (c) Debts which interests are exempted or reduced because customers do not have sufficient capability to repay all interests under credit contracts; or (d) Debts under one of the following cases which have not been recovered in less than 30 days from the date the bank or non-bank CIs signs the debt recovery document (hereinafter referred to as the date of recovery decision): ▶ Debts made in compliance with Clause 1, 3, 4, 5, 6 under Article 134 of Law on Credit Institutions; or ▶ Debts made in compliance with Clause 1, 2, 3, 4 under Article 135 of Law on Credit Institutions; or ▶ Debts made in compliance with Clauses 1, 2, 5, 9 under Article 136 of Law on Credit Institutions. (e) Debts are required to be recovered according to regulatory inspection conclusions; or (f) Debts are required to be recovered as follows the before-due recovery decision of the Bank due to customers' breach of the agreement with the Bank but still outstanding with an overdue for a period of less than 30 days from the date of recovery decision; or (g) At the request of the SBV based on regulatory inspection, supervision results and relevant credit information.	20%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Classification, level and method for making provision for credit losses (continued)

Specific provision (continued)

Group	Description	Provision rate
4	<p>Doubtful</p> <p>a) Debts are overdue for a period of between 181 days and 360 days; or</p> <p>(b) Debts whose repayment terms are restructured for the first time but still overdue for a period of less than 90 days under that restructured repayment term; or</p> <p>(c) Debts whose repayment terms are restructured for the second time; or</p> <p>(d) Debts are specified in Point (d) of Loan Group 3 and overdue for a period of between 30 days and 60 days after decisions of recovery have been issued; or</p> <p>(e) Debts are required to be recovered according to regulatory inspection conclusions but still outstanding with an overdue period up to 60 days since the recovery date as required by regulatory inspection conclusions; or</p> <p>(f) Debts are required to be recovered as follows the before-due recovery decision of the Bank due to customers' breach of the agreement with the Bank but still outstanding with an overdue for a period of 30 to 60 days from the date of recovery decision; or</p> <p>(g) At the request of the SBV based on regulatory inspection, supervision results and relevant credit information.</p>	50%
5	<p>Loss</p> <p>(a) Debts are overdue for a period of more than 360 days; or</p> <p>(b) Debts whose repayment terms are restructured for the first time but still overdue for a period of 90 days or more under that first restructured repayment term; or</p> <p>(c) Debts whose repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or</p> <p>(d) Debts whose repayment terms are restructured for the third time or more; or</p> <p>(e) Debts are specified in Point (d) of Loan Group 3 and overdue for a period of more than 60 days after decisions on recovery have been issued; or</p> <p>(f) Debts are required to be recovered under regulatory inspection conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or</p> <p>(g) Debts are required to be recovered as follows the before-due recovery decision of the Bank due to customers' breach of the agreement with the Bank but still outstanding with an overdue for a period of more than 60 days from the date of recovery decision; or</p> <p>(h) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches whose capital and assets are blocked.</p> <p>(i) At the request of the SBV based on regulatory inspection, supervision results and relevant credit information.</p>	100%

If a customer has more than one debt with the Bank and any of the outstanding debts are classified into a higher risk group, the entire remaining debts of such customer should be classified into the corresponding higher risk group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Classification, level and method for making provision for credit losses (continued)

Specific provision (continued)

When the Bank participates in a syndicated loan as a participant, except for the case where the Bank provides a syndicated loan with entrusted capital from a third party that this third party commits to be responsible for any risks occurred, it should classify loans (including syndicated loans) of the customer into a higher of the risk group assessed by the leading bank and by the Bank.

If a customer is classified by the Bank into the risk group which is lower than the risk group provided by Credit Information Center ("CIC"), the Bank is required to adjust the risk group of such customer following the risk group provided by CIC.

The Bank also applies regulations on rescheduling the repayment term and keeping the debt group unchanged for loans that meet the requirements of Circular No. 01/2020/TT-NHNN ("Circular 01") issued by the SBV on 13 March 2020, Circular No. 03/2021/TT-NHNN ("Circular 03") dated 02 April 2021, Circular No. 04/2021/TT-NHNN ("Circular 04") dated 05 April 2021, Circular No. 14/2021/TT-NHNN ("Circular 14") dated 07 September 2021 amending and supplementing several articles of Circular 01 issued by the SBV, providing for credit institutions and foreign bank branches to restructure the repayment term, exempt or reduce interest and fees, maintaining the debt group to support customers affected by the Covid-19 epidemic and Circular No. 06/2024/TT-NHNN ("Circular 06") dated 18 June 2024 amending and supplementing to several articles of Circular No. 02/2023/TT-NHNN ("Circular 02") dated 23 April 2023 of the SBV providing instructions for credit institutions and foreign branch banks on debt rescheduling and retention of debt category to assist borrowers in difficulties.

For the debt balance of which repayment term is restructured, interest is exempted or reduced, the group of overdue debts remains unchanged according to the restructured term, and the Bank restructures the repayment term and keeps the same debt group, according to current regulations, the Bank shall classify debts in accordance with Circular 31 and make provision for risks in accordance with Decree 86.

From 24 April 2023, the Bank applied policies to restructure the repayment term but retain the debt classification for assisting customer with difficulties in operating activities and customers with debt repayment difficulties to meet requirement of Circular 02 issued by the SBV providing instructions for credit institutions and foreign branch banks on debt rescheduling and retention of debt category to assist borrowers in difficulties.

Accordingly, the Bank is allowed to restructure the repayment term for these debts and retain the debt classification as follows:

<i>Disbursement date</i>	<i>Overdue status of debts</i>	<i>Due/overdue date</i>	<i>Debt classification retention</i>
Before 24 April 2023	In due or overdue for a period of 10 days since the due date	From 24 April 2023 to 31 December 2024	Retain the latest debt classification as before the overdue date or the date that interest obligation was exempted/reduced

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Classification, level and method for making provision for credit losses (continued)

Specific provision (continued)

The Bank makes specific provisions for customers whose debt repayment term is restructured and debt classification is retained by following formula: $C = A - B$

In which:

C: Additional specific provision;

A: Specific provision made for customer's outstanding loan balance according to Circular 31's debt classification (retention of debt category is not applicable);

B: Specific provision made for the restructured loan balance and specific provision made for the remaining loan balance of customer according to Circular 31's debt classification.

Additional specific provision (C) is made at the date of the financial statements to ensure the minimum provision as follows:

- As of 31 December 2023: At least 50% of the specific provision;
- As of 31 December 2024: 100% of the specific provision.

General provision

According to Decree 86, general provision is made at 0.75% of total outstanding loans classified as Current, Special mention, Substandard and Doubtful excluding:

- ▶ Placements with other CIs, foreign bank branches in Vietnam and foreign CIs;
- ▶ Loans to and purchases of valuable papers issued by other CIs, foreign bank branches in Vietnam;
- ▶ Promissory notes and bills; certificates of deposit, bonds issued by other CIs and foreign bank branches; and
- ▶ Repurchases of government bonds.

Bad debts written off

According to Decree 86, loans to customers are written off against the provision if they are classified in Group 5 or if the borrower is a dissolved, bankrupt organization or individual who is dead or missing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Securities held for trading

Securities held for trading include equity securities acquired and held for the purpose of trading. Equity securities are initially recognized at cost at the purchase date and subsequently presented at cost.

Securities held for trading are subject to impairment review at the end of fiscal year.

Provision for diminution in value of securities is made when the carrying value is higher than the market value in compliance with Article 5, Circular No. 48/2019/TT-BTC issued by the Ministry of Finance on 08 August 2019 ("Circular 48"). In case market prices of securities are not available or cannot be determined reliably, no provision is calculated. Provision is recognized in "*Net gains/(losses) from trading securities*" on the consolidated statement of profit or loss.

In case securities are not listed on the stock exchanges or not registered for trading on the UPCoM trading system (hereinafter referred to as "unlisted securities"), the Bank determines the amount of provisions based on the separate financial statements of economic entities receiving capital contribution at the same time as the Bank's annual reporting date, provision for each investment is calculated by the following formula:

$$\text{Provision for each investment} = \left[\begin{array}{l} \text{Proportion of actual charter} \\ \text{capital contribution (\%)} \text{ of} \\ \text{the Bank at the economic} \\ \text{entity receiving contributed} \\ \text{capital at the time of} \\ \text{provisioning} \end{array} \right] \times \left[\begin{array}{l} \text{Actual investment capital} \\ \text{of owners of the economic} \\ \text{entity receiving contributed} \\ \text{capital at the time of} \\ \text{provisioning} \end{array} - \left[\begin{array}{l} \text{Owners' equity of} \\ \text{the economic entity} \\ \text{receiving} \\ \text{contributed capital} \\ \text{at the time of} \\ \text{provisioning} \end{array} \right] \right]$$

Gains or losses from sales of securities held for trading are recognized in the consolidated statement of profit or loss. Securities held for trading are derecognized when the rights to receive cash flows from these securities are terminated or the Bank transfers substantially all the risks and rewards of ownership of these securities.

4.7 Available-for-sale securities

Available-for-sale securities include debt and equity securities that are acquired by the Bank for investment and available-for-sale purposes, not regularly traded but can be sold whenever there is a benefit. For equity securities, the Bank is also neither the founding shareholder nor the strategic partner and does not have the ability to make certain influence on establishing and making the financial and operating policies of the investees through a written agreement on assignment of its personnel to the Board of Directors/Management.

Equity securities are initially recognized at cost at the purchase date and subsequently presented at cost.

Debt securities are recognized at par value at the purchase date. Accrued interest (for debt securities with interest payment in arrears) and deferred interest (for debt securities with interest payment in advance) are recognized in a separate account. Discount/premium which is the difference between the cost and the amount being the par value plus (+) accrued interest (if any) or minus (-) deferred interest (if any) is also recognized in a separate account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Available-for-sale securities (continued)

In subsequent periods, these securities are continuously recorded at par value, and the discount/premium (if any) is amortized to the consolidated statement of profit or loss on a straight-line basis over the remaining term of securities. Interest received in arrears is recorded as follows: cumulative interest incurred before the purchasing date is recorded as a decrease in the accrued interest; cumulative interest incurred after the purchasing date is recognized as income based on the accumulated method. Interest received in advance is amortized into the securities investment interest income on a straight-line basis over the term of securities investment.

Available-for-sale securities are subject to impairment review at year end.

Provision for diminution in value of securities (except for unlisted corporate bonds and government bonds, government-guaranteed bonds, local government bonds) is made when the carrying value is higher than the market value in compliance with Article 5, Circular 48 and Circular No. 24/2022/TT-BTC dated 07 April 2022 amending and supplementing a number of articles of Circular 48 issued by the Ministry of Finance. In case market prices of securities are not available or cannot be determined reliably, no provision is calculated. Provision is recognized in the "Net gains/(losses) from investment securities" on the consolidated statement of profit or loss.

Unlisted corporate bonds are classified according to Circular 31 and risk provisions are made according to Decree 86 as presented in Note 4.5.

Investment securities are derecognized when the rights to receive cash flows from these securities are terminated or the Bank transfers substantially all the risks and rewards of ownership of these securities.

4.8 Re-purchase and reverse-repurchase contracts

Securities sold under agreements to repurchase at a specific date in the future (repos) are still recognized in the consolidated financial statements. The corresponding cash received from these agreements is recognized in the consolidated statement of financial position as a borrowing and the difference between the sale price and repurchase price is amortized in the consolidated statement of profit or loss over the term of the agreement using the straight-line method based on the interest rate stipulated in the contract.

Conversely, securities purchased under agreements to resell at a specific date in the future are not recognized in the consolidated financial statements. The corresponding cash paid under these agreements is recognized as a loan in the consolidated statement of financial position and the difference between the purchase price and resale price is amortized in the consolidated statement of profit or loss over the term of the agreement using the straight-line method based on the interest rate stipulated in the contract.

4.9 Other long-term investments

Other long-term investments are investments in other entities in which the Bank holds less than or equal to 11% of voting rights and securities of these entities are not listed on the stock exchanges. These investments are initially recorded at cost at the transaction date.

Provision for diminution in the value of long-term investments is made when there is reliable evidence of the decrease in value of those investments at year end as stipulated in Article 5, Circular 48.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Other long-term investments (continued)

Provision is reversed, if the recoverable amount of the investments increases after making provision, to the extent that the carrying value of these investments does not exceed the carrying value of this investment assuming that no allowance has been recorded.

Increase or decrease in provision for long-term investments is recognized in "Operating expenses" on the consolidated statement of profit or loss.

4.10 Fixed assets

Fixed assets are stated at cost less accumulated depreciation or amortization.

The cost of a fixed asset comprises its purchase price plus any directly attributable cost of bringing the asset to working condition for its intended use. Costs related to additions, improvements and renewals are capitalized while expenditures for maintenance and repairs are charged to the consolidated statement of profit or loss when incurred.

When assets are sold or liquidated, their cost and accumulated depreciation are deducted from the statement of financial position item and any gains or losses resulting from their disposal are recorded to the consolidated statement of profit or loss.

4.11 Depreciation and amortization

Depreciation of tangible fixed assets and amortization of intangible fixed assets is calculated on the straight-line basis over the estimated useful life of the assets as follows:

Buildings and structures	5 – 50 years
Machines and equipment	3 – 20 years
Means of transportation	6 – 30 years
Office equipment	3 – 10 years
Other tangible fixed assets	4 – 25 years
Computer software	3 – 20 years
Other intangible fixed assets	3 – 8 years

Land use rights granted by the Government with indefinite term are not amortized. Land use rights with definite term are amortized over the leased term or duration of use.

4.12 Receivables

Receivables are initially recognized at cost and subsequently presented at cost.

Provision for receivables is determined based on the overdue status of debts or expected loss of current debts in case the debts are undue yet the organization has fallen into bankruptcy, is under dissolution process or has absconded; or individual who is being prosecuted, detained, on trial or under sentence or is suffering from fatal diseases (with medical certificate) or has deceased or the debts requested for sentence yet are unenforceable due to individual escaping or the debts sued for debt collection yet are under suspension. Provision expenses for receivables classified as credit risk-bearing assets are recorded in "Credit loss expenses", and provision expenses for other receivables are recorded in "Operating expenses" on the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Receivables (continued)

Provision for doubtful receivables is made in accordance with Circular 48 as follows:

<i>Overdue period</i>	<i>Provision rate</i>
From over six months up to one year	30%
From one to under two years	50%
From two to under three years	70%
From three years and above	100%

4.13 Prepaid expenses and expenses awaiting allocation

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated statement of financial position and amortized over the year for which the amount is paid or the year in which economic benefit is generated in relation to these expenses.

4.14 Operating lease

Rentals under operating lease are charged to the "Operating expenses" on the consolidated statement of profit or loss on a straight-line basis over the term of the lease.

4.15 Business combinations and goodwill

Business combinations are accounted for using the cost method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued by the acquirer in exchange for control of the acquiree and liabilities incurred or assumed at the date of business combination plus any cost directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination of the acquiree are measured initially at fair value at the date of business combination.

Goodwill acquired in a business combination is initially recognized at cost being the excess of the cost the business combination over the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of profit or loss. After initial recognition, goodwill is recognized at cost less any accumulated amortization. Goodwill is amortized on a straight-line basis over a period of ten (10) years.

4.16 Borrowings from the Government and the SBV

Borrowings from the Government and the SBV are recognized at cost.

4.17 Due to banks, customer deposits and valuable papers issued

Due to banks, customer deposits and valuable papers issued are presented at the principal amounts outstanding at the end of the year.

At the date of initial recognition, expenses for bond issuance are deducted from principal amount of the bonds. The Bank then allocates these expenses into "Interest and similar expenses" on straight-line basis according to the terms of the valuable papers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Derivatives

The Bank enters in currency forward contracts and swap contracts to facilitate customers to transfer, modify or mitigate foreign exchange risk or other market risks, and also for the business purpose of the Bank.

Currency forward contracts

Currency forward contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates, and the notional amount of the contracts. Currency forward contracts are recognized at nominal value at the transaction date and are revalued periodically. Gains or losses from revaluation are recognized in the "Impact of exchange rate fluctuation" under "Owners' equity" and will be transferred to the consolidated statement of profit or loss at the maturity date or at year end.

Swap contracts

Swap contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates and the notional principal amount of the contracts or commitments to settle interest based on a floating rate or a fixed rate calculated on the notional amount and in a given period. Currency swap contracts are revalued periodically. Gains or losses from revaluation are recognized in "Impact of exchange rate fluctuation" under "Owners' equity" and will be transferred to the consolidated statement of profit or loss at the maturity date or at year end.

Differences in interest rate swaps are recognized in the consolidated statement of profit or loss on an accrual basis.

4.19 Foreign currency transactions

According to accounting system of the Bank, all transactions are recorded in original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using exchange rates ruling at the consolidated statement of financial position date (Note 46). Income and expenses arising in foreign currencies during the year are translated into VND at rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities are recognized in the "Impact of exchange rate fluctuation" under "Owners' equity" and will be transferred to the consolidated statement of profit or loss at year end.

4.20 Payables and accruals

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Bank.

4.21 Capital and reserves

4.21.1 Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognized as a deduction from share premium in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 Capital and reserves (continued)

4.21.2 Share premium

On receipt of capital from shareholders, the difference between the issuance price and the par value of the shares is recorded as share premium in equity.

4.21.3 Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognized as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

4.21.4 Reserves

The Bank makes appropriation to reserves in accordance with current regulations and Resolution of the General Meeting of Shareholders or corresponding owners.

- (i) Bank's reserves: Reserves are for specific purposes and appropriated from net profit after tax of the Bank at prescribed rates as below:
 - ▶ Supplementary charter capital reserve: 10% of net profit after tax and does not exceed charter capital;
 - ▶ Financial reserve: 10% of net profit after tax;
 - ▶ Bonus and welfare funds are appropriated according to the Decision approved in the General Meeting of Shareholders;
 - ▶ Other reserves: are to be made upon current regulations and decisions of the General Shareholders' Meeting.
- (ii) Subsidiaries' reserves
 - ▶ TNEX Finance Company Limited ("TNEX FINANCE"): According to Law on Credit Institutions and Decree No. 93/2017/ND-CP, TNEX FINANCE is required to make statutory reserves before distribution of profits similar to the Bank.

4.22 Classification for off-balance sheet commitments

Credit institutions shall classify guarantees, payment acceptances and irrevocable loan commitments with specific effective date (generally called "off-statement of financial position commitments") for management and monitoring of credit quality as follows the classification policy applied for debts as stated in Note 4.5. According to Decree 86, the Bank is not required to make provision for off-statement of financial position commitments.

4.23 Recognition of income and expenses

Interest income and expenses

Interest income and expenses are recognized in the consolidated statement of profit or loss on an accrual basis. Accrued interest income from debts which are classified into Group 2 to 5 in compliance with Circular 31 and debts retained in Group 1 in compliance with Circular 01, Circular 02, Circular 03, Circular 04, Circular 14 and Circular 06 will not be recognized in consolidated statement of profit or loss. Suspended interest income is reversed and monitored off-statement of financial position and recognized in the consolidated statement of profit or loss upon actual receipt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.23 Recognition of income and expenses (continued)

Fee and commission income and expenses

Fee and commission income are recognized in the consolidated statement of profit or loss when the services are performed. Fee and commission expenses are recognized in the consolidated statement of profit or loss when these expenses are incurred.

Income from investment activities

Income from securities trading is recognized based on differences between selling price and cost of securities sold.

Cash dividend is recognized in the consolidated statement of profit or loss upon formation of cash dividend right.

Dividend paid in the form of common shares, bonus shares and right shares for existing shareholders, shares distributed from retained earnings are not recognized as an increment in investment value or income of the Bank. Only the quantity of shares is updated.

Dividends received in connection with the year before the investment is made are recognized as a decrease in carrying amount of the investment.

Income/expenses from debt trading

Income from debt trading is determined by the difference between the price of debts purchased or sold and their book value.

Book value of debts purchased and sold is the book value of the principal, interest and related financial obligations (if any) of debts recorded in the statement of financial position or off the statement of financial position at the date of debt purchase or sale; or the book value at the date of writing-off of debts; or the book value of debts written off previously at the date of debt purchase and sale.

Debt purchase and sale price are the sum of money to be paid by a debt purchaser to a debt seller under a debt purchase and sale contract.

4.24 Corporate income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from (or paid to) the taxation authorities – using the tax rates and tax laws applied and enacted at the consolidated statement of financial position date.

Current income tax is charged or credited to the consolidated statement of profit or loss except when it relates to items recognized directly to equity, in this case the current income tax is also recognized in equity.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.24 Corporate income tax (continued)

Deferred tax

Deferred tax is provided on temporary differences at the consolidated statement of financial position date between the tax base of assets and liabilities and their carrying amount for the financial reporting purposes.

Deferred tax payables are recognized for temporary taxable differences.

Deferred tax assets are recognized for all deductible temporary differences, deductible amounts carried over subsequent periods of taxable losses and unused tax credits when it is probable that there will be sufficient taxable profit to use deductible temporary differences, taxable losses and tax credits. Deferred tax assets and deferred tax liabilities are determined on the basis of expected tax rate applied when assets are recovered, or liabilities are settled and on the basis of tax rate and tax laws which effective at the end of the year.

4.25 Employee benefits

4.25.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank by the Social Insurance Agency which belongs to the Ministry of Labor, Invalids and Social Affairs. The Bank is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of an employee's basic monthly salary, salary-related allowance and other supplements. Other than that, the Bank has no further obligation relating to post-employment benefits.

4.25.2 Voluntary resignation benefits

The Bank has the obligation, under Article 46 of the Vietnam Labor Code No.45/2019/QH14 effective from 01 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 01 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. Accordingly, working time at the Bank to calculate severance allowance is the total actual working time at the Bank minus (-) the time the employee has participated in unemployment insurance in accordance with the law regarding unemployment insurance, and the working time that has been paid off by employers for severance allowance.

4.25.3 Unemployment insurance

According to Circular No. 28/2015/TT-BLĐTBXH providing guidelines for Article 52 of the Law on Employment and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government providing guidelines for the Law on Employment in term of unemployment insurance, the Bank is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.26 Related parties

Parties are considered to be related parties of the Bank if a party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Bank and other parties are under common control or under common significant influence. Related parties can be enterprises or individuals, including close family members of individuals who are related parties.

4.27 Earnings per share

The Bank presents basic earnings per share for ordinary shares. Basic earnings per share amounts are calculated by dividing net profit or loss after tax for the year attributable to ordinary shareholders of the Bank (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

If the shares issued during the year only change the number of shares without changing the total equity, the Bank will adjust the weighted average number of ordinary shares currently circulated to the prior year presented on the consolidated financial statements, resulting in a corresponding adjustment of the opening balance of the basic earnings per shares.

4.28 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position 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 realize the assets and settle the liabilities simultaneously.

5. CASH, GOLD AND GEMSTONES

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Cash in VND	874,429	734,824
Cash in foreign currencies	326,950	203,287
Gold	1,709	1,518
	1,203,088	939,629

6. BALANCES WITH THE STATE BANK OF VIETNAM ("SBV")

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Balances with the SBV		
- In VND	4,666,137	3,277,068
- In foreign currencies	828,647	1,312,131
	5,494,784	4,589,199

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

6. BALANCES WITH THE STATE BANK OF VIETNAM ("SBV") (continued)

Balances with the SBV include current account and compulsory reserves. In accordance with the SBV's regulations, as at 31 December 2024, the Bank is required to maintain certain cash reserve with the SBV in the form of compulsory reserves as follow:

- ▶ Reserves are computed at 3.00% and 1.00% of customer deposits in VND with original maturities of less than 12 months and from 12 months respectively;
- ▶ Reserves are computed at 8.00% and 6.00% of customer deposits in foreign currencies with original maturities of less than 12 months and from 12 months respectively.

7. DUE FROM BANKS

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Placements with other CIs	54,279,040	51,384,709
Demand deposits with other CIs	14,765,040	13,813,935
- In VND	13,668,462	12,674,755
- In foreign currencies	1,096,578	1,139,180
Term deposits with other CIs	39,514,000	37,570,774
- In VND	39,260,000	29,200,000
- In foreign currencies	254,000	8,370,774
Loans to other CIs	6,686,164	9,764,985
In VND	6,556,772	9,374,123
In foreign currencies	129,392	390,862
	<u>60,965,204</u>	<u>61,149,694</u>

Analysis of outstanding due from banks by quality are as follows:

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Current	46,200,164	47,335,759
	<u>46,200,164</u>	<u>47,335,759</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

8. DERIVATIVE FINANCIAL INSTRUMENTS

	<i>Total contract nominal value (*) VND million</i>	<i>Total carrying value (**)</i>		<i>Net realizable value VND million</i>
		<i>Assets VND million</i>	<i>Liabilities VND million</i>	
As at 31 December 2024				
Derivative financial instruments				
Forward contracts	4,175,520	-	(67,298)	(67,298)
Swap contracts	222,988,861	-	(662,830)	(662,830)
	227,164,381	-	(730,128)	(730,128)
As at 31 December 2023				
Derivative financial instruments				
Forward contracts	62,703,812	-	(43,307)	(43,307)
Swap contracts	158,208,872	-	(220,049)	(220,049)
	220,912,684	-	(263,356)	(263,356)

(*) Total contract value is translated using exchange rates at the contract value date.

(**) Total carrying value is the net value translated using exchange rates at the statement of financial position date.

9. LOANS TO CUSTOMERS

	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
Loans to local economic entities and individuals	177,984,138	148,789,541
Commercial papers and valuable papers discount	250,770	355,845
Payments on behalf of customers	43,343	-
	178,278,251	149,145,386

9.1 Analysis of loan to customers by quality

	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
Current	171,403,474	142,221,856
Special mention	2,153,536	2,642,701
Substandard	773,190	1,032,207
Doubtful	1,004,586	1,441,280
Loss	2,943,465	1,807,342
	178,278,251	149,145,386

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

9. LOANS TO CUSTOMERS (continued)

9.2 Analysis of loan to customers by original maturity

	31 December 2024 VND million	31 December 2023 VND million
Short-term loan	66,114,974	67,725,380
Medium-term loan	61,516,726	43,819,385
Long-term loan	50,646,551	37,600,621
	178,278,251	149,145,386

9.3 Analysis of loan to customers by type of customers and ownership

	31 December 2024		31 December 2023	
	VND million	%	VND million	%
State-owned enterprises	1,274,101	0.71	3,605,975	2.42
State-owned limited liability companies	1,457,710	0.83	756,626	0.51
Privately-owned limited liability companies	47,240,196	26.50	39,938,570	26.78
Joint-stock companies with state-owned share capital accounting for more than 50% of the charter capital or the total number of voting shares; or the state retains control of the company in its charter	1,416,543	0.79	1,852,456	1.24
Other joint stock companies	78,889,804	44.25	61,423,469	41.18
Private companies	2,039	0.00	3,777	0.00
Foreign invested enterprises	47,946	0.03	253,713	0.17
Cooperatives, cooperative unions	18,195	0.01	22,442	0.02
Individuals	47,929,388	26.88	41,286,931	27.68
Operation administration entity, the Party, unions and associations	209	0.00	398	0.00
Others	2,120	0.00	1,029	0.00
	178,278,251	100.00	149,145,386	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

9. LOANS TO CUSTOMERS (continued)

9.4 Analysis of loan to customers by industries

	31 December 2024		31 December 2023	
	VND million	%	VND million	%
Agriculture, forestry and fisheries	629,627	0.35	2,346,262	1.57
Mining	1,176,661	0.66	332,646	0.22
Seafood processing	1,355,092	0.76	1,427,864	0.96
Manufacturing, food processing, beverages, animal feed	2,295,490	1.29	1,609,573	1.08
Textile, skin and costumes manufacturing	1,445,539	0.81	1,613,649	1.08
Wood extraction, primary processing, manufacturing and other wood products	1,910,169	1.07	1,310,563	0.88
Paper manufacturing and printing	407,433	0.23	1,357,596	0.91
Pharmaceuticals, medicinal chemical, rubber, plastics, fertilizers, chemicals manufacturing	2,797,289	1.57	2,123,551	1.42
Production of construction materials (excluding steel, stainless steel, paint, mastic...)	3,202,064	1.80	1,537,847	1.03
Steel products	1,813,945	1.02	295,669	0.20
Billet production	4,789	0.00	17,276	0.01
Production of stainless steel and other metallurgy	84,256	0.05	49,198	0.03
Mechanical, assembly, manufacturing of machinery, automobiles, motorcycles	3,913,479	2.20	1,366,705	0.92
Manufacturing of electronic, electrical equipment, optical computers, telecommunications equipment	7,270,865	4.08	2,711,575	1.82
Ship, boats	521	0.00	3,382	0.00
Office equipment, home appliances, medical equipment, education, sports	167,999	0.09	41,335	0.03
Production and distribution of electricity, energy, water supply, waste and wastewater management and processing	5,083,131	2.85	8,346,872	5.60
Construction	15,786,992	8.86	13,105,715	8.79
Light industry and consumer goods	19,990,140	11.21	16,285,336	10.92
Fertilizers, chemicals and other chemical products, medicines, pharmaceuticals, medical devices	1,662,526	0.93	1,086,396	0.73
Commercial of gasoline, oil	1,737,040	0.97	4,645,331	3.11
Trading of steel, cement, building materials other synthetic	13,463,100	7.55	7,426,527	4.98
Heavy industry	3,817,147	2.14	2,978,469	2.00
Transportation and waterways	4,370,573	2.45	3,519,426	2.36
Shipping business	1,652,285	0.93	683,712	0.46
Hotel services, tourism, dining, entertainment	448,558	0.25	188,876	0.13
Property and infrastructure	17,153,000	9.62	13,163,399	8.83
Telecommunications services	327,385	0.18	1,108,097	0.74
Professional, scientific and technological activities, administrative and support services, health education, information and communication	7,984,989	4.48	4,087,884	2.74
Warehousing and support services	445,206	0.25	91,464	0.06
Financial and securities activities	5,669,152	3.18	7,281,125	4.88
Other industries	2,282,421	1.29	5,715,135	3.83
Individuals	47,929,388	26.88	41,286,931	27.68
	178,278,251	100.00	149,145,386	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

10. PROVISION FOR CREDIT LOSSES OF LOANS TO CUSTOMERS

	31 December 2024 VND million	31 December 2023 VND million
General provision	1,315,011	1,105,035
Specific provision	1,724,445	1,257,712
	3,039,456	2,362,747

Changes in provision for credit losses of loans to customers during the year ended 31 December 2024 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	1,105,035	1,257,712	2,362,747
Provision charged	209,976	1,874,292	2,084,268
Bad debts written off	-	(1,407,413)	(1,407,413)
Other decreases	-	(240)	(240)
Other increases	-	94	94
Closing balance	1,315,011	1,724,445	3,039,456

Changes in provision for credit losses of loans to customers during the year ended 31 December 2023 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	898,256	532,665	1,430,921
Provision charged	206,779	1,437,329	1,644,108
Bad debts written off	-	(709,288)	(709,288)
Other decreases	-	(3,185)	(3,185)
Other increases	-	191	191
Closing balance	1,105,035	1,257,712	2,362,747

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

11. INVESTMENT SECURITIES

11.1 Available-for-sale securities

	31 December 2024 VND million	31 December 2023 VND million
Debt securities	65,604,781	37,897,490
Government bonds	42,993,384	22,572,105
Debt securities issued by other local CIs	21,711,012	13,800,000
Debt securities issued by local economic entities	900,385	1,525,385
Provision for available-for-sale securities	(34,925)	(17,117)
General provision	(6,540)	(11,440)
Specific provision	(28,385)	(5,677)
	65,569,856	37,880,373

11.2 Analysis by quality of debt securities classified as credit risk-bearing assets according to Circular 31

	31 December 2024 VND million	31 December 2023 VND million
Current	21,207,012	14,921,000
Special mention	376,000	376,000
Substandard	-	28,385
Loss	28,385	-
	21,611,397	15,325,385

12. LONG-TERM INVESTMENTS

	31 December 2024 VND million	31 December 2023 VND million
Other long-term investments	17,049	10,036
Provision for long-term investments	(5,019)	-
	12,030	10,036

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

13. TANGIBLE FIXED ASSETS

	Buildings and structures VND million	Machines and equipment VND million	Means of transportation VND million	Office equipment VND million	Others VND million	Total VND million
Cost						
Opening balance	28,589	454,358	91,171	81,419	5,592	661,129
Additions	-	79,855	-	17,683	-	97,538
Disposal	(4,209)	(2,233)	(1,150)	(4,887)	-	(12,479)
Closing balance	24,380	531,980	90,021	94,215	5,592	746,188
Accumulated depreciation						
Opening balance	13,941	294,749	77,469	71,354	1,083	458,596
Depreciation during the year	525	51,719	2,736	9,956	1,092	66,028
Disposal	(2,603)	(2,233)	(1,150)	(4,887)	-	(10,873)
Closing balance	11,863	344,235	79,055	76,423	2,175	513,751
Net book value						
Opening balance	14,648	159,609	13,702	10,065	4,509	202,533
Closing balance	12,517	187,745	10,966	17,792	3,417	232,437

Cost of fully depreciated tangible fixed assets in use as at 31 December 2024 is VND 324,855 million (as at 31 December 2023 is VND 311,425 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

14. INTANGIBLE FIXED ASSETS

	<i>Land use rights VND million</i>	<i>Computer software VND million</i>	<i>Others VND million</i>	<i>Total VND million</i>
Cost				
Opening balance	52,233	556,624	22,086	630,943
Additions	34,374	18,051	-	52,425
Disposal	(17,292)	-	-	(17,292)
Closing balance	69,315	574,675	22,086	666,076
Accumulated amortization				
Opening balance	-	418,187	12,553	430,740
Amortization during the year	909	31,283	2,837	35,029
Closing balance	909	449,470	15,390	465,769
Net book value				
Opening balance	52,233	138,437	9,533	200,203
Closing balance	68,406	125,205	6,696	200,307

Cost of fully amortized intangible fixed assets in use as at 31 December 2024 is VND 243,025 million (as at 31 December 2023 is VND 164,409 million).

15. OTHER ASSETS

	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
Construction in progress	271,946	171,356
Advances for purchase of fixed assets	157,195	86,778
Repair of fixed assets	114,751	84,578
Receivables	5,424,330	8,308,671
Internal receivables	77,120	76,338
External receivables	5,347,210	8,232,333
- Receivables from debt selling contracts	4,001,159	4,001,159
- Receivables from trade finance activities	25,971	2,657,177
- Other receivables	1,320,080	1,573,997
Provision for other assets	(44,077)	(43,650)
General provision	(195)	-
Other provision	(43,882)	(43,650)
Interest and fee receivables	4,897,832	5,065,400
Other assets	710,611	1,749,755
Foreclosed assets awaiting resolution	58,729	1,115,496
Goodwill	5,142	15,124
Other assets	646,740	619,135
	11,260,642	15,251,532

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

15. OTHER ASSETS (continued)

Foreclosed assets awaiting resolution

	31 December 2024 VND million	31 December 2023 VND million
Shares	58,729	58,729
Others	-	1,056,767
	58,729	1,115,496

16. GOODWILL

	31 December 2024 VND million	31 December 2023 VND million
Total value of goodwill	99,823	99,823
Amortization period (year)	10	10
Value of accumulated amortized goodwill at the beginning of the year	84,699	74,717
Value of unamortized goodwill	15,124	25,106
Goodwill amortized during the year	(9,982)	(9,982)
Goodwill amortized during the year	(9,982)	(9,982)
Total value of unamortized goodwill at the end of the year	5,142	15,124

17. BORROWINGS FROM THE GOVERNMENT AND THE STATE BANK OF VIETNAM ("SBV")

	31 December 2024 VND million	31 December 2023 VND million
Borrowings from the SBV	9,202,986	1,011,561
Borrowings according to credit profile	999,972	999,972
Discounting of valuables papers	8,194,415	-
Borrowings for Banking and Settlement System Modernization Project	8,599	11,589
Deposits from the State Treasury	533	972
Deposits in VND	533	972
	9,203,519	1,012,533

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

18. DUE TO BANKS

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Deposits from other Cls	59,798,190	54,484,312
Demand deposits	14,170,470	13,292,684
- In VND	13,860,899	12,936,882
- In foreign currencies	309,571	355,802
Term deposits	45,627,720	41,191,628
- In VND	43,438,205	40,881,510
- In foreign currencies	2,189,515	310,118
Borrowings from other Cls	32,420,329	31,069,202
In VND	24,467,402	11,880,021
In foreign currencies	7,952,927	19,189,181
	92,218,519	85,553,514

19. CUSTOMER DEPOSITS

19.1 Analysis of customer deposits by type of deposits

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Demand deposits	38,536,725	33,317,559
Demand deposits in VND	34,990,350	29,490,769
Demand deposits in foreign currencies	3,546,375	3,826,790
Term deposits	113,765,922	97,229,772
Term deposits in VND	111,380,422	95,434,641
Term deposits in foreign currencies	2,385,500	1,795,131
Deposit for specific purposes	739,362	361,807
Deposit for specific purposes in VND	313,266	307,283
Deposit for specific purposes in foreign currencies	426,096	54,524
Margin deposits	1,570,442	1,440,993
Margin deposits in VND	1,500,875	1,376,826
Margin deposits in foreign currencies	69,567	64,167
	154,612,451	132,350,131

19.2 Analysis of customer deposits by type of customers

	<i>31 December 2024</i>		<i>31 December 2023</i>	
	<i>VND million</i>	<i>%</i>	<i>VND million</i>	<i>%</i>
Deposits from economic entities	75,407,762	48.77	56,762,543	42.89
Deposits from individuals	79,204,689	51.23	75,587,588	57.11
	154,612,451	100.00	132,350,131	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

20. VALUABLE PAPERS ISSUED

	31 December 2024 VND million	31 December 2023 VND million
Certificate of deposit	4,410,596	2,091,415
Ordinary bonds	16,800,000	6,900,000
	21,210,596	8,991,415

Details of terms of valuable papers issued by par value at the end of the year of are as follows:

	Ordinary bonds VND million	Certificate of deposit VND million	Total VND million
Up to 12 months			
- In VND	-	2,950,000	2,950,000
From 12 months to 5 years			
- In VND	15,800,000	1,460,596	17,260,596
From 5 years			
- In VND	1,000,000	-	1,000,000
	16,800,000	4,410,596	21,210,596

21. OTHER LIABILITIES

	31 December 2024 VND million	31 December 2023 VND million
Internal payables	1,011,977	1,357,884
Payables to employees	685,275	828,508
Other internal payables	326,702	529,376
External payables	1,514,351	2,337,402
Escrow accounts awaiting settlement	30,885	51,775
Tax payables to the State Budget	805,440	670,804
Payables relating to fund transferring	251,194	185,572
Other external payables	426,832	1,429,251
Bonus and welfare fund	26,950	28,234
	2,553,278	3,723,520

22. TAXES AND OTHER OBLIGATIONS TO THE STATE BUDGET

Unit: VND million

	Opening balance	Movement during the year		Closing balance
		Payables	Paid	
Receivables from the State Budget	(4,455)	1,481	(41)	(3,015)
Corporate income tax	(4,455)	1,481	(41)	(3,015)
Payables to the State Budget	670,804	1,918,947	(1,784,311)	805,440
Value added tax	11,858	137,859	(137,863)	11,854
Corporate income tax	607,130	1,382,984	(1,224,903)	765,211
Other taxes	51,816	395,576	(419,017)	28,375
Other payables	-	2,528	(2,528)	-
	666,349	1,920,428	(1,784,352)	802,425

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

23. OWNERS' EQUITY AND RESERVES

23.1 *Statement of changes in equity*

	Charter capital	Share premium	Development and investment reserve	Financial reserve	Capital supplementary reserve	Capital expenditure fund	Retained earnings	Total
Unit: VND million								
As at 01 January 2023	19,857,500	33,460	3,397	1,344,767	547,872	608	4,866,394	26,653,998
Net profit during the year	-	-	-	-	-	-	4,644,214	4,644,214
Issuing shares under the Bank's Employee Stock Ownership Program	142,500	-	-	-	-	-	(142,500)	-
Appropriation to reserves	-	-	-	462,615	231,308	-	(693,923)	-
As at 01 January 2024	20,000,000	33,460	3,397	1,807,382	779,180	608	8,674,185	31,298,212
Net profit during the year	-	-	-	-	-	-	5,519,377	5,519,377
Appropriation to reserves	-	-	-	465,399	232,700	-	(698,099)	-
Utilization of reserves	-	-	-	(32)	-	-	-	(32)
Issuing shares for paying dividends	6,000,000	-	-	-	-	-	(6,000,000)	-
As at 31 December 2024	26,000,000	33,460	3,397	2,272,749	1,011,880	608	7,495,463	36,817,557

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

23. OWNERS' EQUITY AND RESERVES (continued)

23.2 Capital

	31 December 2024 shares	31 December 2023 shares
Number of registered shares	2,600,000,000	2,000,000,000
Number of shares issued	2,600,000,000	2,000,000,000
Common shares	2,600,000,000	2,000,000,000
Number of outstanding shares	2,600,000,000	2,000,000,000
Common shares	2,600,000,000	2,000,000,000
Face value per share	10,000	10,000

The list of major shareholders holding shares of 5% or more of the Bank's charter capital is as follows:

	31 December 2024		31 December 2023	
	Number of common shares	%	Number of common shares	%
Vietnam Posts and Telecommunications Group	157,254,977	6.05	120,965,367	6.05

Vietnam Posts and Telecommunications Group operates in the form of a one-member limited liability company owned by the State according to Decision No. 955/QĐ-TTg dated 24 June 2010 of the Prime Minister and Business Registration Certificate of One Member Limited Liability Company No. 0100684378 issued by the Hanoi Department of Planning and Investments on 17 August 2010.

Capital adequacy ratio of the Bank as at 31 December 2024: 12.39%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

24. INTEREST AND SIMILAR INCOME

	2024 <i>VND million</i>	2023 <i>VND million</i>
Interest income from deposits	739,544	749,702
Interest income from loans to customers	13,156,939	15,112,528
Interest income from investment securities	2,401,874	1,970,187
Interest income from guarantee services	301,758	283,123
Other income from credit activities	2,081,142	835,545
	18,681,257	18,951,085

25. INTEREST AND SIMILAR EXPENSES

	2024 <i>VND million</i>	2023 <i>VND million</i>
Interest expenses on deposits	5,749,485	7,608,989
Interest expenses on borrowings	1,962,713	1,457,534
Interest expenses on valuable papers issued	690,506	644,767
Expenses for other credit activities	35,489	51,280
	8,438,193	9,762,570

26. NET FEES AND COMMISSION INCOME

	2024 <i>VND million</i>	2023 <i>VND million</i>
Fees and commission income	1,834,793	2,017,973
Settlement services	778,930	919,218
Treasury services	2,152	1,955
Entrustment and agent operations	121,131	443,318
Others	932,580	653,482
Fees and commission expenses	(480,738)	(420,948)
Settlement services	(243,612)	(224,734)
Treasury services	(7,959)	(9,091)
Others	(229,167)	(187,123)
Net fees and commission income	1,354,055	1,597,025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

27. NET GAINS FROM TRADING OF FOREIGN CURRENCIES

	2024 <i>VND million</i>	2023 <i>VND million</i>
Income from foreign exchange	6,788,126	6,160,214
Income from spot trading of foreign currencies and gold	1,925,669	1,201,639
Income from trading of currency derivative financial instruments	4,862,457	4,958,575
Expenses for foreign exchange	(5,732,252)	(5,087,977)
Expense for spot trading of foreign currencies and gold	(217,687)	(171,232)
Expense for trading of currency derivative financial instruments	(5,514,565)	(4,916,745)
Net gains from trading of foreign currencies	1,055,874	1,072,237

28. NET LOSSES FROM TRADING SECURITIES

	2024 <i>VND million</i>	2023 <i>VND million</i>
Expenses for trading securities	(478)	(30,317)
Provision reversed for trading securities	-	17,612
Net losses from trading securities	(478)	(12,705)

29. NET GAINS FROM INVESTMENT SECURITIES

	2024 <i>VND million</i>	2023 <i>VND million</i>
Income from trading of investment securities	468,389	821,095
Expenses for trading of investment securities	(177,090)	(311,511)
Provision (charged)/reversed for investment securities	(17,808)	2,228
Net gains from investment securities	273,491	511,812

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

30. NET GAINS/(LOSSES) FROM OTHER OPERATING ACTIVITIES

	2024 VND million	2023 VND million
Other operating income	1,869,859	610,169
Other operating expenses	(577,625)	(709,697)
Net gains/(losses) from other operating activities	1,292,234	(99,528)

31. INCOME FROM CAPITAL CONTRIBUTION, SHARE PURCHASE

	2024 VND million	2023 VND million
Dividends distributed from long-term investments and capital contributions	-	1,631
Income from capital contribution, share purchase	-	1,631

32. OPERATING EXPENSES

	2024 VND million	2023 VND million
Tax expenses, fees and charges	92,586	87,993
Personnel expenses	2,901,850	2,838,027
Salaries, bonus and allowances	2,523,672	2,498,722
Salary-related allowances	228,952	215,854
Subsidies	59,741	59,186
Others	89,485	64,265
Asset expenses	803,478	639,932
<i>Includes: Depreciation and amortization</i>	<i>101,057</i>	<i>100,262</i>
Administrative expenses	1,317,058	1,150,713
<i>Includes:</i>		
- <i>Per diem expenses</i>	<i>82,903</i>	<i>65,405</i>
- <i>Credit institutions' mass activities expenses</i>	<i>2,095</i>	<i>2,402</i>
Insurance expenses for customer deposits	109,952	95,736
Provision charged/(reversed) (excluding provision for on- and off-statement of financial position credit risks; provision for diminution in value of securities)	5,011	(70)
	5,229,935	4,812,331

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

33. CORPORATE INCOME TAX ("CIT") EXPENSES

	2024 VND million	2023 VND million
Profit before tax	6,903,842	5,829,910
Adjustments		
- <i>Non-taxable income</i>	(31)	(1,631)
- <i>Non-deductible expenses</i>	7,226	4,793
- <i>Movements of temporary differences</i>	(126,987)	(36,420)
- <i>Non-taxable consolidated adjustments (Goodwill, disposal of assets)</i>	9,982	9,730
Taxable income incurred during the year	6,794,032	5,806,382
Include:		
- <i>Income from operating activities</i>	6,794,032	5,806,382
Tax rate	20%	20%
CIT expenses	1,358,806	1,161,277
Include:		
- <i>CIT expenses from operating activities</i>	1,358,806	1,161,277
Adjustments of prior periods' CIT expenses	25,659	24,369
CIT incurred during the year	1,384,465	1,185,646
CIT paid in previous years	-	(7,165)
CIT must be paid during the year	1,384,465	1,178,481
CIT payable at the beginning of the year	602,675	820,535
CIT paid during the year	(1,224,944)	(1,396,341)
CIT payable at the end of the year	762,196	602,675
Deferred CIT expenses	-	50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

34. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders of the Bank.

	2024	2023 (Restated)
Net profit after tax attributable to ordinary shareholders (VND million)	5,519,377	4,644,214
Weighted average number of ordinary shares (shares) (*)	2,600,000,000	2,600,000,000
Basic earnings per share (VND/share)	2,123	1,786

(*) The weighted average of ordinary shares outstanding in 2023 is adjusted for comparison purpose because the Bank increases its charter capital in 2024 through the issuance of shares to pay dividends at the rate of 30%.

35. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated cash flow statement comprise the following amounts on the consolidated statement of financial position:

	31 December 2024 VND million	31 December 2023 VND million
Cash and cash equivalents	1,203,088	939,629
Balances with the SBV	5,494,784	4,589,199
Demand deposit with other CIs	14,765,040	13,813,935
Placements with other CIs with original terms of 3 months or less	39,514,000	37,570,774
	60,976,912	56,913,537

36. ASSETS, VALUABLE PAPERS USED FOR MORTGAGE, DISCOUNT AND REDISCOUNT

	31 December 2024 VND million	31 December 2023 VND million
Immovables	209,077,832	141,598,463
Movables	17,799,754	10,667,281
Valuable papers	65,194,457	56,394,481
Other assets	223,282,461	268,115,355
	515,354,504	476,775,580

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

37. EMPLOYEES' REMUNERATIONS

	2024 <i>VND million</i>	2023 <i>VND million</i>
I. Total average number of employees (person)	6,693	6,731
II. Employees' remuneration		
1. Total salary fund and bonus	2,667,187	2,325,588
2. Total income	2,668,472	2,327,667
3. Average monthly salary	33.21	28.79
4. Average monthly income	33.22	28.82

38. CONTINGENT LIABILITIES AND COMMITMENTS

	31 December 2024 <i>VND million</i>	31 December 2023 <i>VND million</i>
Credit guarantees	183,030	31,980
Foreign exchange commitments	479,800,332	343,840,786
Spot foreign exchange commitments - buy	11,749,712	11,263,221
Spot foreign exchange commitments - sell	11,751,127	11,255,288
Cross currency swap contracts	456,299,493	321,322,277
Letters of credit	3,135,897	7,555,360
Letters of credit	3,545,336	7,865,215
- Less: Margin deposits	(409,439)	(309,855)
Other guarantees	24,893,161	21,686,263
Settlement guarantees	4,330,878	3,343,207
Contract performance guarantees	5,784,610	5,332,633
Bid guarantees	1,512,805	913,928
Other guarantees	14,248,401	12,934,764
- Less: Margin deposits	(983,533)	(838,269)
Other commitments	20,300,893	11,326,397

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

39. UNCOLLECTED INTERESTS AND FEE RECEIVABLES

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Uncollected loan interest	1,516,069	1,445,389
Uncollected securities interest	28,791	643,691
Uncollected receivable fees	59	59
	<u>1,544,919</u>	<u>2,089,139</u>

40. BAD DEBTS WRITTEN OFF

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Principal of the bad debts written off is under monitoring	5,054,416	5,615,707
Interest of the bad debts written off is under monitoring	10,484,253	10,001,777
Other bad debts written off	31,979	31,980
	<u>15,570,648</u>	<u>15,649,464</u>

41. OTHER ASSETS AND DOCUMENTS

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Other assets kept nominally	16,648,260	17,789,628
Assets under operating leases	-	4,892
Other valuable documents are being preserved	77,854,670	65,882,342
	<u>94,502,930</u>	<u>83,676,862</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

42. RELATED PARTY TRANSACTIONS

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

- (a) Directly, or indirectly through one or more intermediaries, the party:
 - Controls, is controlled by, or is under common control with, the Bank (including parents and subsidiaries);
 - Has an interest in the Bank that gives it significant influence over the Bank;
 - Has joint control over the Bank.
- (b) The party is a joint venture in which the Bank is a venture or an associate;
- (c) The party is a member of the key management personnel of the Bank;
- (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 company resides with, directly or indirectly, any individual referred to in (c) or (d).

Details of significant balances with related parties at the end of the year are as follows:

	31 December 2024 <i>Receivables/(Payables)</i> VND million	31 December 2023 <i>Receivables/(Payables)</i> VND million
Vietnam Posts and Telecommunications Group ("VNPT") – Major shareholder		
Demand deposits	(6,607)	(3,638)
Term deposits	-	(1,555,000)
Other payables	-	(21,864)
ROX Group JSC – Related party of the Board of Directors		
Demand deposits	(8,515)	(3,588)
Term deposits	(760)	-
Interest payables on deposits	(2)	-
Loans	35	48
FamilyMart Vietnam JSC – Related party of the Board of Directors		
Demand deposits	(705)	(381)
Loans	17	13
ROX Key Holdings JSC – Related party of the Board of Directors		
Demand deposits	(12,738)	(20,735)
Term deposits	-	(203,000)
Interest payables	-	(42)
ROX Asset JSC – Related party of the Board of Directors		
Demand deposits	(449)	(336)
Loans	-	9
ROX Living JSC – Related party of the Board of Directors		
Demand deposits	(437)	(2,086)
Loans	5	15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

42. RELATED PARTY TRANSACTIONS (continued)

Details of significant balances with related parties at the end of the year are as follows (continued):

	31 December 2024	31 December 2023
	<i>Receivables/(Payables)</i>	<i>Receivables/(Payables)</i>
	<u>VND million</u>	<u>VND million</u>
Members of the Board of Directors, Board of Management, Board of Supervision and related individuals		
Demand deposits	(60,977)	(549,608)
Term deposits	(13,085)	(87,950)
Loans	273,116	202,192
Interest and fee receivables	2,010	1,311
Interest and other payables	(645)	(4,672)

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

	2024	2023
	<u>VND million</u>	<u>VND million</u>
Vietnam Posts and Telecommunications Group ("VNPT") – Major shareholder		
Interest expenses on deposits	(73,698)	(164,886)
Term deposits from related party	-	1,714,560
Term deposits withdrawal	1,555,000	2,609,560
ROX Group JSC – Related party of the Board of Directors		
Interest expenses on deposits	(14)	(6)
Fee income	8	38
Interest income from loans	20	1
Term deposits from related party	760	-
FamilyMart Vietnam JSC – Related party of the Board of Directors		
Interest expenses on deposits	(2)	(1)
ROX Key Holdings JSC – Related party of the Board of Directors		
Interest expenses on deposits	(36)	(47)
Interest income from loans	2	-
Fee income and other income	54	-
Term deposits withdrawal	203,000	-
Term deposits from related party	-	203,000
ROX Asset JSC – Related party of the Board of Directors		
Interest expenses on deposits	(1)	(3)
ROX Living JSC – Related party of the Board of Directors		
Interest expenses on deposits	(3)	-
Fee income	2	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

42. RELATED PARTY TRANSACTIONS (continued)

Details of significant transactions with related parties during the year are as follows (continued):

	2024 VND million	2023 VND million
Members of the Board of Directors, Board of Management, Board of Supervision and related individuals		
Remunerations of the Board of Directors	(14,203)	(15,039)
Chairman	-	-
Vice - Chairman 1	(806)	(3,230)
Vice - Chairman 2	(3,035)	-
Vice - Chairman 3	(2,196)	(2,936)
Member 1	(2,584)	(2,585)
Member 2	(1,921)	(2,827)
Member 3	(2,036)	(1,869)
Member 4	(1,625)	(1,592)
Remunerations of the Board of Supervision	(5,496)	(5,071)
Salaries of the Chief Executive Officer and Deputy Chief Executive Officers	(39,753)	(34,608)
Interest income from loans	22,274	19,262
Interest expenses on deposits and valuable paper issued	(19,469)	(39,211)
Fee income	364	252

43. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-STATEMENT OF FINANCIAL POSITION ITEMS BY GEOGRAPHICAL REGIONS

	Credit granting (loans to customers and other CIs) VND million	Fund mobilized (deposits from customers, due to banks) VND million	Credit commitments VND million	Derivative instruments (Total contract nominal value) VND million	Trading and investment securities VND million
Domestic	184,964,415	213,939,112	28,212,088	227,164,381	65,604,781
Overseas	-	471,529	-	-	-
Total	184,964,415	214,410,641	28,212,088	227,164,381	65,604,781

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

44. RISK MANAGEMENT POLICIES

The Bank's business goal is to be a multi-functional financial institution. Accordingly, the Bank provides a variety of products and services to its customers in order to achieve the above goal and at the same time ensure the expected profit. The utilization of financial instruments, including fund mobilization (customer deposits and valuable papers issued) and investments of these funds in high-quality assets, which is the core of the Bank's activities, helps it achieve its profit goal but also incur risks that need to be managed closely. The Bank manages its risks through the use of limits in order to proactively managing risks and implementing preventive measures/tools in order to reduce risks. Through holding a large proportion of high-quality financial instruments, the statement of financial position structure of the Bank is adequate to avoid significant exposures within the scope of its operations and manage its liquidity position.

In managing credit risk, the Bank has fully issued and effectively applied documents on credit risk management with details on lending policies, procedures and implementation instructions standardizing the Bank's credit activities. Liquidity risks are controlled and managed through management instruments for liquidity risks such as holding a high proportion of assets as a large base of cash and cash equivalents in the form of Nostro accounts, balances with the SBV, placements with other CIs and especially highly liquid valuable papers. The risk-weighted ratios are also used to manage the Bank's liquidity. The Bank frequently assesses its interest rate gaps, compares them with those in domestic and international markets, and then applies appropriate adjustments timely. In addition, the effective implementation of a number of the Bank's risk management has been enhanced by the deployment of the Centralized Capital Management and the Centralized Payment System, in which the Bank's capital and payment transactions are solely performed by the Head Office. This helps monitoring the Bank's funds movements more effectively, efficiently, and reduces possible errors and unnecessarily complexities.

44.1 Market risk

44.1.1 Interest rate risk

Interest rate risk is the risk of adverse fluctuations in interest rates on income, assets, liabilities and off - statement of financial position commitments of the Bank, arising from:

- ▶ Differences between the year of fixing new interest rate or redefining interest rate;
- ▶ Changes in relationship between interest rates of various financial instruments with the same maturity date;
- ▶ Changes in relationship between interest rates at different maturities;
- ▶ Influences from interest rate options, products with interest rate options elements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

44. RISK MANAGEMENT POLICIES (continued)

44.1 Market risk (continued)

44.1.1 Interest rate risk (continued)

The Bank maintains an interest rate risk management policy that ensures the following principles:

- ▶ Complying with the regulations of the SBV and its internal regulations on the internal control system over interest rate risk management;
- ▶ Periodically measuring; Strictly monitoring and controlling potential interest rate risks in the Bank's key business operations (including assets, liabilities and off-balance sheet commitments); thereby fully implementing measures to balance assets-liabilities structure; and/or preventive measures to minimize the Bank's exposures against adverse fluctuations in market interest rates;
- ▶ Establishing minimum limits for interest rate risk management on the interest rate re-pricing period; sensitivity, change in net interest and similar income and change in economic value of owners' equity based on stress test results in normal scenarios and adverse scenarios.

Principles for classifying and measuring interest rate risk status through the gap of interest rate re-pricing period of Asset; Liability items located on and off-statement of financial position (illustrated on *Note 44.1.1*) meet the following contents:

- ▶ Interest-sensitive items (assets, liabilities) are those whose income/expenses/prices change when interest rates change;
- ▶ Non-interest bearing items (non-interest rate sensitive) include but are not limited to: cash, gold, silver, gemstones, balances with the SBV, securities held for trading, premiums, discounts, interest and fees receivable, long-term investments, fixed assets, investment securities (equity securities), other assets, other non-interest-bearing debt and overdue portion of asset items;
- ▶ Overdue indicators of asset items are cash flows that are overdue and/or classified as Group 2 or higher according to CIC;
- ▶ Interest sensitive items are allocated to periods on the report based on the actual interest rate re-pricing period of each transaction arising in the item;
- ▶ The actual term used for determining interest rate is the year of time (number of days) from the end of the accounting period until the interest rate re-adjustment date (the interest rate re-pricing date) or the due date/partial due date according to the contract of the financial assets and liabilities, whichever comes first. Details are as follows:
 - Items that are sensitive to interest rates but whose interest rate re-pricing period cannot be specifically determined (deposits/demand deposits from CIs, economic entities and individuals, overdrafts, credit cards) will be recorded in the year closest on report (up to 1 month);
 - Items with floating interest rate: the actual interest rate repricing term is calculated from the end of the accounting period until the interest rate re-pricing date or maturity date/partial due date according to the contract, whichever comes first;
 - The interest-sensitive items of other assets and liabilities which have fixed interest rate: the actual interest rate re-pricing term is calculated from the end of the accounting period until maturity date/partial due date according to the contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

44. RISK MANAGEMENT POLICIES (continued)

44.1 Market risk (continued)

44.1.1 Interest rate risk (continued)

interest rate risk (continued)

Unit: VND million

	Overdue	Non-interest bearing	Interest re-pricing period					Total
			Up to 1 month	1 – 3 months	3 – 6 months	6 – 12 months	1 – 5 years	
Assets								
Cash, gold and gemstones	-	1,203,088	-	-	-	-	-	1,203,088
Balances with the SBV	-	5,494,784	-	-	-	-	-	5,494,784
Due from banks (*)	-	269,747	50,460,071	7,891,063	1,808,736	535,587	-	60,965,204
Loans to customers and debts purchased (*)	6,874,777	-	56,982,169	48,294,111	30,353,710	14,972,305	17,645,789	178,278,251
Investment securities (*)	404,385	4,543,585	-	996,000	5,200,000	13,710,000	6,153,490	65,604,781
Long-term investments (*)	-	17,049	-	-	-	-	-	17,049
Fixed assets	-	432,744	-	-	-	-	-	432,744
Other assets (*)	41,489	10,605,778	6,037	8,791	3,600	26,372	130,172	11,304,719
Total assets	7,320,651	22,566,775	107,448,277	57,189,965	37,366,046	29,244,264	23,929,451	323,300,620
Liabilities								
Borrowings from the Government and the SBV	-	-	8,203,547	-	-	999,972	-	9,203,519
Due to banks	-	-	81,211,044	8,471,808	2,318,667	217,000	-	92,218,519
Derivative financial instruments	-	-	62,068	6,227,932	(3,046,489)	(1,152,184)	(1,361,199)	730,128
Customer deposits	-	-	60,574,132	25,504,219	38,154,127	25,815,862	4,564,099	154,612,451
Valuable papers issued	-	-	91,096	-	3,950,000	-	17,169,500	21,210,596
Other liabilities (*)	-	5,379,453	1,606	3,313	1	-	-	5,384,373
Total liabilities	-	5,379,453	150,143,493	40,207,272	41,376,306	25,880,650	20,372,400	283,359,586
On-statement of financial position interest sensitivity gap	7,320,651	17,187,322	(42,695,216)	16,982,693	(4,010,260)	3,363,614	3,557,051	39,941,034
Off-balance sheet commitments have an impact on the interest rate sensitivity of assets and liabilities (net)								
	-	-	1,829,638	13,659,104	(1,694,563)	(832,476)	2,738,000	3,700,203
On and Off-statement of financial position interest sensitivity gap (*)	7,320,651	17,187,322	(40,865,578)	30,641,797	(5,704,823)	2,531,138	6,295,051	43,641,237

(*) balances of these items do not include risk provision

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

44. RISK MANAGEMENT POLICIES (continued)

44.1 Market risk (continued)

44.1.2 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to fluctuations in foreign exchange rates.

The Bank is incorporated and operates in Vietnam with VND as its reporting currency. The major currency of its transaction is also VND. Asset - liability structure of the Bank includes different foreign currencies such as USD, EUR, JPY,... which is the cause of currency risk.

The Bank maintains a currency risk management policy that ensures the following principles:

- ▶ Complying with the regulations of the SBV and its internal regulations on the internal control system over foreign exchange risk management;
- ▶ Measuring on a daily basis; strictly monitor and control foreign exchange risks on the basis of ensuring compliance with established limits (in accordance with the SBV's regulations) on foreign currency positions; potential profit/loss; concentration levels by currency which are based on stress test results in normal scenarios and adverse scenarios.

	<i>EUR equivalent VND million</i>	<i>USD equivalent VND million</i>	<i>Other foreign currencies equivalent VND million</i>	<i>Total VND million</i>
Asset				
Cash, gold and gemstones	13,144	275,433	40,082	328,659
Balances with the SBV	1,130	827,517	-	828,647
Due from banks (*)	69,278	1,193,875	216,817	1,479,970
Derivative financial instruments	61,105	319,649	-	380,754
Loans to customers (*)	10,239	9,107,456	805	9,118,500
Other assets (*)	164	152,066	4,791	157,021
Total assets	155,060	11,875,996	262,495	12,293,551
Liabilities				
Borrowing from the Government and the SBV	-	8,599	-	8,599
Due to banks	26,587	10,391,333	34,093	10,452,013
Customer deposits	106,992	6,191,385	129,161	6,427,538
Derivative financial instruments	-	-	673,141	673,141
Other liabilities (*)	10,554	535,437	66,068	612,059
Total liabilities and owner's equity	144,133	17,126,754	902,463	18,173,350
FX position on statement of financial position	10,927	(5,250,758)	(639,968)	(5,879,799)
FX position off-statement of financial position	532	1,604,318	704,381	2,309,231
Net on, off-statement of financial position	11,459	(3,646,440)	64,413	(3,570,568)

(*) balances of these items do not include risk provision

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

44. RISK MANAGEMENT POLICIES (continued)

44.2 Liquidity risk

Liquidity risk is the risk that the Bank will not be able to meet its financial obligations as they fall due, or the risk that the Bank has to pay cost higher than the average cost of the market under the Bank's internal regulations in order to meet those obligations.

The Bank has maintained a liquidity risk management policy that ensures the following principles:

- ▶ Complying with the regulations of the SBV and its internal regulations on the internal control system over liquidity risk management. It has outstanding organizational structure of 3 lines of defense; in which the first line is managed in parallel by 02 functions: Balance Sheet Management (BSM) and Asset Liability Management (ALM) on a daily basis;
- ▶ Always maintaining a portfolio of highly liquid assets which are managed according to market value and ability to convert into cash to ensure liquidity required under normal and stressed conditions;
- ▶ Managing and monitoring intraday liquidity; identifying funding sources and ability to mobilize these sources to meet daily payment needs; forecasting situations that cause abnormal changes in liquidity during the day and implementing timely and effective handling measures;
- ▶ Always focus on diversifying funding sources, ensuring ability to access the active market and understanding the correlation of credit risk, market risk and other key risks that impact on the its liquidity;
- ▶ Establishing liquidity risk management limits in accordance with the SBV's regulations and issue a contingency funding plan (CFP) based on the results of a liquidity stress test in a normal scenarios and adverse scenarios;
- ▶ Using internal fund transferring price and liquidity premium component (Liquidity Premium) in the internal fund transfer pricing mechanism (FTP) flexibly to regulate liquidity and term structure in each period.

Principles for classifying and measuring liquidity risk status through the maturity table of assets and liabilities recorded on the statement of financial position as follows:

- ▶ The maturity terms of assets and liabilities represent the remaining period of assets and liabilities as calculated from the consolidated financial statements date to the maturity date/partial maturity date in accordance with contractual terms and conditions.
- ▶ The following assumptions and conditions are adopted in the analysis of maturity of the Bank's assets and liabilities:
 - ✓ Balances with the SBV including compulsory reserves are considered highly liquid and can be transferred immediately within 1 month;
 - ✓ The maturity of securities is calculated based on investment purposes:
 - Securities held for trading; available-for-sale securities, which are listed on the stock exchanges or registered on the unlisted stock market, are considered highly liquid and can be transferred immediately within 1 month;
 - Other types of investment securities are allocated based on the contractual maturity date of each kind of securities;
- ▶ The maturity of fixed asset investments, capital contribution and share purchase are considered long-term because these investments do not have specific maturity date;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

44. RISK MANAGEMENT POLICIES (continued)

44.2 Liquidity risk (continued)

- ▶ The maturity of due from banks, due to banks, loans to customers and customer deposits are based on the contractual maturity date/partial maturity date. The actual maturity date can be adjusted from contractual term when the contract is extended. In fact, demand and term deposits of customers may be rotated, and therefore, lasting beyond the original maturity date;
- ▶ The maturity of loans to customers from debts purchased is determined based on the due date of the loan contract as prescribed;
- ▶ The maturity of derivative contracts (Swap, Forward) is determined based on the contractual term of the transaction net basis of clearing between cash inflows and outflows;
- ▶ The maturity of other assets and other liabilities is classified according to the payment characteristics of each item.
- ▶ For assets and liabilities whose expected payment date/due date cannot be determined, the Bank determines the maturity date according to the conservatism principle. Accordingly, it is considered long-term (over 1 year) for cash inflows and short term (less than 3 months) for cash outflows.

Classification of assets and liabilities according to the original term prescribed in contracts or in the issuance term is as follows:



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

44. RISK MANAGEMENT POLICIES (continued)

44.2 Liquidity risk (continued)

Unit: VND million

	Overdue		Current				Total
	Above 3 months	Up to 3 months	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	
Assets							
Cash, gold and gemstones	-	-	1,203,088	-	-	-	1,203,088
Balances with the SBV	-	-	5,494,784	-	-	-	5,494,784
Due from banks (*)	-	-	50,460,075	7,941,310	2,356,247	207,572	60,965,204
Loans to customers and debts purchased (*)	4,721,242	2,153,535	9,937,247	23,606,160	45,939,510	57,206,737	178,278,251
Investment securities (*)	28,385	376,000	-	5,106,605	16,699,010	6,797,460	65,604,781
Long-term investment (*)	-	-	-	-	-	-	17,049
Fixed assets	-	-	-	-	-	-	432,744
Other assets (*)	40,055	1,434	349,113	790,400	1,361,501	1,555,856	11,304,719
Total assets	4,789,682	2,530,969	67,444,307	37,444,475	66,356,268	65,767,625	323,300,620
Liabilities							
Borrowings from the Government and the SBV	-	-	8,203,547	-	999,972	-	9,203,519
Due to banks	-	-	80,442,057	7,801,468	2,648,550	1,326,444	92,218,519
Derivative financial instruments	-	-	20,827	94,123	532,793	82,385	730,128
Customer deposits	-	-	60,105,504	25,680,904	64,162,145	4,663,776	154,612,451
Valuable papers issued	-	-	91,096	-	3,950,000	17,169,500	21,210,596
Other liabilities (*)	-	-	2,150,982	867,310	1,617,342	746,648	5,384,373
Total liabilities	-	-	151,014,013	34,443,805	73,910,802	23,988,753	283,359,586
Net liquidity gap	4,789,682	2,530,969	(83,569,706)	3,000,670	(7,554,534)	41,778,872	39,941,034

(*) balances of these items do not include risk provision

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

45. SUPPLEMENTAL NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2024 (CIRCULAR 16/2018/TT-BTC DATED 7
FEBRUARY 2018)

Summary of items:

	<u>31 December 2024</u>
Total assets (VND million)	320,177,143
Equity (VND million)	36,817,557
Capital (VND million)	35,592,582
- Tier I capital (VND million)	36,812,308
- Tier II capital (VND million)	(1,218,490)
- Other deductions (VND million)	(1,236)
Right weighted assets (VND million)	287,379,717
Capital adequacy ratio	12.39%
Charter capital (VND million)	26,000,000
PAT/ Average of equity (ROE)	15.97%
PAT/ Average of assets (ROA)	1.85%
Separate credit growth rate	18.25%
Capital growth rate	18.13%
Separate ratio of short-term capital used for medium and long-term loans	28.27%
Total amount of capital contribution and share purchase in enterprises (VND million)	75,778
Ratio of total outstanding loans to total deposits	73.69%
Ratio of bad debts to total outstanding loans	1.90%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

46. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AND GOLD AGAINST
VIETNAM DONG AT THE END OF THE YEAR

	31 December 2024 VND	31 December 2023 VND
USD	25,400	24,228
EUR	26,578	26,930
GBP	32,534	30,940
CHF	28,305	28,833
JPY	161	172
SGD	18,747	18,399
CAD	17,950	18,380
AUD	15,876	16,630

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24 January 2025