



Vietnam Prosperity Joint Stock Commercial Bank

Separate financial statements

Quarter IV of 2024 and for the year ended 31 December 2024



Vietnam Prosperity Joint Stock Commercial Bank

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Vietnam Prosperity Joint Stock Commercial Bank

GENERAL INFORMATION

THE BANK

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

The Bank was established pursuant to Banking License No. 0042/NH-GP dated 12 August 1993 issued by the State Bank of Vietnam (the "SBV") and Business Registration Certificate No. 0100233583 dated 8 September 1993 issued by Hanoi Department of Planning and Investment which was amended for the 45th time on 27 November 2023. The Bank started operation on 12 August 1993 with an operation period of 99 years.

The Bank's principal activities are to provide banking services including mobilizing and receiving short, medium and long-term deposits from organizations and individuals; making short, medium and long-term loans and advances to organizations and individuals; conducting foreign exchange transactions; providing international trade finance services; discounting of commercial papers, bonds and other valuable papers; investing in shares and bonds; providing settlement services; digital wallet; investing in future contract of Government bonds; providing asset management services; granting credit in form of rediscounting negotiable instruments and other valuable papers and other banking services as allowed by the SBV.

Charter capital

As at 31 December 2024, the charter capital of the Bank is VND79,339,236 million (31 December 2023: VND79,339,236 million).

Operational network

The Bank's Head Office is located at No. 89 Lang Ha, Lang Ha Ward, Dong Da District, Hanoi, Vietnam. As at 31 December 2024, the Bank has one (1) Head Office, eighty (80) branches, two hundred and seven (207) transaction offices nationwide and four (4) subsidiaries.

BOARD OF DIRECTORS

The members of the Board of Directors of the Bank during the year and as at the date of the separate financial statements are as follows:

<i>Name</i>	<i>Position</i>
Mr. Ngo Chi Dzung	Chairman
Mr. Bui Hai Quan	Vice Chairman
Mr. Lo Bang Giang	Vice Chairman
Mr. Nguyen Van Phuc	Independent member
Mr. Nguyen Duc Vinh	Member
Ms. Pham Thi Nhung	Member (since 29 April 2024)
Mr. Takeshi Kimoto	Member (since 29 April 2024)

Vietnam Prosperity Joint Stock Commercial Bank

GENERAL INFORMATION (continued)

THE BOARD OF SUPERVISION

The members of the Board of Supervision of the Bank during the year and as at the date of the separate financial statements are as follows:

<i>Name</i>	<i>Position</i>
Ms. Kim Ly Huyen	Head of Board of Supervision
Ms. Trinh Thi Thanh Hang	Full-time member
Mr. Vu Hong Cao	Member

THE BOARD OF MANAGEMENT

The members of the Board of Management of the Bank during the year and as at the date of the separate financial statements are as follows:

<i>Name</i>	<i>Position</i>
Mr. Nguyen Duc Vinh	Chief Executive Officer
Ms. Luu Thi Thao	Standing Deputy Chief Executive Officer – Senior Executive Managing Director
Mr. Phung Duy Khuong	Standing Deputy Chief Executive Officer in charge of Southern region
Ms. Pham Thi Nhung	Standing Deputy Chief Executive Officer
Ms. Duong Thi Thu Thuy	Deputy Chief Executive Officer
Mr. Nguyen Thanh Long	Deputy Chief Executive Officer
Mr. Dinh Van Nho	Deputy Chief Executive Officer
Mr. Nguyen Thanh Binh	Deputy Chief Executive Officer
Mr. Kamijo Hiroki	Deputy Chief Executive Officer (since 5 August 2024)

LEGAL REPRESENTATIVE

The legal representative of the Bank during the year ended 31 December 2024 and as at the date of the separate financial statements is Mr. Ngo Chi Dzong - Chairman.

Mr. Nguyen Duc Vinh - Chief Executive Officer was authorized by Mr. Ngo Chi Dzong to sign off the accompanying financial statements for the year ended 31 December 2024 according to Authorization Document No. 09/2012/UQ-CT dated 5 July 2012.

SEPARATE STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

	Notes	31 December 2024 VND million	31 December 2023 VND million
ASSETS			
Cash, gold and gemstones	5	2,148,289	2,284,990
Balances with the State Bank of Vietnam	6	13,733,896	7,891,943
Placements with and credit granting to other credit institutions		156,621,197	109,129,247
Placements with other credit institutions	7.1	148,504,815	96,334,542
Credit granting to other credit institutions	7.2	8,116,382	12,794,705
Securities held for trading	8	-	581,548
Securities held for trading		-	581,548
Loans to customers		604,781,762	488,029,291
Loans to customers	10	615,879,792	496,409,738
Provision for loans to customers	11	(11,098,030)	(8,380,447)
Debts purchased	12	6,129,409	7,092,311
Debts purchased		6,185,407	7,207,076
Provision for debts purchased		(55,998)	(114,765)
Investment securities		51,054,855	91,681,338
Available-for-sale securities	13.1	50,124,274	87,541,117
Held-to-maturity securities	13.2	992,927	4,350,437
Provision for investment securities	13.3	(62,346)	(210,216)
Long-term investments		22,199,965	21,281,747
Investments in subsidiaries	14.1	22,133,790	21,418,790
Other long-term investments	14.2	189,210	189,210
Provision for long-term investments	14.3	(123,035)	(326,253)
Fixed assets		1,693,650	1,569,669
Tangible fixed assets	15.1	1,393,324	1,241,980
Cost		3,000,501	2,588,424
Accumulated depreciation		(1,607,177)	(1,346,444)
Intangible fixed assets	15.2	300,326	327,689
Cost		1,204,552	1,106,327
Accumulated depreciation		(904,226)	(778,638)
Other assets		21,472,793	46,293,048
Receivables	16.1	9,567,002	32,765,611
Interest and fees receivable	16.2	7,164,165	7,778,527
Deferred tax assets	23.2	11,667	8,153
Other assets	16.3	4,842,936	5,799,584
Provision for other assets	16.4	(112,977)	(58,827)
TOTAL ASSETS		879,835,816	775,835,132

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

	Notes	31 December 2024 VND million	31 December 2023 VND million
LIABILITIES			
Amounts due to the Government and the State			
Bank of Vietnam	17	5,713	4,118,311
Deposits and borrowings from the Government and the State Bank of Vietnam		5,713	4,118,311
Deposits and borrowings from financial institutions and other credit institutions			
Deposits from other credit institutions	18.1	111,820,871	84,443,276
Borrowings from financial institutions and other credit institutions	18.2	78,370,757	61,523,024
Customer deposits	19	485,735,737	443,558,250
Derivatives and other financial liabilities	9	32,213	127,621
Other borrowed and entrusted funds	20	10,894	22,045
Valuable papers issued	21	46,596,226	27,022,795
Other liabilities		16,974,628	20,866,826
Interest and fees payable	22.1	9,737,681	12,719,532
Other liabilities	22.2	7,236,947	8,147,294
TOTAL LIABILITIES		739,547,039	641,682,148
OWNERS' EQUITY			
Equity		103,331,782	103,331,782
- Charter capital		79,339,236	79,339,236
- Share premium		23,992,546	23,992,546
Reserves		12,110,197	9,796,774
Retained earnings		24,846,798	21,024,428
TOTAL OWNERS' EQUITY	24	140,288,777	134,152,984
TOTAL LIABILITIES AND OWNERS' EQUITY		879,835,816	775,835,132

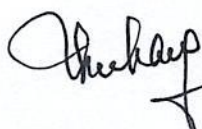
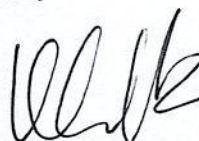
SEPARATE STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2024

OFF-BALANCE SHEET ITEMS

	Notes	31 December 2024 VND million	31 December 2023 VND million
Contingent liabilities	38	676,706,260	640,901,195
Credit guarantees		848,721	1,754,978
Foreign exchange commitments		294,393,922	298,229,425
- Foreign exchange commitments - buy		2,972,620	264,965
- Foreign exchange commitments - sell		1,955,905	992,663
- Swap transaction commitment - receive		145,015,029	148,506,799
- Swap transaction commitment - pay		144,450,368	148,464,998
Letters of credit		16,461,049	38,680,116
Other guarantees		26,008,227	19,546,205
Other commitments		338,994,341	282,690,471
- In which: Unused revocable credit limits		221,212,186	196,427,687
Other off-balance sheet items	39	216,831,930	176,600,284
Uncollected interests and fee receivables	39.1	5,050,906	4,090,468
Bad debts written off	39.2	60,160,129	42,971,727
Other assets and documents	39.3	151,620,895	129,538,089
		893,538,190	817,501,479

Prepared by:

Reviewed by:


Ms. Pham Minh Thu
Head of General
Accounting and
Accounting policy
Department

Ms. Nguyen Thi Thu Hang
Chief Accountant

Ms. Le Hoang Khanh An
Chief Financial Officer

Mr. Nguyen Duc Vinh
Chief Executive Officer

Hanoi, Vietnam

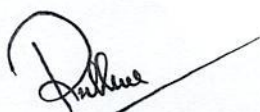
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SEPARATE STATEMENT OF PROFIT AND LOSS
Quarter IV and for the year ended 31 December 2024

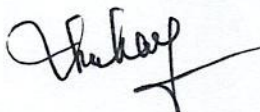
	Notes	Quarter IV		Accumulated since the beginning of Year until end of this Quarter	
		2024	2023	2024	2023
		VND million	VND million	VND million	VND million
Interest and similar income	25	17,632,891	16,464,915	64,925,605	61,138,882
Interest and similar expenses	26	(7,663,406)	(8,630,141)	(28,591,905)	(34,748,649)
Net interest and similar income		9,969,485	7,834,774	36,333,700	26,390,233
Fee and commission income		2,324,543	2,922,593	9,182,086	10,035,330
Fee and commission expenses		(1,274,518)	(1,323,880)	(5,281,573)	(3,931,824)
Net fee and commission income	27	1,050,025	1,598,713	3,900,513	6,103,506
Net loss from trading of foreign currencies	28	222,844	(180,184)	775,980	(739,841)
Net gain from held-for-trading securities	29	6,016	179	41,788	106,029
Net gain/(loss) from investment securities	30	207	(37,051)	410,904	257,326
Other operating income		2,163,397	1,406,317	6,795,052	5,858,826
Other operating expenses		(1,304,428)	(851,626)	(4,195,367)	(2,817,788)
Net gain from other operating activities	31	858,969	554,691	2,599,685	3,041,038
Income from investments in other entities	32	88,656	-	230,370	3,147
TOTAL OPERATING INCOME		12,196,202	9,771,122	44,292,940	35,161,438
TOTAL OPERATING EXPENSES	33	(1,895,153)	(2,428,663)	(9,612,510)	(9,162,906)
Net profit before provision for credit losses		10,301,049	7,342,459	34,680,430	25,998,532
Provision expenses for credit losses	34	(5,092,903)	(4,847,280)	(16,420,177)	(12,530,235)
PROFIT BEFORE TAX		5,208,146	2,495,179	18,260,253	13,468,297
Current corporate income tax expense	23.1	(1,026,180)	(516,206)	(3,622,791)	(2,710,507)
Deferred corporate income tax expense		(3,039)	8,153	3,514	8,153
Corporate income tax expense	23	(1,029,219)	(508,053)	(3,619,277)	(2,702,354)
PROFIT AFTER TAX		4,178,927	1,987,126	14,640,976	10,765,943

Prepared by:

Reviewed by:



Ms. Pham Minh Thu
Head of General
Accounting and
Accounting policy
Department



Ms. Nguyen Thi Thu Hang
Chief Accountant



Ms. Le Hoang Khanh An
Chief Financial Officer




Mr. Nguyen Duc Vinh
Chief Executive Officer

Hanoi, Vietnam

22-01-2025

SEPARATE CASH FLOW STATEMENT
For the year ended 31 December 2024

	Notes	2024 VND million	2023 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar receipts		64,502,735	60,566,456
Interest and similar payments		(31,267,888)	(29,867,447)
Net fee and commission receipts		4,675,796	5,674,549
Net receipts from dealing in foreign currencies, gold and securities trading activities		1,036,883	191,022
Other income		(145,054)	944,821
Recoveries from bad debts previously written-off		2,743,022	2,095,313
Payments for employees and other operating activities		(9,331,494)	(8,716,987)
Corporate income tax paid in the year	23	(3,223,844)	(3,788,299)
Net cash flows from operating activities before changes in operating assets and liabilities		28,990,156	27,099,428
Changes in operating assets			
(Increase)/Decrease in placements with and credit granting to other credit institutions		4,678,322	(5,601,091)
(Increase)/Decrease in investment securities		39,695,006	(8,793,409)
Decrease in derivatives and other financial assets		-	128,374
Increase in loans to customers and debt purchased		(121,230,814)	(138,798,611)
Decrease in provision to write off loans to customers, securities and long-term investments		(10,942,117)	(7,260,143)
Decrease in changes in other operating assets		23,675,811	2,045,870
Changes in operating liabilities			
Increase/(Decrease) in amounts due to the Government and the State Bank of Vietnam		(4,112,598)	2,189,078
Increase in deposits and borrowings from financial institutions and other credit institutions		44,225,328	13,221,051
Increase in customer deposits		42,177,487	136,304,966
Increase/(Decrease) in valuable papers issued (except for valuable papers issued for financing activities)		19,573,431	(8,992,379)
Decrease in other borrowed and entrusted funds		(11,151)	(25,005)
Increase/(Decrease) in derivatives and other financial liabilities		(95,408)	127,621
Increase/(Decrease) in other operating liabilities		(1,939,764)	1,703,391
Net cash flows from operating activities		64,683,689	13,349,141

SEPARATE CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2024

	Notes	2024 VND million	2023 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(52,221)	(77,546)
Proceeds from sale, disposal of fixed assets		1,715	929
Payments for investment in other entities		(715,000)	-
Dividends received and profit distributed from long-term investments		230,370	3,147
Net cash flows used in investing activities		(535,136)	(73,470)
Increase in share capital from capital contribution and/or share issuance		-	35,897,546
Dividends paid and profits distributed		(7,933,924)	(7,933,924)
Receipt from selling of treasury shares		-	302,196
Net cash flows from financing activities		(7,933,924)	28,265,818
Net cash flows in the year		56,214,629	41,541,489
Cash and cash equivalents at the beginning of the year		108,172,371	66,630,882
Cash and cash equivalents at the end of the year	35	164,387,000	108,172,371

SIGNIFICANT NON-CASH TRANSACTIONS IN THE YEAR

Decrease in share premium due to issuance of treasury shares for ESOP

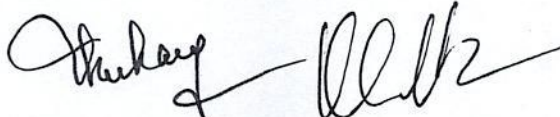
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Prepared by:

Reviewed by:



Ms. Pham Minh Thu
Head of General
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Department



Ms. Nguyen Thi Thu Hang
Chief Accountant



Ms. Le Hoang Khanh An
Chief Financial Officer



Mr. Nguyen Duc Vinh
Chief Executive Officer

Hanoi, Vietnam

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1. GENERAL INFORMATION

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

The Bank was established pursuant to Banking License No. 0042/NH-GP dated 12 August 1993 issued by the State Bank of Vietnam (the "SBV") and Business Registration Certificate No. 0100233583 dated 8 September 1993 issued by Hanoi Department of Planning and Investment which was amended for the 45th time on 27 November 2023. The Bank started operation on 12 August 1993 with an operation period of 99 years.

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Operational network

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Subsidiaries

As at 31 December 2024, the Bank has four (4) directly owned subsidiaries as follow:

<i>Subsidiaries</i>	<i>Operating license</i>	<i>Nature of business</i>	<i>Share capital</i>	<i>Ownership</i>
VPBank Asset Management Company Limited ("VPB AMC")	Business Registration Certificate No. 0105837483 issued by Hanoi Department of Planning and Investment which was last amended on 12 May 2023	Asset and liabilities management	VND115 billion	100%
VPBank SMBC Finance Company Limited ("VPB SMBC FC")	Business Registration Certificate No. 0102180545 issued by the Ho Chi Minh City Department of Planning and Investment, which was most recently amended on 14 February 2022	Other finance activities	VND10,928 billion	50%
VPBank Securities JSC ("VPBankS")	Security business license no. 106/UBCK-GP issued by the State Securities Commission on 08 April 2009 and the latest Adjustment License on 11 December 2024	Securities activities	VND15,000 billion	99.9537%
OPES Insurance Joint Stock Company ("OPES")	License for Establishment and Operation No. 79/GP/KDBH issued by the Ministry of Finance on 20 March 2018 and the latest Adjustment License on 19 June 2024.	Non-life insurance business	VND1,265 billion	99.13%

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

1. GENERAL INFORMATION (Continued)

Employees

As at 31 December 2024, total number of permanent employees of the Bank is 15,003 persons (31 December 2023: 13,599 persons).

2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

2.1 Fiscal year

The Bank's fiscal year starts on 1 January and ends on 31 December.

2.2 Accounting currency

Currency used in preparing the separate financial statements of the Bank is Vietnam dong ("VND") and rounded to the nearest million ("VND million").

3. APPLIED ACCOUNTING STANDARDS AND SYSTEM

3.1 Statement of compliance

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

3.2 Accounting standards and system

The separate 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 State Bank of Vietnam 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 separate financial statements have been prepared using accounting principles, procedures and reporting practices generally accepted in Vietnam. Accordingly, the accompanying separate statement of financial position, the separate statement of profit and loss, the separate cash flow statement and the notes to the separate 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 separate financial position, results of separate operations and separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

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

3. APPLIED ACCOUNTING STANDARDS AND SYSTEM (continued)

3.2 Accounting standards and system (continued)

The Bank has prepared the separate financial statements to reflect operations of the Bank only. It has also prepared the consolidated financial statements to reflect operations of the Bank and its subsidiaries in accordance with Vietnamese Accounting Standard No. 25 – *Consolidated financial statements and accounting for investments in subsidiaries*. The users of separate financial statements should read these separate financial statements together with the consolidated financial statements for the financial year ended 31 December 2024 in order to have adequate information about the consolidated financial position, consolidated results of operations and consolidated cash flows of the Bank and its subsidiaries.

Items or balances required by Decision No. 16/2007/QĐ-NHNN dated 18 April 2007, Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV stipulating the financial statements reporting mechanism for credit institutions that are not shown in these separate financial statements indicate nil balance.

3.3 Assumptions and uses of estimates

The presentation of the separate financial statements requires the Board of 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. These estimates are based on assumptions for some factors with different levels of objectivity and uncertainty. The actual results may differ from such estimates and assumptions and lead to adjustments in relevant accounts afterwards.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Changes in accounting policies and disclosures

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

The Law on Credit Institutions No. 32/2024/QH15 ("Law on Credit Institutions") and Circular No. 21/2024/TT-NHNN regulates the operations of letters of credit and related business activities ("Circular 21"), effective from 1 July 2024.

According to the provisions of the Law on Credit Institutions and Circular 21, the letter of credit operation is defined as a form of credit granting through the issuance, confirmation, payment negotiation and reimbursement of letters of credit.

Circular No. 31/2024/TT-NHNN regulates the classification of assets in the operations of commercial banks, non-bank credit institutions and foreign bank branches ("Circular 31"), effective from 1 July 2024.

Circular 31 replaces the provisions related to debt classification in Circular 11/2021/TT-NHNN ("Circular 11") concerning asset classification, provisioning rates, provisioning methods and the use of provisions to handle risks in the operations of credit institutions and foreign bank branches. The key changes in Circular 31 affecting provisioning estimates are as follows: adding debt classification principles for debts arising from letter of credit operations, non-recourse purchases of documents presented under letters of credit and certain other transactions.

Decree No. 86/2024/NĐ-CP regulates the level of provisions, methods for risk provisioning and the use of provisions for risk management in the operations of credit institutions, foreign bank branches and cases where credit institutions allocate interest receivables and reversals ("Decree 86"), issued and effective from 11 July 2024.

Decree 86 replaces the contents related to risk provision in Circular 11.

The bank applies the non-retroactive rules of the Law on Credit Institutions No. 32/2024/QH15, Circular No. 31, Decree No. 86 and Circular No. 21 from the effective date of these documents.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, balance 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 are convertible into a known amount of cash and do not bear liquidity risk as at the reporting date.

4.3 Placements with and credit granting to other credit institutions

Placements with and credit granting to other credit institutions are presented at the principal amounts outstanding at the end of the year.

Loan classification and provisioning for deposits and credit granted to other credit institutions are carried out as specified in *Note 4.5*.

4.4 Loans to customers

Loans to customers are presented based on the outstanding principal balance at the end of the financial year, less allowance for loan losses.

Provision for credit losses of loans to customers is accounted and presented as a separate line in the separate statement of financial position. Loan classification and provision for credit losses are carried out as specified in *Note 4.5*.

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

4.5 Loan classification and provision for credit losses

The Bank applies loan classification using the quantitative method specified in Article 10 of Circular 31 and applies the provisioning principles as regulated in Articles 4, 5, 6, 7, 8 of Decree 86 and Article 16 of Circular 21 for the following assets: loans to customers; financial leasing; discounting and rediscounting of transferable instruments and other valuable papers; factoring; credit granted in the form of credit card issuance; honoring off-balance sheet commitments; purchasing and delegating the purchase of corporate bonds (including bonds issued by other credit institutions) that are not listed; delegating credit; deposits (excluding demand deposits) and credit granted to financial institutions and other credit institutions; buying and selling debts as regulated; buying and selling government bonds in the securities market; purchasing certificates of deposit issued by other credit institutions and foreign bank branches; issuing deferred letters of credit with terms allowing the beneficiary to be paid immediately or before the due date of the letter of credit; and refunding letters of credit in accordance with agreements with customers, paid from funds of the bank that refunds the payment to the beneficiary from the date of the bank's refund payment; negotiating payments for letters of credit; purchasing documents presented under letters of credit on a non-recourse basis, except in cases of non-recourse purchases of documents under letters of credit issued by the bank itself (hereinafter referred to as "debts").

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *Loan classification and provision for credit losses (continued)*

The general provision as of 31 December is established at a rate of 0.75% of the total outstanding balance of classified loans from Group 1 to Group 4 on that date, excluding the following items: deposits at credit institutions, foreign bank branches as regulated by law and deposits at foreign credit institutions; loans and purchases of valuable papers with terms between credit institutions and foreign bank branches in Vietnam; other liabilities arising between credit institutions and foreign bank branches in Vietnam; purchases of certificates of deposit and bonds issued by other credit institutions and foreign bank branches domestically; and repurchase of government bonds on the securities market in accordance with regulations on issuance, registration, custody, listing and trading of government debt instruments on the securities market.

The specific provision for debts as of 31 December is calculated based on the principal balance minus the discounted value of collateral, multiplied by the provisioning rates determined according to the debt classifications as of 31 December. The basis for determining the deductible value of collateral is prescribed in Decree 86.

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 up to 90 days; except those prescribed in point (b) of group 1; or (b) Debts with first-time restructured repayment terms which are undue.	5%
3	Sub standard	(a) Debts are overdue for a period of between 91 days and 180 days; or (b) Debts with first-time extended repayment terms which undue; or (c) Debts which interests are exempted or reduced because customers do not have sufficient capability to repay all interests under agreements; or (d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: <ul style="list-style-type: none"> ▪ 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 and 5 under Article 136 of Law on Credit Institutions. (e) Debts are required to be recovered according to regulatory inspection, examination conclusions; or (f) Debts that need to be recovered under premature debt recovery decisions of credit institutions or foreign bank branches due to borrowers' breach of agreements with them, but are not yet recovered within a period of less than 30 days from the effective dates of recovery decisions; or (g) At the request of the State Bank based on the results of inspection, supervision and relevant credit information.	20%

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Loan classification and provision for credit losses (continued)

Group		Description	Provision rate
4	Doubtful	(a) Debts are overdue for a period of between 181 days and 360 days; or (b) Debts which the repayment terms are restructured for the first time but still overdue for a period of up to 90 days under that restructured repayment term; or (c) Debts with second-time extended repayment terms which undue; or (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 (e) Debts are required to be recovered according to regulatory inspection, examination conclusions but still outstanding with an overdue period up to 60 days since the recovery date as required by regulatory inspection, examination conclusions; or (f) Debts that need to be recovered under premature debt recovery decisions of credit institutions or foreign bank branches due to borrowers' breach of agreements with them, but are not yet recovered in between 30 and 60 days from the effective dates of recovery decisions; or (g) At the request of the State Bank based on the results of inspection, supervision and relevant credit information.	50%
5	Loss	(a) Debts are overdue for a period of more than 360 days; or (b) Debts which the repayment terms are restructured for the first time but still overdue for a period from 91 days or more under that first restructured repayment term; or (c) Debts which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Debts which the repayment terms are restructured for the third time or more; or (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 (f) Debts are required to be recovered under regulatory inspection, examination conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection, examination conclusions; or (g) Debts that need to be recovered under premature debt recovery decisions of credit institutions or foreign bank branches due to borrowers' breach of agreements, but are not yet recovered in more than 60 days from the effective dates of recovery decisions; or (h) Debts of credit institutions are under special control as announced by the SBV, or debts of foreign bank branches which capital and assets are blocked; or (i) At the request of the State Bank based on the results of inspection, supervision and relevant credit information.	100%

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

- Group 3 - Sub-standard loans: overdue for less than 30 days;
- Group 4 - Doubtful loans: overdue for between 30 days and less than 90 days;
- Group 5 - Loss loans: overdue for 90 days or more.

If a customer has more than one debt with the Bank, any of the outstanding debts is 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 SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *Loan classification and provision for credit losses* (continued)

When the Bank participate in a syndicated loan as a participant, they should classify loans (including syndicated loans) of the customer into the group of higher risk between the assessment of the leading bank, the Bank.

The Bank also collects loan classification results of the customers provided by the Credit Information Center of the SBV ("CIC") at the date of loan classification to adjust its own classification of loans. If a customer's loans and off-balance sheet commitments are classified in a loan group that has a lower risk than the loan groups provided in CIC's list, the Bank shall adjust its classification of loans and off-balance commitments following the loan groups provided by CIC.

From 24 April 2023, the Bank applied the policy of restructuring of loan repayment periods and keeping loan groups unchanged for customers adopting criteria of Circular No. 02/2023/TT-NHNN dated 23 April 2023 ("Circular 02") and Circular No. 06/2024/TT-NHNN dated 18 June 2024 amending and supplementing some articles of Circular 02 to support customers facing difficulties in production and business activities, as well as repaying loans to meet their daily life and consumption needs ("Circular 06").

From 26 December 2024, the Bank applied the policy of restructuring of loan repayment periods and keeping loan groups unchanged for customers adopting criteria of Circular 53/2024/TT-NHNN dated 4 December 2024 ("Circular 53") to support customers facing difficulties due to the impact and damage caused by Typhoon No. 3, flooding, inundation, and landslides following Typhoon No. 3.

For loans, whose repayment terms were restructured, interest and/or fees were exempted or reduced and debt classifications were retained, are overdue under the rescheduled repayments and are not continued to be restructured under current regulations, the Bank classifies debt and make provision in accordance with Circular 31.

For loans restructured repayment period under Circular 02 and Circular 06, the Bank classifies to two types of debts as follows: (1) debt classifications before the rescheduling; (2) debts classifications according to the SBV's current regulations. In case the difference between the amount of provision required for (2) and (1) is positive, additional specific provision is made as follows:

Additional allowance	Deadline
At least 50% of the additional specific provision	By 31 December 2023
100% of the additional specific provision	By 31 December 2024

NOTES TO THE SEPARATE 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 debt securities acquired and equity securities purchased for trading purposes. Securities held for trading are initially recognized at cost.

Listed debt securities held for trading and equity securities are recognized at cost less provision for diminution in value of securities. Provision for diminution of trading securities is established when the carrying amount exceeds the market value determined according to the regulations in Circular No. 48/2019/TT-BTC issued by the Ministry of Finance on 8 August 2019 ("Circular 48") and Circular No. 24/2022/TT-BTC issued on 7 April 2022 ("Circular 24"). In cases where the market value of the securities cannot be determined, no provision for diminution will be made. Diminution provision is recognized in the separate income statement under the item "*Net gain/(loss) from securities held for trading*".

For corporate bonds (including bonds issued by other financial institutions) that are not listed on the stock market or not registered for trading on the Upcom system, as well as certificates of deposit issued by credit institutions and foreign bank branches, the Bank will make provisions for risks according to Decree 86 as presented in Note 4.5.

Trading securities are derecognized when the rights to receive cash flows from these securities have been terminated or the Bank has transferred substantially all the risks and rewards of ownership of these securities.

Gains or losses from sales of securities held for trading are recognized in the separate statement of profit or loss.

4.7 Available-for-sale securities

Available-for-sale securities include debt securities and equity securities acquired by the Bank for the investment and available-for-sale purposes, not regularly traded but can be sold when there is a benefit.

Available-for-sale equity securities are initially recognized at cost at the purchase date and continuously presented at cost in subsequent periods.

Available-for-sale debt securities are recognized at par value at the purchase date. Accrued interest incurred before purchase (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 incurred before purchase (if any) or minus (-) deferred interest (if any), is also recognized in a separate account.

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

NOTES TO THE SEPARATE 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)

Available-for-sale securities are subject to diminution review on a periodical basis.

For securities (except for unlisted corporate bonds), the Bank makes provisions for diminution in accordance with Circular 48 as presented in *Note 4.6*. Diminution provision is recorded in the separate statement of profit or loss under the item "*Net gain/(loss) from investment securities*".

For corporate bonds (including bonds issued by other credit institutions) that are not listed on the stock market or not registered for trading on the Upcom market and certificates of deposit issued by credit institutions and foreign bank branches, the Bank will make provisions for credit risk in 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.

Gain/(Loss) from selling available-for-sale securities is recognized in the separate statement of profit or loss.

4.8 Held-to-maturity investment securities

Investment securities held to maturity only include special bonds issued by the Vietnam Asset Management Company ("VAMC").

During the holding period, the Bank annually calculates and makes provision in accordance with Circular No. 14/2015/TT-NHNN dated 28 August 2015 amending and supplementing some articles of Circular No. 19/2013/TT-NHNN on the purchase, sale and resolution of bad debts of VAMC.

Specific provision for special bonds is recognized in the separate income statement in "*Provision expense for credit loss*". General provision is not required for the special bonds.

On settlement date of special bonds, recovery from the debts is recognized into "*Income*".

4.9 Re-purchase and reverse re-purchase contracts

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Investment in subsidiaries

Investments in subsidiaries controlled by the Bank are recognized at cost in the separate financial statements. Distributions of profit received from accumulated profit of subsidiaries subsequent to the control date are recorded in the separate statement of profit and loss of the Bank.

Provision for investment in subsidiaries is made when the investments are impaired due to the losses incurred by subsidiaries and according to Clause 2, Article 5 of Circular 48, as presented in Note 4.11.

4.11 Other long-term investments

Other long-term investments represent investments in other entities in which the Bank holds less than or equal to 11% of voting rights. These investments are initially recorded at cost at the investment date.

The provision for investments in economic organizations is made when the investments to other economic institution are impaired in comparison with value at the investment date, the Bank makes provision according to the regulations in Clause 2, Article 5 of Circular 48

Based on the financial statements or at the end of the fiscal year of the investee at the same time with the Bank's financial statements, provision for investment is calculated according to the following formula:

$$\text{Provision for diminution in value of each investment} = \text{Percentage of invested capital (\%) of the Bank in economic institution at the statement of financial position date} \times \left\{ \begin{array}{l} \text{Total invested amount of all parties in the entity at the reporting date} \\ - \text{Owners' equity of the entity at the reporting date} \end{array} \right\}$$

In case the invested entity does not prepare the separate statement at the statement of financial position date, the Bank does not make provision for those investments.

Provision is reversed when the recoverable amount of the investment increases after the provision is made. Provision is reversed up to the gross value of the investment before the provision is made.

4.12 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 costs of bringing the asset to working condition for its intended use.

Cost related to additions, improvements and renewals are capitalized while expenditures for maintenance and repairs are charged to the separate statement of profit and loss.

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Depreciation and amortization

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

Buildings and architectonic models	5 - 40 years
Motor vehicles	6 years
Machines and equipment	3 - 7 years
Computer software	3 - 5 years
Other fixed assets	3 - 5 years
Office equipment	3 - 5 years

4.14 Operating lease

Rentals under operating lease are charged in the "Total operating expenses" of the separate statement of profit and loss on a straight-line basis over the term of the lease.

4.15 Receivables

4.15.1 Receivables classified as credit-risk bearing assets

Receivables classified as credit-risk assets are recognized at cost and provided for provision by the Bank in accordance with the regulations on recognition and use of provision to resolve the credit risk as presented in Note 4.5.

4.15.2 Other receivables

Receivables other are recognized 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 not due for payment yet but the corporate debtors have fallen into bankruptcy or are in the process of dissolution, or of individual debtors who are missing, escaped, prosecuted, on trial or deceased. Provision expense incurred is recorded in "Total operating expenses" of the separate statement of profit and loss in the period.

Provision for overdue debts is made in accordance with Circular 48 as follows:

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 *Prepaid expenses*

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

4.17 *Share capital*

4.17.1 *Ordinary shares*

Ordinary shares are classified as owners' equity.

4.17.2 *Share premium*

Share premium reflects the difference (increase or decrease) between the issuance price and the par value of the shares (including cases of treasury stocks reissuance), as well as direct expenses related to share issuance or treasury share sale.

4.17.3 *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognized deducting equity according to the actual price including reacquired price and related expenses. When shares are reissued, the cost of shares is calculated according to weighted-average method. The difference between the cost and the amount of the consideration paid is included in share premium.

4.17.4 *Statutory reserves*

The Bank appropriates the following statutory reserves in compliance with Law on Credit Institutions No. 32/2024/QH15, Decree No. 93/2017/ND-CP and its Charter as follow:

	<i>Basic for calculation</i>	<i>Maximum balance</i>
Capital supplementary reserve	10% from profit after tax	100% of charter capital
Financial reserve	10% from profit after tax	Not regulated

The financial reserve is used to handle risks, handle and compensate for financial losses arising during business operations. The financial reserve and Capital supplementary reverse are not allowed to be contributed and are recorded as part of equity.

Other funds are appropriated from profit after tax. Appropriation from profit after tax and utilization of other funds must be approved by the General Meeting of Shareholders. These funds are not regulated by law and are allowed to be fully distributed.

These reserves are created annually based on the separate operating results at year-end.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Recognition of income and expenses

Interest income and expenses are recognized in the separate statement of profit and loss on an accrual basis. The accrued interest of debts which are classified in groups 2 to 5 and debts classified in Group 1 but specific allowance provided is not recognized in the separate statement of profit and loss. This accrued interest is reversed and monitored off-balance sheet and recognized in the separate statement of profit and loss upon actual receipt.

For accrued interest receivable arising from restructuring loans, exemption or reduction interest and keeping unchanged current debts groups (group 1) in accordance with Circular 01, Circular 03, Circular 14, Circular 02, Circular 06 and Circular 53 from the restructuring date, instead of recording interest income (accrued interest), are exposed to off balance sheet those interest income (accrued interest) to encourage re-payments; record back to interest income when collected in accordance with laws on financial regime of credit institutions and branches of foreign banks.

Fees and commissions are recognized on an accrual basis.

Income from cash dividend is recognized in the separate statement of profit or loss when the Bank's right to receive cash dividend is established.

According to Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance, dividends which are received in the form of shares, bonus shares and stock options for existing shareholders, shares distributed from undistributed profit is not recognized as an increase in the value of investments and income is not recognized in the separate statement of profit or loss. Instead, only changes in the number of shares held by the Bank will be updated and presented.

4.19 Debts trading operation

The accounting treatments for debts purchased and sold are in accordance with Circular No. 09/2015/TT-NHNN ("Circular 09") and Circular 18/2022/TT-NHNN ("Circular 18") amending and supplementing some articles of Circular 09 prescribing the purchase and sale of debts by credit institutions and foreign bank branches.

Purchase debts

Debts purchased are initially recorded at purchase price and subsequently presented at cost less provision for credit losses. Price of debts purchased is the settlement amount to be paid by the buyer under the debt purchase contract.

According to Circular 09 and Circular 18, the Bank implements financial settlement and accounting record the purchased debts as follows:

- If the purchasing price is less than or equal to the outstanding principal of purchased debt: The principal amount collected under the credit agreement of the purchased debt shall be collected the purchased debt. In case the purchase price has been made up in full, the remaining principal amount (which is the difference between the outstanding principal of the purchased debt and the purchase price) and interest collected under credit agreements are recorded in the Bank's income during the year.
- If the purchase price is greater than the outstanding principal of the purchased debt: The principal and/or interest amount collected under the credit agreement of the purchased debt shall be collected the purchased debt. When the remaining purchase price is smaller than or equal to the outstanding principal amount of the purchased debt, the principal and/or interest amount collected under the credit agreement of the purchased debt shall be treated according in case the purchasing price is less than or equal to the outstanding principal of purchased debt as above.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 *Debts trading operation* (continued)

Debts purchased are initially classified in the risk group which is not lower than the risk group of the debts before the purchase. Subsequently, debts purchased are monitored, classified and provided for credit losses similar to normal loans to customers as presented in *Note 4.5*.

Sale of debts

According to Circular 09 and Circular 18, the Bank financial handle and accounting record the sale debts as follows:

- Regarding a debt whose principal is recorded in the statement of financial position:
 - ▶ Collection of debts follows the rule: principal is collected first, then comes interests;
 - ▶ If the selling price is greater than or equal to the book value of the debt as recorded in the statement of financial position, after principal and interest of the debt sold are collected, the difference (if any) will be recorded as income of the Bank in the period.
 - ▶ If the selling price is less than the book value of the debt as recorded in the statement of financial position, the Bank uses the compensation (in case the loss of assets is due to subjective reasons and compensation must be paid in accordance with regulations on financial policies) and the insurance payout. The remaining balance (if any) shall be treated as follows:
 - ✓ For uncollected principal: use provision made, if provision made is not adequate, the financial reserve will be used to cover the remaining balance. If all balance of financial reserve is used but not enough, the remaining will be recorded as other expense during the year. After completing all the above-mentioned financial processing, the uncollectible principal amount shall be removed from the statement of financial position.
 - ✓ For uncollected interest: if balance of interests recorded in the statement of financial position has been recorded as income, the Bank recognizes a decrease in income or an increase in expense. If the outstanding interest is recorded on off-balance sheet, it shall be removed from off-balance sheet.
- Regarding debts recorded as off-balance-sheet items, debts removed from off-balance sheet, the proceeds from sale of debts shall be recognized as income of the Bank.
 - ▶ If proceeds from selling a loan (except for those with provisions that have been used to write off bad debts) have not yet been fully collected, the Bank classifies that amount as an unsold loan, presented in *Note 4.5*.
 - ▶ Book value of debts purchased or sold is the book value of the principal, interest and other related financial obligations (if any) of debts recorded in the separate statement of financial position or off-balance sheet at the date of debts purchased or sold; 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 debts purchased or sold.

The selling price is the sum of consideration which seller received from debt buyer under a debt sale contract.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Foreign currency transactions

All transactions are recorded in original currencies. At reporting date, monetary assets and liabilities denominated in foreign currencies are translated into VND using exchange rates ruling at the separate statement of financial position date (*Note 47*). Income and expenses in foreign currencies are converted into VND at rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities are recognized and followed in the "*Foreign exchange differences*" under "*Owners' equity*" in the separate statement of financial position and will be transferred to the separate statement of profit and loss at the end of the period.

4.21 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.

4.22 Borrowings from the Government and the SBV

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

4.23 Deposits from other credit institutions, customer deposits and valuable papers issued

Deposits from other credit institutions, customer deposits and valuable papers issued are disclosed at the principal amounts outstanding at the date of separate financial statements. 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.

4.24 Corporate income taxes

Current income tax

Current income tax assets and liabilities for the current and prior period are measured at the amount expected to recover from or to be paid to the taxation authorities. The tax rates and tax laws are applied and enacted at the date of statement of financial position date.

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

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

NOTES TO THE SEPARATE 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 taxes (continued)

Deferred tax

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

Deferred tax payable is recognized for all temporary taxable differences.

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

4.25 Fiduciary assets

Assets held in a fiduciary capacity are not assets of the Bank. Fiduciary assets are recorded in "*Other assets and documents*" in Off-balance sheet items of separate financial statements.

4.26 Classification for off-balance sheet commitments

According to Circular 31, the Bank classify guarantees, Letter of credit operations (except in cases specified at point n, clause 1, Article 1 of Circular 31), payment acceptances and irrevocable loan commitments with specific effective date and other commitments with credit risk (generally called "*off-balance sheet commitments*") in compliance with Article 10, Circular 31 for management and monitoring of credit quality.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.27 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the separate 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 asset and settle the liability simultaneously.

4.28 Derivatives

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

Currency forward contracts

The currency forward contracts are commitments to settle in cash in pre-determined currency on pre-determined future date based on pre-determined exchange rates. The currency forward contracts are recognized at nominal value at the transaction date and are revalued for the reporting purpose at the exchange rate at the reporting date. Gains or losses are recognized in the "Foreign exchange differences" under "Owners' equity" in the separate statement of financial position and will be transferred to the separate statement of profit and loss at the end of the period.

Swap contracts

The swap contracts are commitments to settle in cash on a current or pre-determined future date based on pre-determined exchange rates calculated on the notional principal amount or commitments to settle interest based on a floating rate or a fixed rate calculated on the notional amount and in a given period.

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

Government bond futures contract

Government bond futures contract (GBFC) are commitments to buy or sell a certain number of underlying assets, namely government bonds or hypothetical bonds, that have similar characteristics as a government bond issued by the State Treasury (or otherwise prescribed by law) at a predetermined price on a predetermined future date.

During the holding period, on daily basis, based on the results of the evaluation of profit/loss position for each bond futures contract code, the Bank recognized in "Income from other activities" or "Expenses from other activities" under the separate statement of profit and loss.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.29 *Employee benefits*

4.29.1 *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 gross monthly salary under regulations. Other than that, the Bank has no further obligation relating to post-employment benefits.

4.29.2 *Voluntary resignation benefits*

According to Article 46 Vietnam Labor Code No. 45/2019/QH14 effective 1 January 2021, The Bank has the obligation to pay allowance arising to employees who have worked regularly for the Bank for twelve months or more, each year of service is entitled to a severance allowance equivalent to half a month's salary, except in cases where the employee qualifies for a pension under social insurance laws and certain other cases specified in point e, clause 1, Article 36 of this Code. The average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date.

4.29.3 *Unemployment insurance*

According to Circular No. 28/2015/TT-BLĐTBXH on guidelines for Article 52 of the Law on Employment and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government on 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.

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

5. CASH, GOLD AND GEMSTONES

	31 December 2024 VND million	31 December 2023 VND million
Cash on hand in VND	1,891,474	2,076,239
Cash on hand in foreign currencies	228,427	208,662
Gold on hand	28,388	89
	<u>2,148,289</u>	<u>2,284,990</u>

6. BALANCES WITH THE STATE BANK OF VIETNAM

	31 December 2024 VND million	31 December 2023 VND million
Demand deposits at the SBV		
In VND	13,524,957	7,560,346
In foreign currencies	208,939	331,597
	<u>13,733,896</u>	<u>7,891,943</u>

Deposits at the SBV include payment deposits and required reserves at the SBV. As at 31 December 2024, the required reserve deposits in VND and payment deposits in foreign currencies are entitled to interest rates of 0.50% p.a and 0.00% p.a respectively (31 December 2023: 0.50% p.a and 0.00% p.a).

The CRR rate as at the end of the year as below:

	CRR rates (%)	
	31 December 2024	31 December 2023
Preceding month average balances of:		
Deposit of foreign credit institutions in foreign currencies	1.00	1.00
Deposit with term of less than 12 months in foreign currencies	8.00	8.00
Deposit with term of and more than 12 months in foreign currencies	6.00	6.00
Deposit in VND with term of less than 12 months	3.00	3.00
Deposit in VND with term of and more than 12 months	1.00	1.00

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

7. PLACEMENTS WITH AND CREDIT GRANTING TO OTHER CREDIT INSTITUTIONS

7.1 Placements with other credit institutions

	31 December 2024 VND million	31 December 2023 VND million
Demand deposits	10,688,980	9,442,612
In VND	9,269,427	7,790,575
In foreign currencies	1,419,553	1,652,037
Term deposits	137,815,835	86,891,930
In VND	115,700,000	78,940,000
In foreign currencies	22,115,835	7,951,930
	148,504,815	96,334,542

7.2 Credit granting to other credit institutions

	31 December 2024 VND million	31 December 2023 VND million
In VND	8,116,382	12,794,705
- In which: Discount, re-discount	3,019,398	-
	8,116,382	12,794,705

Analysis of outstanding term deposits with and credit granting to other credit institutions by quality as at the reporting date is as follows:

	31 December 2024 VND million	31 December 2023 VND million
Current	145,932,217	99,686,635
	145,932,217	99,686,635

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

8. SECURITIES HELD FOR TRADING

8.1 Debit securities

	31 December 2024 VND million	31 December 2023 VND million
Debit securities		
Government and municipal securities	-	581,548
	-	581,548

8.2 Securities held for trading by listing status

	31 December 2024 VND million	31 December 2023 VND million
Debt securities		
Listed	-	581,548
	-	581,548

9. DERIVATIVES AND OTHER FINANCIAL LIABILITIES

	Total contract nominal value (at contractual exchange rate) VND million	Total carrying value (at exchange rate as at reporting date)		
		Cash in-flow VND million	Cash out-flow VND million	Net value VND million
As at 31 December 2024				
Derivative financial instruments	174,269,112	168,471,162	(167,867,987)	603,175
Currency forward contracts	36,417,208	36,108,740	(36,071,453)	37,287
Currency swap contracts	137,851,904	132,362,422	(131,796,534)	565,888
Other derivative financial instruments	74,648,583	24,252,977	(24,888,365)	(635,388)
	<u>248,917,695</u>	<u>192,724,139</u>	<u>(192,756,352)</u>	<u>(32,213)</u>
As at 31 December 2023				
Derivative financial instruments	204,200,296	191,571,768	(191,356,892)	214,876
Currency forward contracts	69,312,472	69,587,257	(69,467,050)	120,207
Currency swap contracts	134,887,824	121,984,511	(121,889,842)	94,669
Other derivative financial instruments	52,050,865	36,023,229	(36,365,726)	(342,497)
	<u>256,251,161</u>	<u>227,594,997</u>	<u>(227,722,618)</u>	<u>(127,621)</u>

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

10. LOANS TO CUSTOMERS

	31 December 2024		31 December 2023	
	VND million	%	VND million	%
Loans to domestic economic entities and individuals	585,449,542	95.07	469,067,908	94.49
Discounted bills and valuable papers	309,971	0.05	195,586	0.04
Payments on behalf of customers	153,473	0.02	146,281	0.03
Loans financed by borrowed and entrusted funds	14,430	0.00	36,757	0.01
Loans to foreign economic entities and individuals	2	0.00	-	0.00
Other credit granting to customers	29,952,374	4.86	26,963,206	5.43
	615,879,792	100	496,409,738	100

10.1 Analysis of loan portfolio by quality

Analysis of loan portfolio by quality as at the end of the year is as follows:

	31 December 2024	31 December 2023
	VND million	VND million
Current	561,627,171	449,782,076
Special mention	35,507,938	30,734,627
Substandard	6,555,076	7,552,200
Doubtful	6,809,697	5,135,025
Loss	5,379,910	3,205,810
	615,879,792	496,409,738

10.2 Analysis of loan portfolio by original maturity

	31 December 2024	31 December 2023
	VND million	VND million
Short term	223,433,816	189,328,955
Medium term	223,568,384	169,722,860
Long term	168,877,592	137,357,923
	615,879,792	496,409,738

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

10. LOANS TO CUSTOMERS (continued)

10.3 Analysis of loan portfolio by ownership and type of customers

	31 December 2024		31 December 2023	
	VND million	%	VND million	%
State-owned companies	129,748	0.02	168,557	0.03
Single-member limited liability companies with 100% State ownership	7,852	0.00	24,285	0.00
Multi-member limited liability companies with over 50% State ownership or being controlled by the State	75,336	0.01	13,071	0.00
Other limited liability companies	170,043,836	27.61	109,278,789	22.01
Joint stock companies with over 50% State ownership or being controlled by the State	93,813	0.02	91,318	0.02
Other joint-stock companies	178,455,863	28.98	137,147,710	27.63
Partnership	1,002	0.00	946	0.00
Private enterprises	51,021	0.01	55,690	0.01
Foreign invested enterprises	3,770,491	0.61	221,562	0.04
Co-operatives and unions of co-operative	60,237	0.01	57,718	0.01
Household business and individuals	263,187,588	42.73	249,345,007	50.25
Operation administration entity, the Party, unions and associations	3,003	0.00	4,963	0.00
Others	2	0.00	122	0.00
	<u>615,879,792</u>	<u>100</u>	<u>496,409,738</u>	<u>100</u>

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

10. LOANS TO CUSTOMERS (continued)

10.4 Analysis of loan portfolio by sectors

	31 December 2024		31 December 2023	
	VND million	%	VND million	%
Agricultural, forestry and aquaculture	2,054,559	0.33	3,041,136	0.61
Mining	1,519,641	0.25	1,502,568	0.30
Processing, manufacturing	30,747,223	4.99	26,526,254	5.34
Electricity, petroleum and steam	861,118	0.14	1,408,650	0.28
Water supply and waste treatment	146,670	0.02	692,813	0.14
Construction	38,698,674	6.28	27,538,416	5.55
Wholesale and retail trade, repair of motor vehicles, motor cycles and personal goods	70,911,252	11.51	53,438,420	10.76
Transportation and logistics	12,164,350	1.98	9,817,781	1.98
Hospitality and restaurants	18,946,107	3.08	13,290,068	2.68
Information and media	1,042,484	0.17	911,727	0.18
Finance, banking and insurance services	17,748,007	2.88	20,891,311	4.21
Real estates	167,101,845	27.13	96,957,430	19.53
Scientific research and technology	3,320,412	0.54	1,634,569	0.33
Administrative activities and support services	2,937,827	0.48	1,495,928	0.3
Activities of the Communist Party, political - social organizations, state management, security and defense	10,696	0.00	4,870	0.00
Education and vocational training	1,072,488	0.17	2,645,282	0.53
Healthcare and community development	591,474	0.1	1,219,198	0.25
Recreational, cultural, sporting activities	3,546,017	0.58	3,833,876	0.77
Other services	2,274,013	0.37	2,012,512	0.41
Households services, production of material products and services used by households	146,331,260	23.76	141,761,303	28.57
Individual borrowing for accommodation purpose and obtain land use rights	93,853,675	15.24	85,785,626	17.28
	615,879,792	100	496,409,738	100

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

11. PROVISION FOR CREDIT LOSSES OF LOANS TO CUSTOMERS

Provision for credit losses of loans to customers at the end of the year is as follows:

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
General provision	4,556,403	3,691,208
Specific provision	6,541,627	4,689,239
	11,098,030	8,380,447

Changes in provision for credit losses for the year ended 31 December 2024 are as follows:

	<i>General provision</i>	<i>Specific provision</i>	<i>Total</i>
	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>
Opening balance	3,691,208	4,689,239	8,380,447
Provision charged/(reversed) in the year (Note 34)	925,942	15,511,462	16,437,404
Utilization of provision used to write off bad debts and selling debts in the year	(60,747)	(13,659,074)	(13,719,821)
Closing balance	4,556,403	6,541,627	11,098,030

Changes in provision for credit losses for the year ended 31 December 2023 are as follows:

	<i>General provision</i>	<i>Specific provision</i>	<i>Total</i>
	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>
Opening balance	2,676,836	2,832,189	5,509,025
Provision charged/(reversed) in the year (Note 34)	1,029,285	11,427,210	12,456,495
Utilization of provision used to write off bad debts and selling debts in the year	(14,913)	(9,570,160)	(9,585,073)
Closing balance	3,691,208	4,689,239	8,380,447

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

12. DEBTS PURCHASED

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Debt purchased in VND	6,185,407	7,207,076
Provision for debts purchased	(55,998)	(114,765)
	<u>6,129,409</u>	<u>7,092,311</u>

Details of outstanding principal and interest of debts purchased were as follows:

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Principal	6,185,407	7,203,229
Interest from debts purchased and the difference in the price of the debts purchased	-	3,847
	<u>6,185,407</u>	<u>7,207,076</u>

Analysis by quality of debts purchased at the reporting date was follows:

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Current	5,741,882	6,763,551
Special mention	443,525	443,525
	<u>6,185,407</u>	<u>7,207,076</u>

Changes in provision for debt purchased during the year are as follows:

	<i>2024</i>	<i>2023</i>
	<i>VND million</i>	<i>VND million</i>
Opening balance	114,765	41,025
Provision charged/(reversed) in the year (Note 34)	(54,042)	73,740
- <i>General provision</i>	(17,402)	13,028
- <i>Specific provision</i>	(36,640)	60,712
Utilization of provision in the year	(4,725)	-
Closing balance	<u>55,998</u>	<u>114,765</u>

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

13. INVESTMENT SECURITIES

13.1 Available-for-sale securities

	31 December 2024 VND million	31 December 2023 VND million
Debt securities	50,108,917	87,525,760
Government and municipal securities	32,499,419	37,261,973
Debt securities issued by other domestic credit institutions	10,303,355	26,658,071
- In which: Debt securities guaranteed by the Government	1,216,699	359,442
Debt securities issued by domestic economic entities	7,306,143	23,605,716
Equity securities	15,357	15,357
Equity securities issued by domestic economic entities	15,357	15,357
	<u>50,124,274</u>	<u>87,541,117</u>
Provision for available-for-sale securities	(62,346)	(210,216)
General provision	(54,796)	(177,043)
Specific provision	-	(27,932)
Diminution provision	(7,550)	(5,241)
	<u>50,061,928</u>	<u>87,330,901</u>

Face value of valuable papers pledged for capital mobilization contracts and repos at other credit institutions and set limit at SBV as at 31 December 2024 amounted to VND2,060,000 million (31 December 2023: VND3,345,000 million).

As at 31 December 2024, the balance of bonds sold under agreement to repurchase amounted to VND2,000,000 million (as 31 December 2023: VND5,000,000 million).

Analysis of available-for-sale securities by listing status at the reporting date is as follows:

	31 December 2024 VND million	31 December 2023 VND million
Listed bonds	33,716,118	37,621,415
Unlisted bonds (Note 13.4)	10,838,062	36,426,537
Other unlisted valuable papers (Note 13.4)	5,554,737	13,477,808
Listed equity securities	15,357	15,357
	<u>50,124,274</u>	<u>87,541,117</u>

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

13. INVESTMENT SECURITIES (continued)

13.2 Held- to-maturity securities

	31 December 2024 VND million	31 December 2023 VND million
Special bonds VAMC	992,927	4,350,437
	<u>992,927</u>	<u>4,350,437</u>

Special bonds are bonds issued by VAMC with term of 5 years and bear no interest.

13.3 Provision for investment securities available for sale

Movement of provision for investment securities in 2024 is as follows:

	General provision VND million	Specific provision VND million	Diminution provision VND million	Total VND million
Opening balance	177,043	27,932	5,241	210,216
Provision charged/(reversed) in the year (Note 30)	(122,247)	(27,932)	2,309	(147,870)
Closing balance	<u>54,796</u>	<u>-</u>	<u>7,550</u>	<u>62,346</u>

Movement of provision for investment securities in 2023 is as follows:

	General provision VND million	Specific provision VND million	Diminution provision VND million	Total VND million
Opening balance	246,689	-	5,911	252,600
Provision charged/(reversed) in the year (Note 30)	(69,646)	27,932	(670)	(42,384)
Closing balance	<u>177,043</u>	<u>27,932</u>	<u>5,241</u>	<u>210,216</u>

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

13. INVESTMENT SECURITIES (continued)

13.4 Analysis of investment securities by quality

Analysis by quality of investment securities including promissory notes, treasury bills and certificates of deposit issued by other credit institutions and foreign bank branches unlisted corporate bonds classified as credit risk bearing assets at the end of the year is as follows:

	31 December 2024	31 December 2023
	VND million	VND million
Current	14,336,799	37,827,345
Special mention	1,300,000	8,696,500
Substandard	36,000	1,880,500
Doubtful	720,000	1,000,000
Loss	-	500,000
	16,392,799	49,904,345

14. LONG-TERM INVESTMENTS

14.1 Investments in subsidiaries

	31 December 2024		31 December 2023	
	Cost		Cost	
	VND million	% owned	VND million	% owned
VPBank Asset Management Company Limited	115,000	100.00	115,000	100.00
VPBank SMBC Finance Company Limited	5,576,018	50.00	5,576,018	50.00
VPBank Securities Joint Stock Company	15,083,267	99.9537	15,083,267	99.9537
OPES Insurance Joint Stock Company	1,359,505	99.13	644,505	98.00
	22,133,790		21,418,790	
Provision for investment in subsidiaries	(123,035)		(326,253)	
	22,010,755		21,092,537	

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

14. LONG-TERM INVESTMENTS (continued)

14.2 Other long-term investments

	31 December 2024		31 December 2023	
	Cost		Cost	
	VND million	% owned	VND million	% owned
Investments in economic entities				
Vietnam Credit Information Joint				
Stock Company	3,934	3.28	3,934	3.28
Sai Gon Port Joint Stock Company	185,276	7.44	185,276	7.44
	189,210		189,210	

14.3 Provision for long-term investments

Changes in provision for long-term investments in the year are as follows:

	2024	2023
	VND million	VND million
Opening balance	326,253	44,220
Provision charged/(reversed) in the year (Note 33)	(203,218)	282,033
Closing balance	123,035	326,253

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

15. FIXED ASSETS

15.1 Tangible fixed assets

Movements of tangible fixed assets in the year are as follows:

	<i>Buildings and architectonic models VND million</i>	<i>Machines and equipment VND million</i>	<i>Motor vehicles VND million</i>	<i>Office equipment VND million</i>	<i>Other VND million</i>	<i>Total VND million</i>
Cost						
Opening balance	971,175	1,212,746	195,235	158,329	50,939	2,588,424
Purchases in the year	-	1,739	24,946	3,001	-	29,686
Other increase	-	362,226	-	41,532	-	403,758
Disposal	-	(1,133)	(11,245)	(6,012)	(2,977)	(21,367)
Closing balance	971,175	1,575,578	208,936	196,850	47,962	3,000,501
Accumulated depreciation						
Opening balance	149,451	882,982	128,348	134,890	50,773	1,346,444
Charge for the year	24,679	224,427	16,657	16,178	159	282,100
Disposal	-	(1,133)	(11,245)	(6,012)	(2,977)	(21,367)
Closing balance	174,130	1,106,276	133,760	145,056	47,955	1,607,177
Net book value						
As at beginning date	821,724	329,764	66,887	23,439	166	1,241,980
As at closing date	797,045	469,302	75,176	51,794	7	1,393,324

Cost of fully-depreciated tangible fixed assets which are still in active use as at 31 December 2024 is VND1,039,969 million (31 December 2023: VND920,354million).

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

15. FIXED ASSETS (continued)

15.2 Intangible fixed assets

Movements of intangible fixed assets in the year are as follows:

	<i>Indefinite land use rights VND million</i>	<i>Computer software VND million</i>	<i>Total VND million</i>
Cost			
Opening balance	65,127	1,041,200	1,106,327
Purchases in the year	-	22,535	22,535
Other increase	-	75,690	75,690
Closing balance	65,127	1,139,425	1,204,552
Accumulated amortization			
Opening balance	868	777,770	778,638
Charge for the year	-	125,588	125,588
Closing balance	868	903,358	904,226
Net book value			
At the beginning date	64,259	263,430	327,689
At the closing date	64,259	236,067	300,326

Cost of fully-depreciated intangible fixed assets which are still in active use as at 31 December 2024 is VND621,788 million (31 December 2023: VND548,220 million).

16. OTHER ASSETS

16.1 Receivables

	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
Internal receivables	261,322	206,810
External receivables	9,250,700	32,463,725
- Receivables related to usance letters of credit	4,895,385	28,000,136
- Deposits for economic contracts	1,338,649	1,375,917
- Receivables in settlement operation	1,414,058	1,928,290
- Advances to suppliers	400,579	423,509
- Other external receivables	1,202,029	735,873
Purchase of fixed assets	49,963	90,308
Construction in progress	5,017	4,768
	9,567,002	32,765,611

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

16. OTHER ASSETS (continued)

16.2 Accrued interest and fee receivables

	31 December 2024 VND million	31 December 2023 VND million
Interest receivables from deposits	180,696	69,900
Interest receivables from investment securities	934,709	1,610,283
Interest receivables from credit activities	4,843,895	3,833,526
Interest receivable from debt trading	5,437	28,159
Interest receivables from derivative instruments	869,227	1,131,208
Other fee receivables	330,201	1,105,451
	<u>7,164,165</u>	<u>7,778,527</u>

16.3 Other assets

	31 December 2024 VND million	31 December 2023 VND million
Materials	10,917	14,965
Assets in substitution for obligation performance of securers who has transferred the ownership to the Bank in compliance with the SBV's prevailing regulations	491,729	480,527
- In which: Real estates	491,729	480,527
Prepaid expenses	4,340,290	5,301,726
Other assets	-	2,366
	<u>4,842,936</u>	<u>5,799,584</u>

16.4 Provision for other assets

Analysis of other assets classified as credit-risk assets by quality at reporting date is as follows:

	31 December 2024 VND million	31 December 2023 VND million
Current	4,891,526	-
Special mention	3,859	-
	<u>4,895,385</u>	<u>-</u>

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

16. OTHER ASSETS (continued)

16.4 Provision for other assets

Changes of provision for other assets in the year are as follows:

	2024 VND million	2023 VND million
Opening balance	58,827	68,192
Provision charged in the year	54,150	(9,365)
<i>Provision charged for other credit risk bearing assets (Note 34)</i>	36,815	-
<i>Provision charged for doubtful debts (Note 33)</i>	17,335	(9,365)
Closing balance	<u>112,977</u>	<u>58,827</u>

Details of provision for other assets are as follows:

	31 December 2024 VND million	31 December 2023 VND million
General provision for credit risks bearing assets	36,815	-
- <i>General provision</i>	36,756	-
- <i>Specific provision</i>	59	-
Provision for doubtful debts	76,162	58,827
	<u>112,977</u>	<u>58,827</u>

17. AMOUNTS DUE TO THE GOVERNMENT AND THE STATE BANK OF VIETNAM

	31 December 2024 VND million	31 December 2023 VND million
Borrowings from the State Bank of Vietnam	3,360	4,117,311
Discount of valuable papers	-	4,112,234
Other borrowings	3,360	5,077
Deposits of the State Treasury	2,353	1,000
Deposits of the State Treasury	2,353	1,000
	<u>5,713</u>	<u>4,118,311</u>

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

18. DEPOSITS AND BORROWINGS FROM FINANCIAL INSTITUTIONS AND OTHER CREDIT INSTITUTIONS

18.1 Deposits from other credit institutions

	31 December 2024 VND million	31 December 2023 VND million
Demand deposits	7,163,979	8,076,076
<i>In VND</i>	7,158,480	8,070,199
<i>In foreign currencies</i>	5,499	5,877
Term deposits	104,656,892	76,367,200
<i>In VND</i>	94,870,000	72,500,000
<i>In foreign currencies</i>	9,786,892	3,867,200
	111,820,871	84,443,276

18.2 Borrowings from financial institutions and other credit institutions

	31 December 2024 VND million	31 December 2023 VND million
Payables arising from usance letters of credit	16,219,307	25,371,494
Borrowings from financial institutions and other credit institutions	62,151,450	36,151,530
<i>In VND</i>	4,924,724	370,749
<i>In which: Discounted loans for valuable papers</i>	1,920,560	-
<i>In foreign currencies</i>	57,226,726	35,780,781
<i>In which: borrowings from International Financial Company ("IFC")</i>	2,723,298	4,746,837
	78,370,757	61,523,024

Borrowings from financial institutions and other credit institutions by original maturity at the end of the year are as follows:

	31 December 2024 VND million	31 December 2023 VND million
Up to 6 months	10,042,410	1,930,718
From over 6 months to 12 months	9,543,237	-
From over 12 months to 5 years	34,935,087	34,201,079
Over 5 years	7,630,716	19,733
	62,151,450	36,151,530

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

19. CUSTOMER DEPOSITS

	31 December 2024 VND million	31 December 2023 VND million
Demand deposits	69,024,896	77,365,805
- In VND	67,105,768	75,114,334
- In foreign currencies	1,919,128	2,251,471
Term deposits	414,597,661	364,378,264
- In VND	413,068,629	363,501,889
- In foreign currencies	1,529,032	876,375
Deposits for specific purposes	96,550	83,763
- In VND	55,041	55,778
- In foreign currencies	41,509	27,985
Margin deposits	2,016,630	1,730,418
- In VND	1,879,695	1,666,917
- In foreign currencies	136,935	63,501
	485,735,737	443,558,250

Analysis of customer deposits by type of customers and by type of entities is as follows:

	31 December 2024 VND million	%	31 December 2023 VND million	%
State-owned companies	804,266	0.17	631,891	0.14
Single-member limited liability companies with 100% State ownership	1,075,326	0.22	1,799,529	0.41
Multi-member limited liability companies with over 50% State ownership or controlled by the State	205,354	0.04	69,581	0.02
Other limited liability companies	35,421,712	7.29	37,813,524	8.53
Joint stock companies with over 50% State ownership or controlled by the State	2,317,118	0.48	2,088,042	0.47
Other joint-stock companies	133,609,282	27.50	104,974,435	23.67
Partnership companies	4,275	0.00	3,021	0.00
Private enterprises	52,397	0.01	42,028	0.01
Foreign invested enterprises	4,715,378	0.97	327,345	0.07
Co-operatives and unions of co-operative	80,402	0.02	57,201	0.01
Household business and individuals	303,140,002	62.41	292,614,181	65.96
Operation administration entity, the Party, unions and associations	3,934,831	0.81	2,405,140	0.54
Others	375,394	0.08	732,332	0.17
	485,735,737	100	443,558,250	100

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

20. OTHER BORROWED AND ENTRUSTED FUNDS

	31 December 2024 VND million	31 December 2023 VND million
Borrowed and entrusted funds in VND from Official Development Assistance (ODA)	10,894	22,045
	<u>10,894</u>	<u>22,045</u>

21. VALUABLE PAPERS ISSUED

Valuable papers issued by original term are as follows:

	31 December 2024 VND million	31 December 2023 VND million
Under 12 months	41,107,000	8,547,500
From 12 months up to 5 years	4,493,644	17,481,967
From 5 years and above	995,582	993,328
	<u>46,596,226</u>	<u>27,022,795</u>

Types of valuable papers issued are as follows:

	31 December 2024 VND million	31 December 2023 VND million
Certificates of deposit to retail customers	-	4,799,409
Certificates of deposit to corporate customers	41,637,000	10,551,300
Bonds	4,959,226	11,672,086
	<u>46,596,226</u>	<u>27,022,795</u>

22. OTHER LIABILITIES

22.1 Interest and fees payable

	31 December 2024 VND million	31 December 2023 VND million
Interest payables for customer term deposits	6,137,721	8,048,867
Interest payables for customer saving deposits	844,537	1,065,174
Interest payables for valuable papers issued	830,359	1,446,641
Interest payables for borrowings from financial institutions and other credit institutions	982,869	911,953
Interest payables for other borrowed and entrusted funds	7	21
Interest payables for other credit facilities in VND	1,180	-
Interest payables for derivative financial instruments	940,158	1,246,059
Fee payables	850	817
	<u>9,737,681</u>	<u>12,719,532</u>

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

22. OTHER LIABILITIES (continued)

22.2 Other liabilities

	31 December 2024	31 December 2023
	VND million	VND million
Internal payables	71,589	12,378
Payables to employees	71,589	12,378
External payables	7,165,358	8,134,916
Unearned income	20,452	64,385
Transfer payment awaiting settlement	768,674	323,834
Taxes payable to the State Budget (Note 23)	2,610,220	2,397,444
Payables in settlement operation	1,661,891	4,199,775
Payables to suppliers	34,336	44,361
Other liabilities	2,069,785	1,105,117
	7,236,947	8,147,294

23. TAXES AND OTHER OBLIGATIONS TO THE STATE BUDGET

	Movements in the year			
	Opening balance	Payables	Paid	Closing balance
	VND million	VND million	VND million	VND million
Value added tax	270,198	613,849	(790,017)	94,030
Corporate income tax	2,015,474	3,622,791	(3,223,844)	2,414,421
Other taxes	111,772	954,232	(964,235)	101,769
	2,397,444	5,190,872	(4,978,096)	2,610,220

23.1 Current corporate income tax

The Bank has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits according to Circular No. 78/2014/TT-BTC which became effective from 2 August 2014.

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

Current corporate income tax payables are determined based on taxable income of the accounting period. Taxable income differs from the one reported in the separate statement of profit and loss since taxable income excludes incomes which are taxable or expenses which are deducted in prior years due to the differences between the Bank's accounting policies and the tax regulations, and also excludes non-taxable income and non-deductible expenses. The current corporate income tax payable of the Bank are calculated based on the statutory tax rates applicable at the end of financial year.

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

23. TAXES AND OTHER OBLIGATIONS TO THE STATE BUDGET (continued)

23.1 Current corporate income tax (continued)

Provision for current income tax expense is estimated as follows:

	2024 VND million	2023 VND million
Profit before tax	18,260,253	13,468,297
Plus/(Minus):		
- Non - taxable income	(230,370)	(3,147)
- Non - deductible expenses	48,560	62,217
- Other adjustments	(4,742)	-
Estimated taxable income	18,073,701	13,527,367
Income tax expense using prevailing tax rate	3,614,740	2,705,473
Adjustment of tax expenses in previous year	8,051	5,034
Income tax expense for the year	3,622,791	2,710,507
Income tax payable at the beginning of the year	2,015,474	3,093,266
Income tax paid in the year	(3,223,844)	(3,788,299)
Current income tax payable at the end of the year	2,414,421	2,015,474

23.2 Deferred income tax

	31 December 2024 VND million	31 December 2023 VND million
Deferred tax assets arising from deductible temporary difference	11,667	8,153
	11,667	8,153

Vietnam Prosperity Joint Stock Commercial Bank
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

B05/TCTD

24. OWNERS' EQUITY AND RESERVES

24.1 Statement of changes in equity

	Charter capital VND million	Share premium VND million	Capital supplement ary reserve VND million	Financial reserve VND million	Investment and development fund VND million	Retained eamings VND million	Treasury share VND million	Total VND million
As at 1 January 2023	67,434,236	-	958,922	7,374,191	722,930	19,940,792	(883,466)	95,547,605
Net profit for the year	-	-	-	-	-	10,765,943	-	10,765,943
Issuing shares for increasing capital (ii)	11,905,000	23,992,546	-	-	-	-	-	35,897,546
Appropriation to reserves	-	-	538,297	1,076,594	-	(1,614,891)	-	-
Use of reserves for the year	-	-	-	(292,890)	-	-	-	(292,890)
Transferring development and investment funds to Share premium	-	581,270	-	-	(581,270)	-	-	-
Issuing shares under ESOP from treasury shares (i)	-	(581,270)	-	-	-	-	883,466	302,196
Dividends of 2022 to shareholders	-	-	-	-	-	(7,933,924)	-	(7,933,924)
Other movements	-	-	-	-	-	(133,492)	-	(133,492)
As at 31 December 2023	79,339,236	23,992,546	1,497,219	8,157,895	141,660	21,024,428	-	134,152,984
Net profit for the year	-	-	-	-	-	14,640,976	-	14,640,976
Appropriation to reserves	-	-	1,442,341	1,442,341	-	(2,884,682)	-	-
Use of reserves for the year	-	-	-	(571,259)	-	-	-	(571,259)
Dividends to shareholders in 2023	-	-	-	-	-	(7,933,924)	-	(7,933,924)
As at 31 December 2024	79,339,236	23,992,546	2,939,560	9,028,977	141,660	24,846,798	-	140,288,777

24. OWNERS' EQUITY AND RESERVES (continued)

24.1 Statement of changes in equity

- (i) According to the Resolution of the Board of Directors No.199/2023/NQ-HĐQT dated 03 October 2023, the Bank completed issuance of 30,219,600 shares under the Employee Stock Ownership Plan ("ESOP"), with par value of VND10,000 per share. On 09 October 2023, State Securities Commission of Viet Nam issued Official Dispatch No. 6755/UBCK-QLCB on receiving report on results of ESOP issuance.
- (ii) According to the Resolution of the Board of Directors No.223/2023/NQ-HĐQT dated 20 October 2023 on the result of issuing shares to increase charter capital, the Bank successfully issued 1,190,500,000 shares on 20 October 2023 for Sumitomo Mitsui Banking Corporation (SMBC) to increase charter capital. On 24 October 2023, State Securities Commission of Viet Nam issued Official Dispatch No.7178/UBCK-QLCB on receiving VPBank's report on the result of above-mentioned share issuance.

24.2 Equity

	31 December 2024		31 December 2023	
	Number Shares	Face value VND million	Number Shares	Face value VND million
Registered shares	7,933,923,601	79,339,236	7,933,923,601	79,339,236
Public issued shares	7,933,923,601	79,339,236	7,933,923,601	79,339,236
- Common shares	7,933,923,601	79,339,236	7,933,923,601	79,339,236
Treasury shares redeem	-	-	-	-
Outstanding shares	7,933,923,601	79,339,236	7,933,923,601	79,339,236
- Common shares	7,933,923,601	79,339,236	7,933,923,601	79,339,236

The face value of each share of the Bank is VND10,000.

25. INTEREST AND SIMILAR INCOME

	2024 VND million	2023 VND million
Interest income from deposits	2,194,527	1,406,035
Interest income from loans to customers	57,056,299	52,386,572
Interest income from securities held for trading and investment securities	3,174,612	5,378,099
- Interest income from investment securities	3,174,612	5,378,099
Income from guarantee activities	272,195	265,085
Interest income from debts purchased	731,863	669,913
Other income from credit activities	1,496,109	1,033,178
	64,925,605	61,138,882

26. INTEREST AND SIMILAR EXPENSES

	2024	2023
	VND million	VND million
Interest expenses for deposits	21,279,056	26,010,029
Interest expenses for borrowings	4,851,475	4,862,996
Interest expenses for valuable papers issued	1,536,819	3,257,833
Other expenses for credit activities	924,555	617,791
	<u>28,591,905</u>	<u>34,748,649</u>

27. NET FEE AND COMMISSION INCOME

	2024	2023
	VND million	VND million
Fee and commission income	9,182,086	10,035,330
Settlement and treasury services	1,386,078	3,113,341
Advisory activities	108,008	45,418
Income from business and insurance services	605,035	1,107,302
Other services	7,082,965	5,769,269
Fee and commission expenses	(5,281,573)	(3,931,824)
Settlement services and treasury services	(353,599)	(384,037)
Brokerage fees	(61,156)	(58,919)
Other expenses	(4,866,818)	(3,488,868)
	<u>3,900,513</u>	<u>6,103,506</u>

28. NET GAIN/(LOSS) FROM TRADING OF FOREIGN CURRENCIES

	2024	2023
	VND million	VND million
Income from trading of foreign currencies	4,670,331	4,330,140
Income from spot trading of foreign currencies	2,469,340	3,019,894
Income from gold trading	5,526	172
Income from trading of monetary derivatives	2,195,465	1,310,074
Expenses for trading of foreign currencies	(3,894,351)	(5,069,981)
Expenses for spot trading of foreign currencies	(845,864)	(1,090,048)
Expenses for gold trading	(8,534)	(15,976)
Expenses for trading of monetary derivatives	(3,039,953)	(3,963,957)
	<u>775,980</u>	<u>(739,841)</u>

29. NET GAIN FROM SECURITIES HELD FOR TRADING

	2024 VND million	2023 VND million
Income from trading of securities held for trading	55,616	106,971
Expenses for trading of securities held for trading	(13,828)	(942)
	<u>41,788</u>	<u>106,029</u>

30. NET GAIN FROM INVESTMENT SECURITIES

	2024 VND million	2023 VND million
Income from trading of investment securities	335,932	328,218
Expenses for trading of investment securities	(72,898)	(113,276)
Provision charged/(reversed) for investment securities (Note 13.3)	147,870	42,384
	<u>410,904</u>	<u>257,326</u>

31. NET GAIN FROM OTHER OPERATING ACTIVITIES

	2024 VND million	2023 VND million
Other operating income	6,795,052	5,858,826
Income from other derivatives	3,749,848	3,533,159
Income from bad debt recoveries	2,743,022	2,095,313
Income from disposal of fixed assets	1,715	903
Income from disposal of other assets	32,500	327
Income from debt selling activities	188,732	106,949
Income from contracts breach penalty	330	1,368
Income support and other income	78,905	120,807
Other operating expenses	(4,195,367)	(2,817,788)
Expenses for other derivatives	(3,912,409)	(2,583,158)
Expenses from disposal of other assets	(26,638)	-
Other expenses	(256,320)	(234,630)
	<u>2,599,685</u>	<u>3,041,038</u>

32. INCOME FROM INVESTMENTS IN OTHER ENTITIES

	2024 VND million	2023 VND million
Dividend income	230,370	3,147
	<u>230,370</u>	<u>3,147</u>

33. OPERATING EXPENSES

	2024 VND million	2023 VND million
Tax, duties and fees	3,182	2,408
Personnel expenses	5,332,133	5,143,748
<i>In which:</i>		
Salary and allowances	4,874,420	4,736,164
Expenses related to salary	225,952	203,359
Subsidy	70,142	61,919
Other allowances	161,619	142,306
Fixed asset expenses	1,667,225	1,329,537
<i>In which:</i>		
Depreciation and amortization of fixed assets	407,688	325,609
Operating leases	798,123	636,742
Administrative expenses	1,092,340	957,536
<i>In which:</i>		
Expenses on per diem	25,788	22,955
Other provision charged	(185,883)	272,668
- Provision charged/(reversed) for other long-term investments (Note 14.3)	(203,218)	282,033
- Provision charged/(reversed) for doubtful debts (Note 16.4)	17,335	(9,365)
Insurance fee for customer deposits	431,141	301,649
Other operating expenses	1,272,372	1,155,360
	<u>9,612,510</u>	<u>9,162,906</u>

34. PROVISION EXPENSE FOR CREDIT LOSSES

	2024	2023
	VND million	VND million
Provision charged for loans to customers (Note 11)	16,437,404	12,456,495
Provision expense/(reversal) for debts purchased (Note 12)	(54,042)	73,740
Provision expense/(reversal) for other credit risk assets (Note 16.4)	36,815	-
	<u>16,420,177</u>	<u>12,530,235</u>

35. CASH AND CASH EQUIVALENTS

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

	31 December 2024	31 December 2023
	VND million	VND million
Cash and cash equivalents on hand	2,148,289	2,284,990
Balances with the SBV	13,733,896	7,891,943
Demand accounts at other credit institutions	10,688,980	9,442,612
Placements with other credit institutions with original term of three months or less	137,815,835	86,891,930
Securities with maturity date not exceed three months from purchasing date	-	1,660,896
	<u>164,387,000</u>	<u>108,172,371</u>

36. EMPLOYEES' REMUNERATIONS

	2024	2023
	VND million	VND million
I. Total average number of employees (persons) (only official employees)	14,301	13,308
II. Employees' remuneration (VND million)		
1. Salary	4,754,564	4,623,615
2. Other remuneration	577,569	174,468
3. Total remuneration (1+2)	<u>5,332,133</u>	<u>4,798,083</u>
4. Average monthly salary	<u>27.71</u>	<u>28.95</u>
5. Average monthly remuneration	<u>31.07</u>	<u>30.05</u>

37. COLLATERAL AND MORTGAGES

37.1 Assets, valuable papers received for mortgage, pledge and discount, rediscount

Details of customers' collateral and mortgages as at the reporting date are as follows:

	<i>Book value</i>	
	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Real estates	606,370,487	585,701,325
Movable assets	93,734,518	82,728,982
Valuable papers	46,213,845	79,606,408
Others	1,104,835,548	844,313,206
	1,851,154,398	1,592,349,921

Assets, valuable papers pledged, mortgaged and discounted taken from other credit institutions as at the end of the year are as follows:

	<i>Book value</i>	
	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Valuable papers	4,370,111	-

37.2 Assets, valuable papers for mortgage, pledge and discount, rediscount

Details of assets, valuable papers for mortgage, pledge and discount, rediscount at other credit institutions and set limit at SBV as at the end of the year are as follows:

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Valuable papers pledged or mortgaged (Note 13.1)	2,060,000	3,345,000
Valuable papers sold under agreements to repurchase (Note 13.1)	2,000,000	5,000,000
	4,060,000	8,345,000

38. CONTINGENT LIABILITIES AND COMMITMENTS

Detail of contingent liabilities and commitments as at the reporting date are as follows:

	31 December 2024 VND million	31 December 2023 VND million
Loan guarantees	848,721	1,754,978
Foreign exchange commitments	294,393,922	298,229,425
- Foreign exchange commitments - buy	2,972,620	264,965
- Foreign exchange commitments - sell	1,955,905	992,663
- Swap transaction commitment - receive	145,015,029	148,506,799
- Swap transaction commitment - pay	144,450,368	148,464,998
Letters of credit	16,461,049	38,680,116
Letters of credit	16,518,381	38,826,301
- Minus: margin deposit	(57,332)	(146,185)
Other guarantees	26,008,227	19,546,205
- Payment guarantees commitment	6,945,197	6,796,559
- Contract performance guarantees commitment	9,331,348	4,410,630
- Tender guarantees commitment	470,493	371,974
- Other guarantees commitment	9,932,864	8,370,870
Minus: Margin deposits commitment	(671,675)	(403,828)
Other commitments	338,994,341	282,690,471
- Cross-currency interest rate swap commitment - receive	35,247,878	30,098,391
- Cross-currency interest rate swap commitment - pay	36,696,070	30,677,552
- Swap interest rates in one currency commitment	39,136,588	21,973,473
- Buying and selling valuable papers commitment	6,558,266	3,366,684
- Other commitments	221,355,539	196,574,371
In which: Unused revocable credit limits	221,212,186	196,427,687
	676,706,260	640,901,195

39. OTHER OFF-BALANCE-SHEET ITEMS

39.1 Uncollected interests and fee receivables

	31 December 2024 VND million	31 December 2023 VND million
Uncollected loan interest	4,812,342	3,929,676
Uncollected security interest	122,176	40,252
Uncollected fee receivables	116,388	120,540
	5,050,906	4,090,468

39. OTHER OFF-BALANCE-SHEET ITEMS (continued)

39.2 Bad debts written off

	31 December 2024 VND million	31 December 2023 VND million
Principal of bad debt written off during follow-up period	28,373,541	21,095,569
Interest of bad debt written off during follow-up period	31,786,588	21,876,158
	<u>60,160,129</u>	<u>42,971,727</u>

39.3 Other assets and documents

	31 December 2024 VND million	31 December 2023 VND million
Other assets in custody	124,760,666	79,124,330
Outsourced assets (*)	-	-
Foreclosed assets of which ownership has been transferred to credit institutions, pending for settlement	34,845	-
Other valuable documents in custody	26,825,384	50,413,759
	<u>151,620,895</u>	<u>129,538,089</u>

(*) Due to insufficient information and lack of detailed guidance on value under Vietnamese Accounting Standards and Financial Reporting Regime for Credit Institutions, the Bank does not present these items.

40. RELATED PARTY TRANSACTIONS

Transactions with related parties are transactions conducted between the Bank and its related parties, including:

- (a) The parent company of the Bank, the Bank's subsidiaries, and companies under the same parent company of the Bank;
- (b) Managers, controllers, and members of the Supervisory Board of the Bank's parent company, and individuals or organizations competent to appoint these persons;
- (c) Managers, controllers, and members of the Supervisory Board of the Bank, and company or organizations competent to appoint these persons;
- (d) Organizations or individuals that own 5% or more of the Bank's charter capital or voting shares capital, and vice versa;
- (e) Immediate family members of managers, controllers, members of the Supervisory Board, capital contributors, or shareholders owning 5% or more of the Bank's charter capital or voting shares;
- (f) Individuals authorized to represent the Bank's capital contribution.

40. RELATED PARTY TRANSACTIONS (continued)

Significant transactions of related parties in the year are as follows:

Related parties	Transactions	Value	
		2024 VND million	2023 VND million
VPB SMBC FC - Subsidiary	Interest income from deposits at the subsidiary	849,436	609,872
	Income from consulting service and other fee income	33,593	35,497
	Interest expenses for deposits from the subsidiary	(54,533)	(62,185)
	Income from derivative contracts	137,989	101,025
	Expense from derivative contracts	(77,773)	(35,678)
	Income from settlement services	782	2,704
	Income from on-behalf payment/collection	-	2,018
VPB AMC -Subsidiary	Interest expenses for deposits from the subsidiary	(968)	(2,121)
VPBank S -Subsidiary	Interest expenses for deposits from the subsidiary	(6,709)	(6,136)
	Income from derivative contracts	39,571	1,222
	Expense from derivative contracts	(50,344)	(1,618)
	Consulting expense	-	(779)
	Revenue from payment services	898	-
OPES - Subsidiary	Interest expenses for deposits from the subsidiary	(10,148)	(4,842)
	Profit, reserve transferred from subsidiary	217,569	-
	Expense for insurance	(7,379)	(6,860)
	Income from insurance	130,725	183,145
Sumitomo Mitsui Banking Corporation - Major shareholder	Interest income from deposits at the SMBC	15,812	2,145
	Income from derivative contracts with SMBC	1,416,891	224,931
	Expense from derivative contracts with SMBC	(1,278,102)	(232,270)
	Other expenses	(197,891)	(26,350)
	Interest expenses on loans from SMBC	(446,529)	(101,688)
	Income from other services	2,925	-
Members of the Board of Management, Board of Supervision and Board of Directors	Deposit interest expenses	(6,977)	(22,548)

40. RELATED PARTY TRANSACTIONS (continued)

Significant receivables and payables with related parties as of 31 December 2024, and 31 December 2023, are as follows:

Related parties	Transactions	Receivables/(Payables)	
		31 December 2024 VND million	31 December 2023 VND million
VPB SMBC FC - Subsidiary	Demand deposits from the subsidiary	(227,945)	(1,158,521)
	Term deposits from the subsidiary	(3,029,718)	(500,000)
	Accrued interest payable on deposits from the subsidiary	(342)	(149)
	Term deposits at the subsidiary	24,480,000	20,220,000
	Accrued interest receivable on deposits at the subsidiary	128,699	41,438
	Debts purchased from the subsidiary	5,379,538	6,375,258
	Accrued interest receivable from derivative contracts	-	36,116
	Accrued interest payable for derivative contracts	-	(10,472)
	Demand deposits from the subsidiary	(345)	(478)
	Term deposits from the subsidiary	(39,600)	(24,600)
VPB AMC -Subsidiary	Accrued interest payable on deposits from the subsidiary	(50)	(34)
	Receivables related to advances	-	27,226
VPBank S -Subsidiary	Demand deposits from the subsidiary	(2,296,702)	(1,795,382)
	Accrued interest receivable from derivative contracts	1,427	1,222
	Accrued interest payable for derivative contracts	(1,359)	(1,618)
	Demand deposits from the subsidiary	(83,647)	(205,735)
OPES - Subsidiary	Term deposits from the subsidiary	(9,145)	(41,670)
	Accrued interest payable on deposits from the subsidiary	(192)	(625)
	Receivables from insurance and other services	46,409	32,159
	Other payables	(3,747)	(32,777)
Sumitomo Mitsui Banking . Corporation - Major shareholder	Borrowing from SMBC	(5,015,660)	(4,230,058)
	Accumulated loan interest	(82,141)	(23,905)
	Accrued interest receivable from derivative contracts	216,238	352,342
	Accrued interest payable for derivative contracts	(234,296)	(222,387)
	Prepaid expenses	169,843	148,867
	Deposits from SMBC	(408)	(597)
	Deposits at SMBC	23,166	25,022
	Deposits at the Bank	(93,426)	(194,907)

40. RELATED PARTY TRANSACTIONS (continued)

The value of derivative contracts and foreign currency trading of related parties are detailed as follows:

<i>Related parties</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
VPB SMBC FC - Subsidiary	-	5,453,780
VPBankS - Subsidiary	406,802	607,500
SMBC - Major shareholder	28,287,259	26,818,473

Remuneration of Members of Board of Directors, Board of Supervision and Board of Management

		<i>2024</i>	<i>2023</i>
	<i>Position</i>	<i>VND million</i>	<i>VND million</i>
<i>The members of the Board of Directors</i>			
Remuneration			
Mr. Ngo Chi Dzung	Chairman	(3,360)	(3,360)
Mr. Bui Hai Quan	Vice Chairman	(3,120)	(3,120)
Mr. Lo Bang Giang	Vice Chairman	(3,120)	(3,120)
Mr. Nguyen Duc Vinh	Member	-	-
Ms. Pham Thi Nhung	Member	-	-
Mr. Takeshi Kimoto	Member	-	-
Mr. Nguyen Van Phuc	Independent member	(1,200)	(1,200)
<i>The members of the Board of Supervision</i>			
Remuneration, salary and other allowance			
	Board of Supervision	(6,429)	(6,010)
<i>The members of the Board of Management</i>			
Salary and other allowance			
	Board of Management	(63,431)	(57,428)

Besides the transactions and balances presented above, the Bank does not have any other significant transactions, receivables and payables with its related parties as at 31 December 2024 and for the year then ended.

41. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY GEOGRAPHICAL REGIONS

Concentration of counterparties of the Bank by geographical regions as at 31 December 2024 are as follows:

	<i>Domestic VND million</i>	<i>Foreign VND million</i>	<i>Total VND million</i>
Loans to customers, debt purchased and credit granting to other credit institutions	630,181,579	2	630,181,581
Total fund mobilization	662,520,333	60,019,865	722,540,198
Credit commitments and other guarantees	43,246,593	71,404	43,317,997
Derivative instruments	307,819	(275,606)	32,213
Securities held for trading and investment securities	51,117,201	-	51,117,201

42. FINANCIAL RISK MANAGEMENT POLICIES

The Bank has exposure to the following risks from financial instruments:

- ▶ credit risk;
- ▶ liquidity risk; and
- ▶ market risk.

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

Risk management framework

The Board of Directors ("BOD") has overall responsibility for the establishment and oversight of risk management framework and is ultimately responsible for the quality and effectiveness of the Bank's risk management. To facilitate this oversight function, the Bank's BOD has established an Assets and Liabilities Committee ("ALCO") and a Risk Committee ("RCO") which are responsible for developing and monitoring key risk management policies for specific areas authorized by the BOD and periodically reporting to the BOD on their activities. These committees include both voting and non-voting members.

The Bank's risk management framework is established to form key principles in managing and controlling significant risks arising from the Bank's activities. Based on this, specific policies and regulations for each type of risk are established to assist the Bank in analyzing and determining appropriate risk limits, controlling and monitoring measures and ensuring adherence to the limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

42. FINANCIAL RISK MANAGEMENT POLICIES (continued)

42.1 Credit risk

The Bank is subject to credit risk through its loans to customers, placements with and loans to other banks and investments in corporate bonds and in cases where it acts as an intermediary on behalf of customers or other third parties or issues guarantees. Credit risk arises when a customer, obligor or partner fails to perform or improperly performs or does not fulfill their obligations under the commitments and agreements entered into with the Bank. The Bank's primary exposure to credit risk arises through its loans and advances to corporates and retail customers and investments in corporate bonds. The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the separate statement of financial position. In addition, the Bank is exposed to off statement of financial position credit risk through guarantees commitments, letters of credit and derivatives issued.

Credit risk management

Credit risk is the one that exerts the largest impact on the Bank's income and capital. The Bank has established a credit risk appetite on the basis of managing credit activities in a prudent manner and pre-determined credit limits including the credit concentration risk limits and adhering to the Bank's risk tolerance. In principle, the Bank identifies and manages credit risk in all activities and products with potential credit risk and ensures that the Bank provides new products only when sufficient regulations and procedures related to new products or operation in new markets in order to identify, measure, evaluate, monitor and control critical exposure risks are in place. To keep credit risks under control, the Bank's policy is to engage in transactions with reliable partners, and request its partners to take guarantee measures as and when required.

The credit risk management system is operating based on the principles of independence and centralization. Accordingly, the development of risk management policies, determination of risk limits and risk monitoring, risk reporting and risk control are implemented independently and centrally at the Risk Management Division. The reports from the Risk Management Division are a basis for RCO to issue key credit decisions.

The Bank measures credit risks, makes allowances and complies with safe ratios for loan and advances to customers and to other credit institutions in accordance with relevant regulations of the SBV.

The Bank's overall approach to credit risk is a risk-based approach. Accordingly, credit approval or credit valuation decisions as well as the behavioral methods in monitoring and classifying credits and controlling credit risks are being designed following the risk levels of customers. To this end, key activities being implemented by the Bank include the followings:

- ▶ Focusing on completion of data infrastructure used for developing credit rating and risk classification systems in accordance with international standards;
- ▶ Developing and completing the credit rating system and the scorecard system;
- ▶ Gathering and reviewing credit policies/documents of the whole system to reassess the integrity and responsiveness to the requirements specified in the policies of Risk Management Framework;
- ▶ Completing the credit quality monitoring mechanism for the entire life cycle of a loan;
- ▶ Developing an early credit risk warning system; and
- ▶ Developing a debt recovery and restructuring system.

42. FINANCIAL RISK MANAGEMENT POLICIES (continued)

42.1 Credit risk (continued)

Credit risk management (continued)

The maximum exposure to credit risk before collateral held or other credit enhancements

The maximum exposures to credit risk relating to asset groups, which are equivalent to their carrying values in the separate statement of financial position, are listed below:

	<i>Not past due VND million</i>	<i>Past due but not impaired VND million</i>	<i>Past due and individually impaired VND million</i>	<i>Total VND million</i>
Placements with and credit granting to other credit institutions	156,621,197	-	-	156,621,197
- <i>Placements with other credit institutions</i>	148,504,815	-	-	148,504,815
- <i>Credit granting to other credit institutions</i>	8,116,382	-	-	8,116,382
Loans to customers and debts purchased	567,369,053	10,524,267	44,171,879	622,065,199
Investment securities	49,061,201	2,056,000	-	51,117,201
Other assets	21,403,744	-	182,026	21,585,770
Total	794,455,195	12,580,267	44,353,905	851,389,367

The above table presents the worst scenario in which the Bank will incur the maximum credit exposures as at 31 December 2024, without taking into account of any collateral held or their credit enhancement.

The Bank's not past due assets include group 1 debts in accordance with Circular 31; securities, receivables and other assets that are not past due and are not required to make provisions in accordance with Circular 48 and Circular 24. The Bank estimates that it is capable of recovering these assets in full and on time in the future.

The Bank's overdue financial assets are classified according to each partner with credit risk according to quantitative methods guided by Circular 31.

The financial assets are past due but not impaired due to the Bank is currently holding the sufficient collateral assets to cover for credit losses in accordance with the current regulations of the SBV. The Bank is currently holding collateral in the form of real estates, mobile assets, valuable papers and other types for the above collateral. However, it has not been able to determine the fair value of such assets due to the inadequacy of specific guidance from the SBV and other authorities nor necessary market information.

42. FINANCIAL RISK MANAGEMENT POLICIES (continued)

42.2 Market risk

Market risk is risk of losses due to unexpected and adverse changes in market price factors (including interest rates, exchange rates, equity prices, commodity price, etc.) that will affect the Bank's income and capital.

Market risk management

Market risk management is implemented by the Market and FI Risk Department under the Risk Management Division. The Market and FI Risk Department is responsible for developing of market risk management policies and processes, designing measurement instruments, proposing independent market risks limits to high level of management for approval and monitoring market risks limit on daily/monthly basis according to the Bank's regulations. Matters related to market risk, liquidity risk, banking book interest risk are under monitoring and advisory function of Market Risk Sub-committee (MACO).

Related to internal Market risk management regulations, the Bank has issued Market risk management policies, which stipulates principles of risk management, roles and responsibilities of stakeholders in the market risk management process, standardizes measuring and monitoring method for market risk. Besides, policies related to segregation between Trading Book and Banking Book has also been issued in accordance with the SBV's regulations and Basel II standards, ensuring to manage the model by risk appetite. To manage by unit level, the Bank set up strategy for each Unit of Financial Markets and Transaction Banking Division, which is reviewed and updated annually. The strategy clearly regulated business strategy, analysis of potential risks and hedging strategy for each portfolio. Valuation methodology is also established in accordance with IFRS, which enables the Bank to determine fair value of financial instruments appropriately.

All types of market risk of the Bank (include currency risk, interest rate risk, price risk, option risk, volatility risk, credit spread risk and market liquidity risk) are subject to in-depth analysis, identification and quantification with internal limits system. Risk monitoring and controlling that includes regular (normally daily) risk reporting process and escalations process in case of any violations.

The system of limits relating to market risks is established based on 2 methods: top-down method which is based on the Bank's risk appetite, the SBV's regulations and agreements with strategic partners and bottom-up method which is based on specific needs of operation units and risk-profit analysis.

For risk management of partners, the Bank issued regulation on determining and approving transaction limit of the Bank to financial institutions, which specifies regulations to determine limit for transactions with market risk and counterparty risk factors, ensures all risk factors being considered in limit granting process.

(a) Interest Rate Risk

Interest rate risk arises when there is a difference in interest rate re-pricing term between assets and liabilities. All credit, mobilization and investment activities of the Bank incur interest rate risks.

Based on the "interest rate sensitive" status according to each period of interest rate changes, indicators such as assets, capital and off-balance sheet assets are classified into the terms of the "interest rate gap" table of the Bank.

42. FINANCIAL RISK MANAGEMENT POLICIES (continued)

42.2 Market risk (continued)

(a) Interest Rate Risk (continued)

Interest rate repricing term for items with fixed interest rates is the remaining time until the maturity of the asset, for floating interest rates it is the remaining time until the nearest interest rate repricing period.

The following assumptions and conditions are applied in constructing the "interest rate risk gap" table:

- Cash and gold, balances with the SBV, long-term investments, fixed assets, other assets and other liabilities are classified as "Non-interest bearing";

- The interest repricing term of held-for-trading securities and investment securities is calculated based on the remaining contractual payment/maturity date if those securities have a fixed interest rate or based on the nearest repricing date if these securities have a floating interest rate;

- The interest repricing term of placement at and loans to other FIs, derivatives, loans to customers, debts purchased; balances with the Government and the SBV; placement and borrowings from other FIs, and deposits from customers are identified as follows:

- + Items with fixed interest rates: repricing term based on contractual maturity date since the reporting date of the separate financial statements;

- + Items with floating interest rates: repricing term based on the nearest repricing date since the reporting date of the separate financial statements;

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42. FINANCIAL RISK MANAGEMENT POLICIES (continued)

42.2 Market risks (continued)

(a) Interest rate risk (continued)

The below table shows an analysis of the interest re-pricing period of assets and liabilities as at 31 December 2024:

	Overdue million	Non- interest bearing million	Interest re-pricing period						Total VND million
			Up to 1 month VND million	From 1 to 3 months VND million	From 3 to 6 months VND million	From 6 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million	
Assets									
Cash, gold and gemstones	-	2,148,289	-	-	-	-	-	-	2,148,289
Balances with the State Bank of Vietnam	-	13,733,896	-	-	-	-	-	-	13,733,896
Placements with and credit granting to other CIs - gross	-	-	138,697,194	15,757,331	1,965,854	200,818	-	-	156,621,197
Loan to customers and debts purchased - gross	10,344,377	-	281,951,643	148,287,747	68,191,075	85,322,229	27,600,228	367,900	622,065,199
Investment securities - gross	720,000	1,008,284	7,077,842	6,115,449	1,900,000	1,031,919	7,322,681	25,941,026	51,117,201
Long-term investments - gross	-	22,323,000	-	-	-	-	-	-	22,323,000
Fixed assets	-	1,693,650	-	-	-	-	-	-	1,693,650
Other assets - gross	182,026	21,403,744	-	-	-	-	-	-	21,585,770
Total assets	11,246,403	62,310,863	427,726,679	170,160,527	72,056,929	86,554,966	34,922,909	26,308,926	891,288,202
Liabilities									
Amounts due to the Government and the SBV	-	-	5,713	-	-	-	-	-	5,713
Deposits and borrowings from financial institutions and other credit institutions	-	-	127,517,416	21,103,448	31,710,610	9,860,154	-	-	190,191,628
Customer deposits	-	-	160,519,977	121,754,807	126,298,197	67,488,308	9,673,616	832	485,735,737
Derivatives and other financial liabilities	-	-	11,306,700	295,652	(300,447)	(3,182,132)	(8,087,560)	-	32,213
Other borrowed and entrusted funds	-	-	-	10,894	-	-	-	-	10,894
Valuable papers issued	-	-	2,910,000	1,767,000	17,930,000	19,000,000	4,989,226	-	46,596,226
Other liabilities	-	16,974,628	-	-	-	-	-	-	16,974,628
Total liabilities	-	16,974,628	302,259,806	144,931,801	175,638,360	93,166,330	6,575,282	832	739,547,039
Interest sensitivity gap (balance sheet)	11,246,403	45,336,235	125,466,873	25,228,726	(103,581,431)	(6,611,364)	28,347,627	26,308,094	151,741,163
Interest sensitivity gap (off-balance sheet)	-	-	10,888,233	(1,914,030)	803,487	(2,366,749)	(8,217,177)	-	(806,236)
Interest sensitivity gap (on, off- balance sheet)	11,246,403	45,336,235	136,355,106	23,314,696	(102,777,944)	(8,978,113)	20,130,450	26,308,094	150,934,927

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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42. FINANCIAL RISK MANAGEMENT POLICIES (continued)

42.2 *Market risk* (continued)(b) *Currency risk*

Currency risk (commonly referred to as exchange-rate risk) is the risk of losses due to negative changes in the fair value of positions measured in local currency due to exchange rate fluctuations. Foreign currency positions as well as positions in gold and other precious metals bear exchange rate risk. Exchange rate risk arises in case the portfolio or specific position contains spot or future cash flows denominated or indexed to currency other than local currency. Exchange rate risk originates both in Trading Book and Banking Book. Exchange rate risk directly affects the statement of financial position and statement of profit and loss since assets, liabilities and earnings in foreign currency need to be converted into the reference currency.

Currency risk management

Exchange rate risk is managed by the means of limits on open FX position in every currency as well as total open FX position. The Bank's management has set limits on position for each currency in accordance with the Bank's business strategy and the SBV's regulations. VND is the major currency of transactions within the Bank; USD is transacted by loans, deposits and derivatives; other currencies are very tiny proportion of the Bank's assets and liabilities. Open currency positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

Exchange rates of major currencies as at the reporting date are presented in *Note 47*.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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42. FINANCIAL RISK MANAGEMENT POLICIES (continued)

42.2 Market risks (continued)

(b) Currency risk (continued)

The following table presents assets and liabilities in foreign currencies translated into VND as at 31 December 2024:

	EUR equivalent VND million	USD equivalent VND million	Gold equivalent VND million	Other currencies equivalent VND million	Total VND million
Assets					
Cash, gold and gemstones	24,730	161,545	28,388	42,152	256,815
Balances with the State Bank of Vietnam	791	208,148	-	-	208,939
Placements with and credit granting to other credit institutions - gross	124,811	23,182,584	-	227,993	23,535,388
Loan to customers and debts purchased - gross	64,286	10,826,830	-	-	10,891,116
Other assets - gross	1,192	1,279,358	-	4,242	1,284,792
Total assets	215,810	35,658,465	28,388	274,387	36,177,050
Liabilities					
Deposits and borrowings from the Government and the SBV, financial institutions and other credit institutions	64,430	70,200,479	-	-	70,264,909
Customer deposits	118,448	3,366,609	-	141,547	3,626,604
Derivatives and other financial liabilities	66,471	(39,947,389)	-	74,725	(39,806,193)
Other liabilities	2,686	1,790,046	-	98,851	1,891,583
Total liabilities	252,035	35,409,745	-	315,123	35,976,903
FX position on balance sheet	(36,225)	248,720	28,388	(40,736)	200,147
FX position off-balance sheet	1,328	1,027,270	-	(11,883)	1,016,715
Net on, off-balance sheet FX position	(34,897)	1,275,990	28,388	(52,619)	1,216,862

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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42. FINANCIAL RISK MANAGEMENT POLICIES (continued)

42.2 Market risk (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Bank will not be able to meet its financial obligations as and when they fall due, or that the Bank will be able to meet its financial obligations as and when they fall due but significant losses are required to meet such obligations. Liquidity risk may lead to negative effect on the Bank's profit, reputation, equity, even causes the Bank's bankruptcy.

Liquidity risk management

The Bank management the liquidity of the entire Bank by each main currency (VND, USD) in accordance with the mechanism and process on liquidity regulating, monitoring and managing as specified in liquidity management policies, processes and procedures. Accordingly, liquidity risk management of the Bank is implemented through a strengthened cooperation between the Asset-Liability Management and Risk Management. Asset-Liability Management Division plays a leading role in management of liquidity in accordance with the Bank's risk appetite, risk criteria, risk management strategies and policies which are developed by Risk Management Division.

The Bank maintains a specific portfolio and volume of high-liquid assets, which may include but not limited of cash, gold, interbank deposits. Government bonds and other high-liquid assets in order to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation. The Bank will establish specific liquidity gap and follow strictly on each period based on Assets and Liabilities structure.

The Bank understands the interrelation of credit risk and market risk and how they may have impacts on the Bank's liquidity. The Bank also realizes that liquidity risks come from two sides of its statement of financial position. Therefore, the Bank's approach to managing liquidity is to constantly focus on diversification of investment and credit activities and increases of accessibility to capital markets by raising fund through various tools and products.

The Bank adopts both of the common approaches to managing liquidity, namely Stock Approach and Flow Approach. Accordingly, the Bank monitors on a daily basis the compliance with adequate liquidity ratios and forecast movements of cash flows which may have impact on the Bank's liquidity position in the future to ensure compliance at any time with all the regulations of the SBV as well as its internal regulations.

Liquidity risk limits are established based on results of the Bank's liquidity forecast in normal and stressed market conditions. Regular liquidity stress testing is conducted under a variety of scenarios covering adverse conditions. The Bank issues specific regulations on a Liquidity Contingency Plan ("LCP") which clearly specify the roles and responsibilities of each unit and individual and a coordination process for implementation when there appear signs of a possible stressed liquidity event.

Maturity of assets and liabilities represents the remaining term of assets and liabilities from the date of preparation of the separate financial statements to the final payment as stipulated in the contract or in the terms of issuance.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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42. FINANCIAL RISK MANAGEMENT POLICIES (continued)

42.2 *Market risk* (continued)

(c) *Liquidity risk* (continued)

The following assumptions and conditions are applied in the maturity analysis of the Bank's assets and liabilities:

- ▶ Balances with the SBV are classified as payment deposits with a maturity of up to 1 month, which includes required reserve deposits. The balance of required reserve deposits depends on the composition and maturity of the Bank's customer deposits;
- ▶ The maturity of securities held for trading is considered to have a maturity of less than 1 month because these securities are held in the short term for profit taking on price differences.
- ▶ The maturity of investment securities is based on the maturity dates of each type of securities. In particular, securities issued/guaranteed by the Government, although classified as long-term according to the remaining term, are liquid assets on the market and can be completely converted into cash within a short period of time.
- ▶ The maturity of balances with and loans to financial institutions, other credit institutions and loans to customers is determined based on the contractual maturity date. Actual maturity date may change due to loan contracts being extended/prepaid;
- ▶ The maturity of capital contributions, equity investments is considered to be over five (5) years because these investments do not have a definite maturity or a time specified in the Investment Resolution of the Bank;
- ▶ The maturity of deposits and loans from financial institutions, other credit institutions, customer deposits, Government borrowings and other assets are determined based on either the nature of the assets or the maturity date on the contract. Payment deposit accounts are processed according to customer requests and are classified as demand deposits. Maturity for loans and term deposits is determined based on the contractual maturity date. In practice, they may be rolled over and maintained for longer periods than the original maturity;
- ▶ The maturity term of fixed assets is determined on the remaining useful life of assets;
- ▶ The maturity term of issued securities is determined based on the contractual maturity;
- ▶ The maturity term of other liabilities is classified as up to one month;

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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42. FINANCIAL RISK MANAGEMENT POLICIES (continued)

42.2 Market risk (continued)

(c) Liquidity risk (continued)

The table below presents the analysis of remaining maturity of assets and liabilities of the Bank as at 31 December 2024:

	Overdue		Current					Total VND million
	Above 3 months VND million	Within 3 months VND million	Up to 1 months VND million	From 1 to 3 months VND million	From 3 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million	
Assets								
Cash, gold and gemstones	-	-	2,148,289	-	-	-	-	2,148,289
Balances with the State Bank of Vietnam	-	-	13,733,896	-	-	-	-	13,733,896
Placements with and credit granting to other credit institutions - gross	-	-	138,697,195	15,757,331	2,166,671	-	-	156,621,197
Loan to customers and debts purchased - gross	5,865,789	4,478,588	58,757,805	58,835,376	203,540,765	197,047,588	93,539,288	622,065,199
Investment securities - gross	720,000	-	4,939,198	3,640,307	2,379,804	13,464,947	25,972,945	51,117,201
Long-term investments - gross	-	-	-	-	-	-	22,323,000	22,323,000
Fixed assets	-	-	-	-	-	-	1,693,650	1,693,650
Other assets - gross	182,026	-	16,574,439	478,079	4,351,226	-	-	21,585,770
Total assets	6,767,815	4,478,588	234,850,822	78,711,093	212,438,466	210,512,535	143,528,883	891,288,202
Liabilities								
Amounts due to the Government and the SBV	-	-	2,395	2,181	1,137	-	-	5,713
Deposits and borrowings from financial institutions and other credit institutions	-	-	108,996,295	13,473,134	43,732,269	21,702,085	2,287,845	190,191,628
Customer deposits	-	-	160,519,976	121,754,807	193,786,506	9,673,616	832	485,735,737
Derivatives and other financial liabilities	-	-	(94,395)	(107,898)	(149,315)	383,821	-	32,213
Other borrowed and entrusted funds	-	-	-	1,701	3,671	5,522	-	10,894
Valuable papers issued	-	-	2,910,000	1,767,000	36,930,000	4,989,226	-	46,596,226
Other liabilities	-	-	16,974,628	-	-	-	-	16,974,628
Total liabilities	-	-	289,308,899	136,890,925	274,304,268	36,754,270	2,288,677	739,547,039
Net liquidity gap	6,767,815	4,478,588	(54,458,077)	(58,179,832)	(61,865,802)	173,758,265	141,240,206	151,741,163

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

42. FINANCIAL RISK MANAGEMENT POLICIES (continued)

42.2 Market risk (continued)

(d) Other market price risk

Other than the assets and liabilities presented above, the Bank are not exposed to other market price risks with risk levels accounting for 5% of the Bank' net income or with value of relating assets/liabilities accounting for 5% of the Bank' total assets.

43. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial year beginning on or after 1 January 2011.

The Circular 210 only regulates the presentation of financial statements and disclosures financial instruments, therefore, the below definitions of financial assets, financial liabilities and other relating definitions are applied solely for the preparation of this Note. The Bank's assets and liabilities are still recognized and recorded in accordance with Vietnamese Accounting Standards, Accounting System for Credit Institutions, regulations of the State Bank of Vietnam and statutory requirements relevant to preparation and presentation of the separate financial statements.

Financial assets

Under Circular 210, financial assets of the Bank include balance with the SBV and placement with other credit institutions, loans to customers and credit granting to other institutions, investment security, other receivables and currency derivative contracts.

Financial assets within the scope of Circular 210, for disclosures in the notes to the separate financial statements, are classified into either of the followings:

► *Financial asset at fair value through profit or loss*

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

- a) A financial asset is classified as held for trading if:
 - ✓ It is acquired or incurred principally for the purpose of reselling or repurchasing it in the near term;
 - ✓ There is evidence of a recent actual pattern of short-term profit-taking; or
 - ✓ It is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).
- b) Upon initial recognition, it is designated by the entity as at fair value through profit or loss.

► *Held to maturity investments*

Held to maturity investments are non-derivative financial assets with determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than:

- a) Those that the entity upon initial recognition designates as at fair value through profit or loss;
- b) Those that the entity designates as available for sale;
- c) Those meet the definition of loans and receivables.

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

43. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial assets (continued)

► *Loans and receivables:*

Loans and receivables are non-derivative with fixed payments or can be recognized and are not quoted on the market, unless:

- a) Those that the Bank intends to sell immediately or in the near future are classified as assets held for trading purposes, and others that at the same time of initial recognition that the entity classified at fair value according to result of statement of profit and loss;
- b) Those that the Bank classifies as available-for-sale at the time of initial recognition; or
- c) Those that the holders may not recover most of the initial investment cost, not due to the impairment of the credit quality and are classified as available-for-sale.

► *Available-for-sale financial assets*

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as:

- a) Loans and receivables;
- b) Held-to-maturity investments;
- c) Financial assets at fair value through profit or loss.

Financial liabilities

According to Circular 210 financial liabilities of the Bank includes deposits and borrowings from other institutions, valuable papers issued and other financial liabilities.

Financial liabilities within the scope of Circular 210, for disclosures in the notes to the separate financial statements, are classified into either of the followings:

► *Financial liability at fair value through profit or loss:*

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

- a) It is classified as held for trading. A financial liability is classified as held for trading if:
 - ✓ It is acquired or incurred principally for the purpose of reselling or repurchasing it in the near term;
 - ✓ There is evidence of a recent actual pattern of short-term profit-taking; or
 - ✓ It is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).
- b) Upon initial recognition, it is designated by the entity as at fair value through profit or loss.

► *Financial liabilities at amortized cost:*

Financial liabilities that are not classified as at fair value through profit or loss are classified as at amortized cost.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the separate statement of financial position if and only if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

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

43. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The carrying value and fair value of financial assets and liabilities as at 31 December 2024 are presented as follows:

	Carrying value						
	<i>Financial assets at fair value through profit and loss</i>	<i>Held-to- maturity</i>	<i>Loans and receivables</i>	<i>Available-for- sale</i>	<i>Other assets and liabilities recorded at amortized cost</i>	<i>Total</i>	<i>Fair value</i>
	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>
Cash, gold and gemstones	-	-	2,148,289	-	-	2,148,289	2,148,289
Balances with the State Bank of Vietnam	-	-	13,733,896	-	-	13,733,896	(*)
Placements with and credit granting to other credit institutions - gross	-	-	156,621,197	-	-	156,621,197	(*)
Loan to customers and debts purchased - gross	-	-	622,065,199	-	-	622,065,199	(*)
Available-for-sale securities - gross	-	-	-	50,124,274	-	50,124,274	(*)
Held-to-maturity securities - gross	-	992,927	-	-	-	992,927	(*)
Long-term investments - gross	-	-	-	189,210	-	189,210	(*)
Other assets - gross	869,227	-	14,564,823	934,709	-	16,368,759	(*)
	<u>869,227</u>	<u>992,927</u>	<u>809,133,404</u>	<u>51,248,193</u>	<u>-</u>	<u>862,243,751</u>	
Amounts due to the Government and the SBV	-	-	-	-	5,713	5,713	(*)
Deposits and borrowings from financial institutions and other credit institutions	-	-	-	-	190,191,628	190,191,628	(*)
Customer deposits	-	-	-	-	485,735,737	485,735,737	(*)
Derivatives and other financial liabilities	32,213	-	-	-	-	32,213	(*)
Other borrowed and entrusted funds	-	-	-	-	10,894	10,894	(*)
Valuable papers issued	-	-	-	-	46,596,226	46,596,226	(*)
Other liabilities	940,158	-	-	-	13,324,011	14,264,169	(*)
	<u>972,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>735,864,209</u>	<u>736,836,580</u>	

(*) The fair value of these financial assets and liabilities cannot be determined because there is no specific guidance in determination of fair value under Vietnamese Accounting Standards and Accounting System.

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

44. SEGMENT INFORMATION

A segment is a component determined separately by the Bank which is engaged in providing related products or services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

44.1 The primary segment information by business segment

The Bank has one business segment – the banking operation, which principal activities, products and services are as follows:

- Mobilizing deposits;
- Providing credit;
- Wire transfer; settlement services; and
- Other banking operations.

The Bank's management identifies that there is only one business segment and hence, risks and returns are only in this one business segment. Therefore, the presentation of business segment information is not required.

44.2 The supplementary segment information by geographical area

The Bank's principal activities are mainly taking place within Vietnam. Therefore, the Bank's risks and returns are not impacted by the Bank's operations that are taken place in different locations. Therefore, the Bank's management identifies that the Bank has only one geographical segment. Accordingly, the presentation of geographical segment information is not required.

45. CHANGE IN NET PROFIT AFTER TAX

The separate profit after tax for the quarter IV of 2024 of the Bank increased by VND2,191,801 million compared to the separate profit after tax for the quarter IV of 2023, equivalent to 110.3% increase due to the following reason:

	<i>Profit after tax</i> <i>VND million</i>
Profit increase due to increase in interest and similar income	2,134,711
Profit decrease due to decrease in net fee and commission income	(548,688)
Profit increase due to increase in net gain from trading of foreign currencies	403,028
Profit increase due to increase in net gain from securities held for trading	5,837
Profit increase due to increase in net gain from investment securities	37,258
Profit increase due to increase in net gain from other operating activities	304,278
Profit increase due to increase in income from investments in other entities	88,656
Profit increase due to decrease in operating expenses	533,510
Profit decrease due to increase in provision for credit losses	(245,623)
Change in profit before tax	2,712,967
Change in corporate income tax expense	(521,166)
Change in profit after tax	2,191,801

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

46. EVENTS AFTER THE SEPARATE STATEMENT OF FINANCIAL POSITION DATE

On 9 January 2025, the Bank's Board of Directors approved Resolution No. 09/2025/NQ-HDQT regarding the purchase of shares from the rights offering to existing shareholders of OPES Insurance Joint Stock Company, with the additional number of shares purchased is 62,947,826 shares.

On 15 January 2025, the Bank's Board of Directors approved Resolution No. 10/2025/NQ-HDQT regarding the additional purchase of shares as per the Notification on the Distribution of Unsold Shares in the First Offering by OPES Insurance Joint Stock Company, with the additional number of shares purchased is 552,174 shares.

On 17 January 2025, State Bank of Vietnam announced the Decision to compulsorily transfer Global Petro Sole Member Limited Commercial Bank (GPBank), which is 100% state-owned, to VPBank according to the plan approved by the Government.

Except for the above event, there have been no significant events occurring after reporting date requiring adjustments and disclosures to be made in the separate financial statements of the Bank.

47. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VND AT THE REPORTING DATE

	31 December 2024 VND million	31 December 2023 VND million
AUD	15,872	16,476
CAD	17,766	18,260
CHF	28,250	28,740
CNY	3,493	3,407
DKK	3,160	3,160
EUR	26,566	26,699
GBP	32,039	30,796
JPY	164	171
NZD	14,374	17,249
SEK	3,078	3,078
SGD	18,783	18,332
THB	640	640
USD	25,421	24,170
XAU (*)	832,000	745,000

(*) This is exchange rate for 0.01 tael of gold

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Hanoi, Vietnam

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